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Factsheet for case **DE-2020-13/403**

## Postponing insolvency procedures

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Country	Germany, applies nationwide
Time period	Temporary, 23 March 2020 - 30 September 2020
Type	Legislation or other statutory regulation
Category	Supporting businesses to stay afloat – Rescue procedures in case of insolvency or adaptation of insolvency regulation
Case created	09 April 2020 (updated 18 April 2020)

### Background information

The Federal Government changed the insolvency law, in order to help business (faced with bankruptcy due to losses incurred by the Corona crisis) to stay in the market. This measure is part of the support package to stabilise the German economy and help out firms during the Corona crisis. The package was adopted by the Federal Government at the end of March 2020 and also includes other measures (such as lowering tax burdens, easing rules for short-time work, facilitating better access to loans, start-up support, income support for solo entrepreneurs).

### Content of measure

Insolvency law was changed to help business facing bankruptcy. Business threatened by insolvency do not need to file for bankruptcy until 30 September 2020. This measure is open for all kinds of business (regardless of their size). If need be, this temporary measure can be prolonged until 31 March 2021 by a Federal Government decree. This measure is part of a broader package that also includes changes in tax law, all of them directed at easing tax burdens for companies in times of crisis; and also includes easier access to loans, start-up support or financial help for solo- or micro entrepreneurs, eased up rules for short-time work.

### Use of measure

No information to date.

## Actors, target groups and funding

Actors	Target groups	Funding
National government Company / Companies Local / regional government	All companies	National funds

## Social partners

Role of social partners	Consulted
Form of involvement	Other

German social partners are usually consulted by the Federal Government on broader measures, though no formal tripartite social dialogue structure exists in Germany at the federal level

## Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

## Sources

- 23 March 2020: Die wirtschaftliche Existenz in der Coronakrise sicher ([www.bmjbv.de](http://www.bmjbv.de))
- 27 March 2020: Gesetz zur Abmilderung der Folgen der COVID-19-Pandemie im Zivil-, Insolvenz- und Strafverfahrensrecht ([www.bmjbv.de](http://www.bmjbv.de))