This questionnaire addresses the issues affecting the interface between insolvency law and company law, and should be answered providing a) references to the statutes and provisions quoted; b) relevant cases, if any; c) any other supporting information, such as references to books or articles.

As an introduction to the questionnaire, consider the following examples of interaction and conflicts between insolvency law and company law (the examples, that assume certain characteristics of some legal systems, should be understood as having only illustrative purposes):

1) A company is under a reorganization procedure. Its directors have prepared a reorganization plan that, inter alia, provides for the conversion of creditors’ claims into equity of the company. In more detail, the plan would provide for the cancellation of the existing shares and the issuance of new shares to be allotted according to the plan, exclusively to the company’s creditors, except if the shareholders make a new contribution into the company.

The plan also provides for the transfer of a substantial part of the business to a third party. The shareholders oppose the plan. However, the creditors and the board, with the support of a due diligence analysis, have reason to believe that the opposition is unreasonable, as the value of the company’s liabilities clearly exceeds the value of the assets, and in a liquidation the shareholders would not receive any proceeds.

2) In a company under a reorganization procedure, the plan foresees the issuance of new shares to be allotted to the company's creditors, diluting the existing shares but without cancelling them. The new shares would have prevailing voting and governance rights over the existing shares. The shareholders oppose the plan.

3) A reorganization plan foresees, inter alia, a capital increase structured in such a way to ensure that a substantial share in the company would be acquired by an external investor, whose resources/business strategies would help save the long-term operation of the company. However, the shareholders opposing the plan decide to exercise their pre-emption rights in the capital increase, thereby defeating the plan’s strategy based on the stepping-in of the significant investor.

4) A company is under a reorganization procedure and the board of directors is designing a plan that, while ensuring the viability of the business, would adversely affect the rights of the shareholders. A minority shareholder requests that a general meeting of the company be held, seeking the approval of several proposals by the meeting, including the removal of the directors of the company in reorganization.

5) A reorganization plan is approved with the decisive support of intra-group (insider) creditors, with the result that unsecured creditors suffer a loss, whereas shareholders retain value in the reorganized company.

These stylized examples, drawn from a number of real cases in different jurisdictions around
the world, illustrate the tension between the shareholders, the creditors and, in general, company law and insolvency law.

The purpose of the following questionnaire is to identify how shareholder rights are affected by the insolvency of the company (including in cases of imminent insolvency), and the interaction between shareholder rights and the normal operations in an insolvency process (either a liquidation or a reorganization process). Although some general questions are also relevant for insolvency procedures applicable to special regulated companies (i.e., for example, financial institutions), the questionnaire is designed to analyse the conflicts between company and insolvency laws applicable to ‘common companies’ (i.e., the joint stock entities commonly used in your jurisdiction to carry on non-regulated businesses). Thus, specific answers on special categories of companies are required only when expressly stated.

The main issues can be summarized as follows:

- The respective powers of the board and the shareholders’ meeting in insolvency proceedings;

- The substantive and procedural rights of shareholders in a company subject to insolvency proceedings;

- The possibility of using the old/same corporate entity as a vehicle for the reorganization of the company;

- The possibility of the shareholders to retain a participation in the reorganized company, and, if they are allowed to retain a participation, the allocation of value between creditors and shareholders.

All of these issues are structured around two principal areas of conflict between company law and insolvency law: the individual rights of shareholders and the role of the shareholders’ meeting in an insolvent company.

Dealing with the preceding issues implies, inter alia, addressing the question of the legal position of the shareholders in companies, e.g. the question of whether and to what extent the law considers shareholders as owners of the company in a legal sense. The effects on the legal position of shareholders of an insolvent company may in fact create a conflict with special - even constitutional- safeguards for the protection of property rights. These safeguards, in turn, may be less or more stringent, depending on whether the company is insolvent in the balance-sheet sense (i.e., whether the value of its liabilities exceeds the value of its assets) or not, and whether a liquidation or a reorganization procedure is used.

In addition, the preceding issues may present further variables according to the characteristics of the company involved. Outcomes could be different depending on the fact that the company is closely held or is a listed company, or is a specially regulated company, such as a financial intermediary.

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I. Introductory questions on the insolvency procedures available in the relevant jurisdiction.

1. What insolvency procedures – either liquidation or reorganization procedures – are available for distressed or insolvent companies?

Chilean regulation provides both reorganization and liquidation procedures for companies (Chapters III and IV of the Ley de Reorganización y Liquidación de Activos de Empresas y Personas (hereinafter “Insolvency Law”))

2. Are there special insolvency procedures available for financial institutions or for other special classes of companies?

Some special insolvency procedures are available for banks, financial institutions and insurance companies. However, even general regulation of the Insolvency Law applies for other classes of companies, some special rules are provided due to their relevance in our economy (for example, pension funds administrators, electric companies, etc.), mostly related to the supervision or participation of government agencies.

3. Are there specific provisions for out-of-court restructurings?

Chilean regulation provides specific provisions for out-of-court restructuring (articles 102 et seq of the Insolvency Law).

In general, the debtor and any of its creditors may enter into any kind of restructuring agreement, but will only be binding upon those who have executed it.

However, the debtor may submit the relevant agreement for the court’s approval, provided that (i) the agreement has been duly executed by two or more creditors that represent at least 75% of its liabilities; (ii) the agreement has been informed by an insolvency practitioner (veedor) elected by the debtor and its two main creditors, specifically regarding its viability, a comparative view with an alternative liquidation procedure and the identification of the claims and their ranking; (iii) the debtor submits to the court general information related to its assets, liabilities, judicial and administrative procedures, among others. In such case, the court will provide for its publication in the Boletín Concursal (an online platform) so that any other creditor may contest the agreement generally based on the grounds of incorrect information provided by the debtor or breach of the relevant insolvency regulation. If the agreement is not contested or if the objections have been overruled by the court, it will have a binding force upon all the creditors of the company under the same terms of a judicial reorganization.

1 Please consider that this questionnaire has been completed with respect to the provisions of the Insolvency Law that has been recently approved by the Chilean Congress. However, such regulation will only be in force nine months after its publication in the Official Gazzete.
4. What are the commencement criteria for insolvency procedures?

In case of reorganization and voluntary liquidation procedures, there are no specific rules related to the criteria that shall be considered by the debtor in order to request the commencement of the relevant procedure.

In case of mandatory liquidation procedures (meaning the procedure requested by any of the creditors of the debtor), Chilean law requires that the creditor must file its lawsuit based on any of the following grounds: (i) that the debtor has ceased to pay an obligation that is evidenced in an executory title (título ejecutivo) with the creditor that requested the initiation of the liquidation proceeding; (ii) that the debtor has two or more outstanding executory titles, arising from different obligations, having commenced at least two foreclosure proceedings and not having presented sufficient assets to fulfil such obligations within four days after the judicial requirement; and (iii) that the debtor or its administrators cannot be found, and have closed its offices without appointing an attorney with capacity to fulfil its obligations and to be summoned for any new lawsuit (article 117 of the Insolvency Law).

Chilean law also provides for some other specific facts that imply the initiation of a liquidation procedure, mostly related to the failure to agree upon a reorganization plan under a reorganization procedure (i.e., the rejection, breach or annulment of the plan, the failure of the debtor to assist to the relevant creditors’ meeting, etc.).

5. Who can propose a restructuring plan? (e.g., corporate bodies, insolvency representatives, creditors)

Chilean regulation provides that only the debtor may propose a restructuring plan (article 54 of the Insolvency Law). In case the debtor is a company, the corporate bodies shall submit the relevant petition to the court in order to commence a reorganization procedure.

6. Please describe whether and to what extent shareholders’ rights can be affected by a situation of distress/insolvency of a company before and/or irrespective of the opening of a formal insolvency proceeding (e.g., are there any fiduciary duties of the shareholders to approve corrective measures/plans proposed by the board?)

Chilean law does not provide for specific fiduciary duties of the shareholders in case of distress or insolvency. However, general rules apply in the sense that shareholders must always exercise their rights respecting those of the corporation and of the other shareholders (article 30 of Law No. 18,046, related to corporations (sociedades anónimas)).

II. Shareholders’ Rights in Companies Subject to Insolvency Proceedings

7. Are shareholders notified of the initiation of an insolvency process? If notification is
individualized, what are the mechanisms used to identify shareholders?

In case of a suspension of payment or the dictation of a liquidation resolution, the board of directors of the corporation (sociedad anónima) shall summon a shareholders’ meeting to be held within the 30 following days as of the time such situation occurred. The purpose of such meeting is to broadly inform the shareholders of the legal, economic and financial situation of the corporation (article 101 of Law No. 18,046, related to corporations (sociedades anónimas)).

In general, the shareholders’ meetings are summoned by means of an advertisement published in a newspaper of the domicile of the company that has been elected by the shareholders’ meeting, at least in three different days. In case of publicly held corporations (sociedades anónimas abiertas) a letter shall be mailed to each shareholder at least 15 days before the day the meeting shall be held (article 59 of Law No. 18,046, regarding corporations (sociedad anónima)).

8. Are shareholders required to file claims in the insolvency proceeding? What are the consequences of not filing a claim?

Shareholders (acting in such capacity) are not considered as creditors under Chilean regulation, so they cannot file claims in an insolvency proceeding.

9. Can shareholders continue to trade and transfer shares after the initiation of an insolvency proceeding affecting the company?

There are no general limitations to the shareholders’ rights to trade and transfer shares after the initiation of an insolvency proceeding.

However, in case of companies other than corporations that publicly trade securities (for example, sociedades colectivas, sociedades en comandita y sociedades de responsabilidad limitada), the initiation of a reorganization proceeding impairs the possibility of amending its by-laws until the creditors’ meeting that shall vote the proposed plan, so no trade or transfer of their rights may take place during such period (article 57, 2), c) of the Insolvency Law).

10. Do shareholders have the right to request that a shareholders’ meeting is held, even if the company is insolvent? (If there are separate reorganization and liquidation procedures, does this affect the response?)

There are no restrictions on the possibility that shareholders’ meetings are held if the company is insolvent, even during a reorganization or liquidation procedure.

11. Do shareholders have the right of requesting information in an insolvent company? Do they have information rights as to the progress of a reorganization procedure? Can
they exercise that right vis-à-vis the directors of the company, if they remain in charge of the company, or vis-à-vis the insolvency representative?

Shareholders still have their general information rights vis-à-vis the directors of the company (article 46 of Law No. 18,046, regarding corporations (sociedades anónimas)), even if the company is subject of an insolvency proceeding.

12. Can shareholders make proposals for nomination of directors, if the directors continue managing the company?

There are no limitations for the nomination of directors (even though they do not longer manage the company under a liquidation procedure (see question 14 below)).

13. If special categories of shares exist whose holders are granted additional governance rights, are these additional rights affected by the opening of an insolvency procedure? (If there are separate reorganization and liquidation procedures, does this affect the response?)

Additional rights due to special categories of shares (articles 20 et seq of Law No. 18,046, regarding corporations (sociedades anónimas)) are not affected by the opening of an insolvency proceeding.

14. Can shareholders challenge the decisions of the shareholder meeting, if it is still active? Do they retain the possibility of taking action against the acts of the directors or against the acts of an insolvency representative? Is any authorization by a judicial or administrative body required to do so or, more generally, to exercise corporate rights? (If there are separate reorganization and liquidation procedures, does this affect the response?)

There are no limitations related to the possibility to challenge the decisions of the shareholders’ meetings and taking action against the acts of directors or insolvency representatives. Also, there is no need for a judicial or administrative authorization for exercising corporate rights, unless they refer to their competences regarding the assets and management of the company in a liquidation procedure. In this latter case, all such competences cease in favour of the liquidator appointed by the court (article 130 of the Insolvency Law).

15. Do shareholders have the right to call a special investigation of the affairs of the insolvent company?

According to Chilean law, general commercial and criminal regulation do not grant shareholders permanent access to all kind of information from the company. However,
this does not impair their possibility to initiate either civil or criminal proceedings against the company’s directors. In case of an insolvent company, the Insolvency Law amended the both Law No. 18,046, regarding corporations (sociedades anónimas) and the Criminal Code in order to reinforce the rules regarding the liability of directors and other administrators.

16. Does the law provide for the establishment of a shareholders’ committee (or several committees, in case of different share classes)? What are their powers? Who bears the related costs?

Chilean law does not provide for the establishment of shareholders’ committees.

17. Do shareholders have pre-emption rights over new issues of shares? Are there special conditions for the suppression of pre-emption rights if the company is insolvent (if there are separate reorganization and liquidation procedures, does this affect the response?).

Shareholders have pre-emption rights in case of issuance of new shares (article 25 of Law No. 18,046, regarding corporations (sociedades anónimas)), that are not impaired under an insolvency scenario.

18. Can shareholders oppose transfers of shares of the company undergoing insolvency proceedings as being contrary to provisions in the articles/bylaws restricting transfers of shares?

Under Chilean law, bylaws may not provide for restrictions to the transfer of shares in case of a publicly held corporation (sociedades anónimas abiertas) (article 14 of Law No. 18,046, regarding corporations (sociedades anónimas)). With regards to other kinds of corporation (sociedades anónimas cerradas), such restrictions may exist if agreed in the relevant bylaws.

19. Can outstanding shares be cancelled or assigned to third parties without the consent of the relevant shareholders? If yes, under what conditions? Are existing shareholders entitled to compensation? What other safeguards are provided? (e.g. does the law include a principle according to which the affected shareholders should not receive less than in a liquidation procedure?)

No outstanding shares may be cancelled or assigned to third parties without the consent of the relevant shareholders.

20. Can shareholders retain a participation in the company undergoing an insolvency process even if the company is insolvent according to a balance-sheet test? (i.e., where
the value of its liabilities exceeds the value of its assets) If yes, under what conditions? (If there are separate reorganization and liquidation procedures, does this affect the response?)

Shareholders retain a participation in the company undergoing an insolvency process even if the company is insolvent according to a balance-sheet test. However, general rules provide that dividends may only be paid with the liquid incomes of the relevant term or the retained incomes of previous terms, provided that they are based on the balance-sheets approved by the shareholders’ meeting. But, if the corporation has accumulated losses, the incomes of the term shall be firstly used to absorb them. If there are losses in a term, they shall be absorbed by the retained utilities, if applicable (article 78 of Law No. 18,046, regarding corporations (sociedad anónima).

Also, any claim they may have against the corporation based in their capacity as shareholders shall only be payable once all the creditors have been fully paid in a liquidation procedure, even in case of a reduction of stock (article 29 of Law No. 18,046, regarding corporations (sociedades anónimas)).

In case of reorganization, the company may not distribute any moneys to the shareholders, under any concept, whether directly or indirectly, even by means of reduction of stock, forgiving loans and/or dividend distribution, until it has paid the total amount of the liabilities considered in the reorganization agreement, unless provided otherwise among its terms (Article 67 of the Insolvency Law).

21. Are the ranking of classes of shares and the preferential rights of classes of shares affected (and if yes, to what extent) by the fact that the company is undergoing an insolvency process? (If there are separate reorganization and liquidation procedures, does this affect the response?)

The ranking of classes of shares and the preferential rights of classes of shares are not affected by the fact that the company is undergoing an insolvency process.

22. Can shareholders, in the course of an insolvency procedure, supply goods, services or financial resources to the company? If yes, under what conditions (e.g., judicial authorization)? What would their ranking position be towards other creditors?

In general, there are no limitations for shareholders to supply goods, services and financial resources to the company. However, if shareholders are considered as related parties (personas relacionadas) and their claims have not been duly documented 90

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2 For purposes of the Insolvency Law, the term "related parties" (personas relacionadas) refers to certain relatives, companies in which the person has an interest (except in the case of companies registered in the Security Registry of the Superintendencia de Valores y Seguros), and any person in the situations referred in article 100 of Law No. 18,045, of Securities Market (mercado de valores). The latter includes: (a) entities of the same corporate group of the company; (b) legal entities that have, regarding the company, the character of parent, affiliate or subsidiary, pursuant to the terms of Law No. 18,046; (c) directors, managers, administrators, main executives or liquidators of the
days before the commencement of an insolvency procedure, their rights will be subordinated to the payment of all other creditors (article 63, regarding reorganization procedures, and article 241, regarding liquidation procedures, both of the Insolvency Regulation).

However, during a reorganization procedure, the post-petition financing shall rank above all other claims (but the ones related to the expenses of the insolvency procedure) (article 74 of the Insolvency Law), provided that creditors representing at least 50% of the companies' liabilities accept that related parties grant such financing (article 63 of the Insolvency Law).

23. Can shareholders, in their capacity as counterparties, be under a duty to continue a contractual relationship with the insolvent company during an insolvency procedure? (If there are separate reorganization and liquidation procedures, does this affect the response?).

In a liquidation scenario, the general rule is that all contractual relationships continue under their original terms (certain special rules are considered for commissions (mandatos), leasing and current accounts).

In a reorganization procedure, no contract shall be terminated based on its initiation. If the relevant counterparty ceases to fulfil its obligations under the relevant agreement, the court may subordinate its claims until the payment of all other creditors, including the claims of related parties (personas relacionadas) (article 57, 1), c) of the Insolvency Law).

24. Can shareholders (or companies of the same group) holding credit claims against the company under insolvency procedure participate in the creditors' meeting and vote on the insolvency plan without restrictions? (If there are separate reorganization and liquidation procedures, does this affect the response?)

Related parties (personas relacionadas) may participate in the creditors' meetings if they hold credits against the debtor, but are not entitled to vote (article 83, regarding reorganization procedures, and article 191, regarding liquidation procedures, both of the Insolvency Law).

25. If shareholders (or companies of the same group) do not hold credit claims against the company under insolvency procedure, must/can they participate in the creditors' meeting? If that is the case, what rights or duties do they have in that meeting? (If there are separate reorganization and liquidation procedures, does this affect the response?)

No. Creditors' meetings only consider creditors that have filed their claims in the company, and certain relatives thereof, as well as any entity controlled, directly or indirectly for any such person; (d) any person that, alone or with others based on joint-acting agreements, may appoint at least one member of the management of the company or controls 10% or more of the stock or the voting stock if it is a company that issues shares.
relevant insolvency procedure.

26. Do shareholders in an individual company have information rights as to the filing of insolvency proceedings by the parent or other related companies?

Information rights of the shareholders are considered in question 7 above. Such rights are not modified in case the filing has been made by the parent or other related companies.

III. The Role of the Shareholders’ Meeting

27. Does the shareholders’ meeting continue to exist in insolvency proceedings? (If there are separate reorganization and liquidation procedures, does this affect the response?)

Yes.

28. Does the shareholders’ meeting preserve all of its competences, generally? (If there are separate reorganization and liquidation procedures, does this affect the response?)

In a liquidation proceeding, competences are restricted in all matters related to the management and transfer of the assets of the company, which shall be conducted only by the liquidator (article 130 of the Insolvency Law).

In a reorganization proceeding, and until the creditors’ meeting summoned for voting the relevant proposal, the company shall be subject to the intervention of a trustee (veedor) and may not transfer or encumber any of its assets (other to those transactions related to the business of the company or assets representing up to 20% of its fixed assets, if the moneys are duly transferred to the company), so the competences of the shareholders’ meeting are restricted (articles 57, 2), a) and b) and 74 of the Insolvency Law).

29. Does the shareholders’ meeting need to approve the accounts of the distressed/insolvent company?

As expressed above, the Insolvency Law does not provide for the termination of the corporation. Hence, its corporate bodies (shareholders’ meeting and board of directors) remain in force. However, the accounts of the administration of an insolvent company must be approved by creditors of the insolvent company.

30. Does the shareholders’ meeting have the power to dismiss directors – if directors are still in charge of the insolvent company? Can the shareholders’ meeting request the removal of the insolvency representative? (If there are separate reorganization and
liquidation procedures, does this affect the response?)

The powers of the shareholders' meetings to dismiss directors is not impaired by insolvency procedures affecting the company. However, it shall be considered that pursuant to article 38 of Law No. 18,046, regarding corporations (sociedades anónimas), the shareholders' meeting (whether ordinary or extraordinary) may dismiss the whole board of directors, and may never dismiss directors individually or collectively.

On the other hand, a shareholders' meeting may not request the removal of the insolvency representative (veedor or liquidador). Such request may only be decided by the creditor’s meeting or by the court (article 24 of the Insolvency Law).

31. Is a shareholders' meeting authorization required to start an insolvency procedure? (If there are separate reorganization and liquidation procedures, does this affect the response?)

No. Such decision shall be taken by the board of directors, notwithstanding the information rights of the shareholders (see question 7 above).

32. Does the shareholders’ meeting need to approve an insolvency or reorganization plan? Can shareholders challenge an insolvency or reorganization plan?

In general, such decision shall be taken by the board of directors. However, if the plan includes certain matters that are of competence of the shareholders' meeting, its approval is required (articles 56 et seq of Law No. 18,046, regarding corporations (sociedad anónima). For example, change of legal form, mergers, spin-offs, creation of preferential shares, etc. In all such cases, although the law generally provides for "withdrawal rights" ("derecho a retiro") for dissenting shareholders, such rights shall be suspended if the courts have dictated a liquidation resolution, until the payment of all credits that exist at the time of the creation of such right. In case of a reorganization agreement, such suspension shall also take place as long as it is in force, unless the agreement provides otherwise or it is terminated due to the dictation of a liquidation resolution (article 69 of Law No. 18,046, regarding corporations (sociedad anónima)).

33. Can an insolvency/reorganization plan affect the structure of the corporate entity (e.g., by merger, spin-off, or change of the legal form)? Is a shareholders’ authorization required for this?

A reorganization plan may affect the structure of the corporate entity, but, for such purpose, it shall require the consequential consent of the shareholders pursuant to the general rules in such regards (articles 56 et seq of Law No. 18,046, regarding corporations (sociedad anónima)).
34. Is a shareholders’ meeting decision required to issue new shares of the company undergoing insolvency proceeding? Can a new share issue be decided by the board or the insolvency representative? If a capital increase has to take place through the conversion of claims into new shares, does this affect the response?

The shareholders’ meeting decision is required to issue new shares of the company (articles 24 et seq of Law No. 18,046, regarding corporations (sociedad anónima)), even if it is undergoing an insolvency proceeding. Such decision may not be taken independently by the board of directors or the insolvency representative (veedor).

Such decision is required even if the claims are converted into new shares.

35. On what conditions can the company carry on business during an insolvency procedure? (If there are separate reorganization and liquidation procedures, does this affect the response?). Is a shareholders’ meeting authorisation required?

In a reorganization procedure, the company can carry on its business. However, until the creditors’ meeting summoned for voting the relevant plan, the company shall be subject to the intervention of the insolvency practitioner (veedor) and has limitations over the sale of assets (see question 28 above).

In a liquidation procedure, the company may provisionally carry on its business if the liquidator decides so (and justifies it to the court and the Superintendencia de Insolvencia y Reemprendimiento) in order to increase the recovery percentages of the creditors, facilitate the fulfilment of any pending obligation if it is beneficial to the insolvent estate, and aims the sale of the assets of the debtor as an economic unit (article 231 and 232 of the Insolvency Law).

However, the definitive continuation of the economic activities of the company may only be agreed by the creditors’ meeting, identifying the activities to be continued, the affected assets, the appointment of an administrator (if not the same liquidator) and its remuneration, and its term. Such continuation shall not extend for more than one year since the date of the agreement, but may be extended to an additional year if approved by creditors representing at least 66% of the liabilities, or further, if the creditors’ meeting approve the sale of the debtor’s assets as an economic unit (article 233 of the Insolvency Law).

In all such scenarios, the approval of the shareholders’ meeting is not required.

36. In the course of an insolvency procedure, what provisions apply to the sale of specific assets out of the ordinary course of business and to the sale of the entire business operation of the company? Is a shareholders’ meeting authorisation required? (If there are separate reorganization and liquidation procedures, does this affect the response?)

In a reorganization proceeding, and until the creditors’ meeting summoned for voting the relevant proposal, the company shall be subject to the intervention of a trustee (veedor) and may not transfer or encumber any of its assets (other to those transactions related to the business of the company or assets representing up to 20%...
of its fixed assets, if the moneys are duly transferred to the company), so the competences of the shareholders' meeting are restricted (articles 57, 2), a) and b) and 74 of the Insolvency Law).

In a liquidation proceeding, the creditors shall decide upon the way in which the assets of the company must be liquidated. If no agreement is reached, the assets shall be summarily sold in piecemeal by an auctioneer in a term of four months (article 204 of the Insolvency Law). Insolvency Law also provide for specific regulation related to other ways of liquidating the assets, considering general auction rules, direct sales and sale of the entire business operation of the company (articles 207 et seq of the Insolvency Law).

In the latter case (venta como unidad económica), the creditors' agreement shall include all the assets to be considered in the sale of the unit and state a minimum price for such purpose. In such scenario, the rights of secured creditors for foreclosing the secured assets is suspended, but the price received shall be distributed considering their relevant ranking (articles 219 et seq of the Insolvency Law).

37. Does the shareholders’ meeting have any power in relation to a decision of the board or the insolvency representative to continue or reject any favourable, unfavourable or essential contract during an insolvency procedure? (If there are separate reorganization and liquidation procedures, does this affect the response?).

Such decisions shall be taken by the liquidator under a liquidation procedure. In a reorganization procedure, there are no special rules related to the continuance or rejection of contracts (see question 23 above, with regards to pending contracts).

38. If an insolvency plan can be presented for a whole corporate group, must that plan be approved by the shareholders’ meetings of each company of the group, including of those that are balance-sheet insolvent? How are the different meetings’ decisions coordinated? Are there specific safeguards (e.g., any veto power or other remedy) for minority shareholders of the companies that are not insolvent?

Chilean law does not provide regulation for insolvency procedures considering corporate groups.

39. If companies belonging to the same group file separate insolvency proceedings, are there specific requirements/mechanisms to provide for coordination of those proceedings? Are shareholders of the relevant companies involved in the coordination mechanisms, if any?

Chilean law does not provide for coordination mechanisms among insolvency procedures of corporate groups.

IV. Other Obstacles for Insolvency Procedures Found in Company Law
40. Please list any other legal provision in company law that, in your opinion or in your experience, may interfere with the insolvency procedure of a company in your jurisdiction.