

Tax & Legal Weekly Alert

19 – 23 December 2016

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The entry into force of Law no. 151/2015 on insolvency procedures applicable to individuals was postponed for 1 August 2017

According to a press release published on 16 December, in its meeting dated 15 December 2016, the Government approved, through an emergency ordinance, the postponement of the entry into force of Law No. 151/2015 on insolvency procedures applicable to individuals for 1 August 2017.



The entry into force of Law no. 151/2015 on insolvency procedures applicable to individuals was postponed for 1 August 2017

Extending the deadline for the entry into force of Law No. 151/2015 with 7 months from the previously announced date (31 December 2016) is due to the delay in implementing the legal and administrative framework, necessary for enforcing such law.

The main reasons for extending the date of entry into force of Law No. 151/2015

Although the Law regulated concrete deadlines, according to a press release from the Government, the implementation steps intended for preparing its entry into force have not yet been finalized, certain measures still being needed for enforcing the Law, as follows:

- **Adopting the rules implementing the Law**, as required by art. 92 para. (2). Until now, a project of a government decision regarding the implementing rules has been drafted, and is now under approval process by the relevant ministries.
- **Establishing 42 regional insolvency commissions for monitoring and coordinating the insolvency procedure, as well as the necessary technical apparatus.** To this date, no commissions have been set up; however, Government Decision No. 11/2016 regarding the organization and functioning of the insolvency commissions was approved.
- **Ensuring the financial and human resources necessary for the functioning of the administrative framework.** The duration of the professional training program forming specialists in the field of insolvency procedures applicable to individuals is between 1 and 3 months.

In the context of lack of methodological norms for establishing rules and procedures applicable to personal insolvency proceedings, as well as the delay in the proposed implementation steps, not extending the date of the entry into force would lead to the impossibility of enforcing the procedure and to the existence of many problems in practice.

To this date, the emergency ordinance extending the deadline for the entry into force of Law No. 151/2015 on insolvency procedures applicable to individuals was not published with the Official Gazette.

For further questions regarding the aspects mentioned in this alert, please contact us.

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