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?**

   Insolvency procedures available for distressed or insolvent companies consist of the following:
   • The law 95-34 of 17.04.1995 on the turnaround of distressed companies as amended by law 99-63 of 15.07.1999 and law 2003-79 of 29.12.2003 governing the following three procedures:
     o Notification of early signs of trouble.
     o The amicable settlement
     o The judicial settlement.
   • The law of bankruptcy is governed by the Commercial Code.

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

   Law 2001-65 of 10 July 2001 on credit institutions (banks and financial institutions) provides in Articles 36 to 39 a special processing procedure of credit institutions in difficulties which excludes the law 95-34. In case of failure of this special procedure, the bankruptcy law will apply.

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

   Specific provisions for out-of-court restructuring don’t exist but the law on the turnaround of distressed companies has foreseen the amicable settlement which is governed by Articles 9 to 17 of the law. The court intervenes just in the launch and at the end of procedure in order to approve or disapprove the settlement whom all parties are free to establish any arrangement.

4. **What are the commencement criteria for insolvency procedures?**

   The criteria for opening insolvency proceedings are summarized in the cessation of paiement regarding judicial settlement or bankruptcy and the existence of difficulties threatening the continuity of the activity in case of
the notification and the amicable settlement.

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

The restructuring plan is proposed by the insolvency representative and possibly by the Turnaround National Committee of Distressed Companies that ensure coordination between the company and the court in the insolvency procedures.

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?)**

The rights of shareholders are not generally affected by the fact of the existence of the company in situation of distress or insolvency . But in the case where the court declares a business continuity plan with amendment of the articles of the company or the capital increase, the shareholders' rights may be affected.

In addition, in case of eviction of the leader in the judicial settlement and its replacement by an administrator, the court may prohibit to the head of company to perform any operation assignment or pledge over its shares or shares without his permission.

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?**

The legislation does not provide specific procedures for informing shareholders in case of opening of insolvency proceedings. They will be informed in any event by the legal publicity which consists in the registration of an extract from the opening decision of the observation period in the trade register. The abstract will also be published in the Official Journal of the Tunisian republic (J.O.R.T).

In case of bankruptcy, the adjudication will be displayed in the form of extracts, among others at the door of the business of the bankrupt. Extracts will also be published in JORT and in one of the daily newspapers. It is also mentioned in the trade register.
8. Are shareholders required to file claims in the insolvency proceeding? What are the consequences of not filing a claim?

General shareholders can not file claims opening or others in the context of insolvency proceedings. The only claims falling to shareholders included in the insolvency proceedings consist in the possibility given by the new art. 5 of law on the Turnaround of distressed companies to notify to the Turnaround National Committee of Distressed Companies, existence of acts threatening the continuity of the business "The partner holding at least one tenth of the capital of a company in economic difficulties in the case of a corporation or a limited liability company limited. In other societies, it must be made notwithstanding of the associated share capital percentage hold ".

In addition, if the external auditor finds evidence that could threaten business continuity, it is required to urgently convene the general meeting of shareholders, in the absence of response or insufficient response, the board and finally the general director (Art. 6 of the law on the reorganization of distressed companies)

- No impact is foreseen in case of failure to notify by partners

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

There is no legal constraint on the assignment or transfer of shares after the opening of insolvency proceedings affecting the company. But in general, the court’s permission is required in major decisions such as changing the capital structure or statutes of the company.

Furthermore, it is stated in the art. 28 of the Law on the turnaround of distressed companies in case of foreclosure of the leader and his replacement by an administrator in the judicial settlement, the court may prohibit the leader to perform any assignment or pledge of shares without his permission. This prohibition must be registered with trade register, near the Financial Market Council and the conservation office of land for buildings, registered.

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 is no provision that prohibits shareholders to request the holding of the general meeting even if the company is insolvent. In bankruptcy proceedings - it is in principle a liquidation procedure -, the holding general assemblies
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?

No legal provision has dealt with this case of an insolvent company.

- The right to information for shareholders is recognized as part of the general scheme of the Code of Obligations and Contracts through the art: 1295 and strengthened by art 11 of the Commercial Companies Code.

Concerning the provisions of Limited Liability Company, this right is recognized by the art. 284 of the Commercial Companies Code for shareholders holding at least 10% of the share capital.

- Certainly, in view of their right to information they may request information on the progress of the procedure. But no legal provisions have provided their information in a particular way.

- They can always exercise this right against the directors if they continue to manage the company or against the judicial administrator as its legal representative.

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

In case the directors continue to manage the company, shareholders may under the provisions of the statutes appoint new directors.

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?)

If there are additional rights for specific categories of shares, they are not affected by the fact of the opening of insolvency proceedings.

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? And 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?)

• Shareholders may challenge the decisions of the meeting of shareholders pursuant to art. 290 new paragraph 1 of Commercial Companies Code, which provides that shareholders holding at least 10 % of the share capital may request the cancellation of decisions contrary to statutes or adversely affected the interests of the company, and taken in the interests of one or a few shareholders or a third party.

• Shareholders retain the ability to take action against the acts of directors in accordance with the Articles of Incorporation and Commercial Companies Code which should be subjected to the approval of the judge.

• Shareholders may not take any action against the insolvency representative in the case where the latter assumes full management of the company and acts as its legal representative after the ouster of leader by the court.

• The judge is usually the authority competent to authorize an audit of acts of directors.

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

There are no specific legal provisions to the insolvent company which entitling shareholders to request a special investigation.

The art. 220 of the Commercial Companies Code entitling shareholders holding at least 5 % of the share capital of a limited company not issuing shares to the public and 3% of capital for public limited company making public offerings which the shareholding is at least one million dinars to exercise in a common interest a liability action against the members of the Board of Directors for misconduct in the performance of their duties.

Similarly art. 290 of the Commercial Companies Code provides the possibility to one or more shareholders holding at least 10 % of the share capital, either
individually or jointly to request the President of the Court for the appointment of one expert or more whose mission is to report on one or more management operations performed by 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?

The law does not predict the creation of the Shareholders' Committee.

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 a right of pre-emption on new issues of shares in accordance with Article 296 of the Commercial Companies Code.
- In case where the company is insolvent, there is no special provision for the removal of pre-emptive rights.

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?

Shareholders may object to transfers of the company shares during the insolvency proceeding in accordance with articles of company and Commercial Companies Code.

For example, in Case of Sotapex Couvertex (unpublished), the recovery plan provides a transfer of part of the shares to a new investor which has been blocked by minority shareholders who refused to endorse the decision of the court. Finally, the Case-law confirmed court’s decision.

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 condition is provided for the cancellation or transfer of shares ordinary or
extraordinary to third parties without the consent of the shareholders concerned, if the court decides the sale of the company.

Existing shareholders are entitled to compensation only if the liquidation of the company revealed a remaining after payment of all creditors. This residue called Boni liquidation is distributed according to the art.47 of code of commercial companies between partners in proportion to their participation in the capital.

No other warranty is provided.

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?)

In case the company is subject to insolvency proceeding where the value of its liabilities exceeds the value of its assets, shareholders can not under a restructuring plan retain some or all of their shares if:

- The court decides a business continuity plan with, in a first phase, reduction of part or all of the capital to absorb losses "accordion effect" (in this case shareholders have lost some or all of their shares) and decides in a second phase, the capital increase by existing or new shareholders.
- The court decides the cession of the entire company to third parties.
- The court decides the bankruptcy of the company.

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 is not affected by the fact that the company is the subject of 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?

Shareholders may provide goods, services and financial resources to the
company as any other supplier or creditor. There is no special arrangement for shareholders. A general rule is that the new business debts arising from the opening of judicial procedure - observation period - which are direct and necessary with continued of activity will be paid under art.34 of the law on Turnaround of distressed companies before previous debts even if they are accompanied by privileges.

These new claims shall have by law a great privilege.

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?).

The pursuit of a contractual relationship with the insolvent company in an insolvency procedure is governed by art.35 new of the law on the reorganization of distressed companies which gives the possibility to the administrator or debtor to terminate certain contracts deemed not necessary for the activity of the company after agreement of the Judge.

But the contractors don't have any particular obligations to break their contractual relationship with the insolvent company.

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?)

There is no meeting of creditors in the judicial procedure, and they do not vote. One or more representatives of creditors are appointed by the judge. They are consulted in the preparing of the recovery plan by the judicial administrator in case he predicts the abandonment of their claims.

As part of the bankruptcy proceedings, the solution of the simple agreement “concordat simple” provides that the creditors will be meeting together for the purpose to vote an arrangement.

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
Shareholders who do not hold claims against the company subject to insolvency proceedings can not in any way attend the meeting of creditors.

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

The shareholders in an individual company do not have a right to information as to the filing of insolvency proceeding by the 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?)

Shareholder's meeting continue generally to exist in the insolvency proceedings. In the event of bankruptcy, where the activity is generally in cessation of business and the trustee, only representative of the debtors has a legally specified work.

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 case of reorganization proceedings, and subject to the powers granted by law to the judicial administrator and judge, the meeting of shareholders retains in principle his skills.

Nothing in law is any evidence at the contrary.

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

Shareholder's meeting must approve in accordance with the Commercial Companies Code the accounts of the company even if it is in difficulties or insolvent.

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 shareholders' meeting has the power to remove directors which has itself designated under conditions laid down by the Commercial Companies Code even in case where the company is insolvent.

In case of bankruptcy, there is no insolvency representative. There is the trustee of bankruptcy who represents the creditors and the debtors at the same time. It is revoked by the bankruptcy judge at the request of the creditors or even by judge’s own initiative.

The shareholder’s meeting may request the President of the Court of First Instance revocation of the insolvency representative where it is proved that he committed a serious fault management.

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?)

The authorization of shareholders’ meeting is not required to initiate insolvency proceedings.

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

• No. The shareholders meeting is not expected to approve an insolvency or reorganization plan. It is not within its jurisdiction. However, shareholders approval is just sought for the implementation of the plans approved by the court in the following two cases provided by art. 44 of law 95-34 of 17 April 95:

  o The plan provides for a change of the company’s statute. In this case, the court mandates a Commissioner of execution and set a deadline for convening the general meeting which is competent to decide the change.

  o The plan provides for a capital increase of the company, the Commissioner is responsible for the execution of the completion of the procedure. New subscriptions must be released immediately.

• Shareholders are not able to challenge a plan of reorganization or insolvency. Even in case of poor execution of the plan, the parties who are entitled to do so are given by the art.46 of the law on turnaround of distressed companies "If the debtor failed to meet its financial commitments .... the prosecutor, the Commissioner of the execution, creditor or creditors
whose debt reached 15% of the total debt can apply to the court to decide the resolution of the reorganization plan.

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?

- An insolvency plan / reorganization may affect the structure of society. Indeed, the art 44 of law 95.34 of 17 April 95 on turnaround of distressed companies provides that the plan may include changing the status of the company or the capital increase of the company.

- The shareholders approval is not required for decision making, but just to endorse the decision of the court. This authorization takes rather a procedural nature.

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?

- During insolvency proceedings, the court has the decision power. Only the court may order certain measures to preserve the continuity of the activity or implement a recovery plan. In case, where the issue of new shares of the Company during the insolvency proceedings is deemed necessary, it is the court which decides and the general meeting of shareholders just can approve the decision.

- The new increase of capital must be decided by the court as part of an insolvency plan proposed by the judicial administrator or the board.

- If a capital increase must take place through the conversion of debt into shares, this does not affect the answer indicated above, because this operation should be proposed by the judicial administrator in the insolvency plan which has been approved by the court.

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?

- During insolvency proceedings, the company can operate if it is able to do
(continue to produce, sell and pay current expenses ...) No prerequisites are required for this effect.

- The authorization of the shareholders' meeting is not required for the insolvent company to operate. However, when the equity of the company became below half of its capital due to losses. The general meeting must take a decision: the dissolution of the company or the increase or reduction of capital. (Art.388 of the Commercial Companies Code).
- In case of opening of bankruptcy proceedings, the court may permit the continued activity by the trustee (Art. 493 of the Commercial Code).

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?)

- Under the insolvency proceedings, the court decide on the sale of certain assets whatsoever for assets outside the ordinary course of business or the sale of all activities of the company.

- The authorization of the shareholders' meeting is not necessary when the court decide to sell the company to third parties as recovery plan.

- In case of bankruptcy, the bankruptcy judge may, after hearing the debtor bankrupt or call him by registered letter with acknowledgment of receipt, authorizes the trustee to sell goods or chattels. It decides whether the sale will be by OTC or auction. It may also exceptionally authorize the sale of property, preferably those not required for commercial exploitation, and after hearing the opinion of debtor bankrupt and the Supervisor (appointed from among the creditors). In the latter case the sale will be in the form prescribed by the Code of Civil and Commercial Procedures (CPCC).

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?).

There are no special provisions for the company subjected to insolvency proceedings. The contestation of contracts decided by the Board may be
raised by the general assembly of shareholders in accordance with the legal provisions governing this issue at the Commercial Companies Code regardless of whether the position of the company is solvent or insolvent.

In case of bankruptcy, the question does not arise.

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?

- In general, the approval of the insolvency plan by the general meeting of shareholders, which is procedural in nature, is required for each company in the group without any distinction between those who are insolvent or not. This approval is provided in case the plan approved by the court provides for the change of status of the company or of its capital structure.

Should be noted that the procedure of reorganization or bankruptcy opened against one of the companies belonging to the group does not extend to the others systematically. If the extension is justified by meeting the conditions of art. 478 of Commercial companies Code: "The bankruptcy and reorganization procedures started against one of the companies belonging to the group of companies can be extended to other companies belonging to it in case of confusion of their assets, fraud or abuse of company assets which subject to bankruptcy or reorganization proceedings, or if it is established that the debtor company was fictitious, and that the companies belonging to the group gave the appearance of being associated with it."

- The coordination of various shareholders meetings of each company which called to endorse the decisions taken by the court is done through the appointment of an administrator as coordinator.

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?

- In case that companies belonging to the same group are involved in separate insolvency proceedings, the court will have to put coordination mechanisms to ensure the necessary conditions for success of the insolvency proceedings. For example, the court of first instance of Sfax has appointed in
the case of Affes group (unpublished), a judicial administrator in each company in more than one controller at runtime to ensure fair coordination between them on the one hand and the court on the other.

- The shareholders of the company submitted on insolvency proceedings are not involved in any way in the coordination mechanisms.

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.

- Article 27 of the Commercial Companies Code requires the legal representative of a company whose losses recorded in its accounting records make the own funds less than half of its company capital to call the general meeting to decide on the dissolution of the company or regularize his situation.

- Article 290a of the Commercial Companies Code provides the possibility for one or more shareholders holding at least ten percent of the share capital to seek the expertise of one or more management operations. The report shall be communicated to the applicant, the public prosecutor, the Board of Directors or the Executive Board and the Supervisory Board, the auditor and, where appropriate, the permanent audit committee and Board of financial market for companies making public offerings.

Generally, shareholders that are either individually or as part of the general meeting of shareholders do not have specific rights and obligations in insolvency proceedings. Their room to manoeuvre seems very limited insofar solutions rather fall under the jurisdiction of the court that shareholder when the company is subject to insolvency proceedings.