



General Assembly

Distr.: Limited
19 December 2002

Original: English

**United Nations Commission
on International Trade Law**
Working Group V (Insolvency Law)
Twenty-eighth session
New York, 24-28 February 2003

I. Provisional agenda for twenty-eighth session of Working Group V

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Notes on the provisional agenda

Item 1. Scheduling of meetings

1. The twenty-eighth session of Working Group V (Insolvency Law) will be held at the United Nations Headquarters in New York from 24 to 28 February 2003. There will be 5 formal working days for consideration of the agenda. Except on Monday, 24 February 2003, when the session will commence at 10.30 a.m., meeting hours will be from 1000 to 1300 and from 1500 to 1800.

2. Working Group V (Insolvency Law) is composed of all States members of the Commission: Argentina, Austria, Benin, Brazil, Burkina Faso, Cameroon, Canada, China, Colombia, Fiji, France, Germany, Honduras, Hungary, India, Iran (Islamic Republic of), Italy, Japan, Kenya, Lithuania, Mexico, Morocco, Paraguay, Romania, Russian Federation, Rwanda, Sierra Leone, Singapore, Spain, Sudan, Sweden, Thailand, The former Yugoslav Republic of Macedonia, Uganda, United Kingdom of Great Britain and Northern Ireland, and United States of America.



Item 2. Election of officers

3. The Working Group, in accordance with its practice at previous sessions, may wish to elect a Chairman and a Rapporteur.

Item 4. Preparation of a legislative guide on insolvency law

4. The Commission, at its thirty-second session (1999), had before it a proposal by Australia (A/CN.9/462/Add.1) on possible future work in the area of insolvency law. That proposal had recommended that, in view of its universal membership, its previous successful work on cross-border insolvency and its established working relations with international organizations that have expertise and interest in the law of insolvency, the Commission was an appropriate forum for the discussion of insolvency law issues. The proposal urged that the Commission consider entrusting a working group with the development of a model law on corporate insolvency to foster and encourage the adoption of effective national corporate insolvency regimes.

5. Recognition was expressed in the Commission for the importance to all countries of strong insolvency regimes. The view was expressed that the type of insolvency regime that a country had adopted had become a “front-line” factor in international credit ratings. Concern was expressed, however, about the difficulties associated with work on an international level on insolvency legislation, which involved sensitive and potentially diverging socio-political choices. In view of those difficulties, the fear was expressed that the work might not be brought to a successful conclusion. It was said that a universally acceptable model law was in all likelihood not feasible and that any work needed to take a flexible approach that would leave options and policy choices open to States. While the Commission heard expressions of support for such flexibility, it was generally agreed that the Commission could not take a final decision on committing itself to establishing a working group to develop model legislation or another text without further study of the work already being undertaken by other organizations and consideration of the relevant issues.

6. To facilitate that further study, the Commission decided to convene an exploratory session of a working group to prepare a feasibility proposal for consideration by the Commission at its thirty-third session. That session of the Working Group was held in Vienna from 6 to 17 December 1999.

7. At its thirty-third session in 2000 the Commission noted the recommendation that the Working Group had made in its report (A/CN.9/469, para. 140) and gave the Group the mandate to prepare a comprehensive statement of key objectives and core features for a strong insolvency, debtor-creditor regime, including consideration of out-of-court restructuring, and a legislative guide containing flexible approaches to the implementation of such objectives and features, including a discussion of the alternative approaches possible and the perceived benefits and detriments of such approaches.¹

8. It was agreed that in carrying out its task the Working Group should be mindful of the work under way or already completed by other organizations, including the World Bank, the International Monetary Fund (IMF), the Asian Development Bank (ADB), INSOL International (INSOL) (an international federation of insolvency professionals) and Committee J of the Section on Business

Law of the International Bar Association (IBA). In order to obtain the views and benefit from the expertise of those organizations, the Secretariat, in cooperation with INSOL and the IBA organized the UNCITRAL/INSOL/IBA Global Insolvency Colloquium in Vienna, from 4-6 December 2000.

9. At its thirty-fourth session in 2001, the Commission had before it the report of the Colloquium (A/CN.9/495).

10. The Commission took note of the report with satisfaction and commended the work accomplished so far, in particular the holding of the Global Insolvency Colloquium and the efforts of co-ordination with the work carried out by other international organizations in the area of insolvency law. The Commission discussed the recommendations of the Colloquium, in particular with respect to the form that the future work might take and interpretation of the mandate given to the Working Group by the Commission at its thirty-third session. The Commission confirmed that the mandate should be widely interpreted to ensure an appropriately flexible work product, which should take the form of a legislative guide. In order to avoid the legislative guide being too general or too abstract to provide the required guidance, the Commission suggested that the Working Group should bear in mind the need to be as specific as possible in developing its work. To that end, model legislative provisions, even if only addressing some of the issues to be included in the guide, should be included as far as possible.²

11. The twenty-fourth session of Working Group V (Insolvency Law) (New York, 23 July to 3 August 2001) considered the first draft of the legislative guide on insolvency law. The report of that meeting is contained in document A/CN.9/504. Work continued at the twenty-fifth (Vienna, 3-14 December 2001) and twenty-sixth (New York, 13-17 May 2002) sessions of the Working Group. The reports of those meetings are contained in documents A/CN.9/507 and A/CN.9/511 respectively.

12. At its thirty-fifth session in 2002, the Commission had before it the reports of the twenty-fourth, twenty-fifth and twenty-sixth sessions of the Working Group. The Commission noted that, at its twenty-sixth session, the Working Group had discussed the likely timing for the completion of its work and had considered that it would be in a better position to make a recommendation to the Commission after its twenty-seventh session (Vienna, 9-13 December 2002) when it would have the opportunity to review a further draft of the legislative guide. The Commission requested the Working Group to continue the preparation of the legislative guide and to consider its position with respect to completion of its work at its twenty-seventh session.³

13. At its twenty-seventh session (Vienna, 9-13 December 2002), the Working Group continued its deliberations on the draft legislative guide. The report of that meeting is contained in document A/CN.9/529. In response to the Commission's request to consider its position with respect to completion of the legislative guide, the Working Group stressed the need to finalize the guide as soon as possible and recommended that while the draft Guide may not be ready for final adoption by the Commission in 2003, nevertheless a draft should be presented to the Commission in 2003 for preliminary consideration and assessment of the policies on which the legislative guide is based. Such an approach would facilitate the use of the legislative guide as a reference tool before final adoption in 2004 and would allow those countries that have not participated in the Working Group an opportunity to

consider the development of the guide. It was noted that the Working Group might require further sessions in the second half of 2003 and possibly even the first half of 2004 to refine the text for final adoption.

14. The Working Group will have before it, and may wish to use as a basis for its deliberations, a Note by the Secretariat: Draft legislative guide on insolvency law (A/CN.9/WG.V/WP.63 and A/CN.9/WG.V/WP.63/Add.1-17). Having completed its consideration of A/CN.9/WG.V/WP.63/Add.3-9 (up to and including Recommendation (76)) at its twenty-seventh session, the Working Group may wish to continue its deliberations on the basis of the remainder of Add.9 and Add.10-17 and Add.1-2.

15. Background materials may be found in the following documents: Possible future work on insolvency law: Note by the Secretariat A/CN.9/WG.V/WP.50; Reports of the Secretary-General A/CN.9/WG.V/WP.54, A/CN.9/WG.V/WP.54/Add.1-2; A/CN.9/WG.V/WP.55; A/CN.9/WG.V/WP.57; A/CN.9/WG.V/WP.58; A/CN.9/WG.V/WP.59; A/CN.9/WG.V/WP.61, A/CN.9/WG.V/WP.61/Add.1-2; Report on the UNCITRAL/INSOL/IBA Global Insolvency Colloquium (2000) A/CN.9/495; Report of UNCITRAL on the work of its thirty-fourth session (2001) A/56/17 and thirty-fifth session (2002) A/57/17; Report of Working Group V (Insolvency Law) on the work of its twenty-second session (1999) A/CN.9/469; twenty-fourth session (July/August 2001) A/CN.9/504; twenty-fifth session (December 2001) A/CN.9/507; twenty-sixth session (May 2002) A/CN.9/511; and twenty-seventh session (December 2002) A/CN.9/529. These working papers may be found on the UNCITRAL website www.uncitral.org under "Working Groups" and then "Working Group V (Insolvency Law)"; the reports may be found under documents relating to the relevant session of the Commission.

Item 5. Other business

16. A further session of the Working Group is tentatively scheduled for 1-5 September 2003.

Item 6. Adoption of the report

17. The Working Group may wish to adopt, at the close of its session, a report for submission to the thirty-sixth session of the Commission (Vienna, 2003). The Working Group may wish to note that, consistent with decisions taken by the Commission at its thirty-fourth session (see A/56/17, para. 381), the Working Group is expected to hold substantive deliberations during the first nine half-day meetings (that is, from Monday to Friday morning), with a draft report on the entire period being prepared by the Secretariat for adoption at the tenth and last meeting of the Working Group (on Friday afternoon).

Notes

¹ *Official Records of the General Assembly, Fifth-fifth Session, Supplement No. 17, A/55/17* paras. 400-409.

² *Official Records of the General Assembly, Fifth-sixth Session, Supplement No. 17, A/56/17* paras. 296-308.

³ *Official Records of the General Assembly, Fifth-seventh Session, Supplement No. 17, A/57/17* para. 194