



EUROPEAN COMMISSION

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*Ms Regina BASTOS
Chairperson of the
European Affairs Committee
Assembleia da República
Palácio de S. Bento
P – 1249-068 LISBOA*

*cc. Mr Eduardo FERRO RODRIGUES
President of the
Assembleia da República
Palácio de S. Bento
P – 1249-068 LISBOA*

Dear Chair,

The Commission would like to thank the Assembleia da República for its Opinion on the Proposal for a Directive of the European Parliament and of the Council on preventive restructuring frameworks, second chance and measures to increase the efficiency of restructuring, insolvency and discharge procedures and amending Directive 2012/30/EU {COM(2016) 723 final} .

The Commission's proposal falls under two Commission priority policies: first, the Capital Markets Union Action Plan¹ of 30 September 2015 which stated notably that the Commission would table a legislative initiative on business insolvency addressing the most important barriers to the free flow of capital and building on national regimes that work well, and second the Single Market Strategy² of 28 October 2015 which noted that the Commission would support honest entrepreneurs and propose legislation to ensure that Member States provide a regulatory environment that is able to accommodate failure without dissuading entrepreneurs from trying new ideas.

This policy has also been supported by the Council of Ministers. The Competitiveness Council Conclusions of May 2011 called on Member States to reduce the discharge period and debt settlement for honest entrepreneurs after bankruptcy to 3 years maximum by 2013³.

¹ COM(2015) 468 final.

² COM(2015) 550 final.

³ Council Conclusions on the review of the 'Small Business Act', for Europe, adopted on 30 May 2011:
<http://register.consilium.europa.eu/doc/srv?l=EN&f=ST%2010975%202011%20INIT>

The Economic and Financial Affairs (ECOFIN) Council Conclusions of June 2016 on a roadmap to complete the Banking Union underlined the importance of the work carried out by the Commission on a legislative proposal for minimum harmonisation in the field of insolvency law in the context of the Capital Markets Union, noting that this may also support efforts to reduce future levels of non-performing loans⁴.

The Commission welcomes the Assembleia da República's support for this initiative. It shares the view that the proposal would strengthen the European economy's resilience to future economic shocks and would have a positive impact in terms of companies in difficulties avoiding insolvency, jobs saved, reduced levels of non-performing loans and more investment due to the increased legal certainty on creditors' rights.

The Commission looks forward to continuing our political dialogue in the future.

Yours faithfully,

*Frans Timmermans
First Vice-President*

*Věra Jourová
Member of the Commission*

⁴ Council Conclusions of 17 June 2016: http://www.consilium.europa.eu/press-releases-pdf/2016/6/47244642837_en.pdf