IBA INSOLVENCY SECTION CONTRIBUTES TO WORLD BANK ICR TASK FORCE SESSION ON INSOLVENCY PRINCIPLES REVISIONS

May, 2025 World Bank

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WORLD BANK GROUP

ICR
TASK FORCE
Insolvency and Creditor/Debtor Regimes

2025 INSOLVENCY & CREDITOR/DEBTOR REGIMES (ICR) TASK FORCE

May, 2025 World Bank

SUMMARY EVENT

1. Review of the draft amendments to the World Bank Principles for Effective Insolvency and Creditor/Debtor Regimes (ICR Principles), with particular focus on the proposed revisions to ICR Principles B3, B4, and B5.

2. Colloquium on enhancing credit infrastructure in the context of climate goals.

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1 ICR Principles:

B3 – Enabling Legislative Framework

Corporate workouts and restructurings should be supported by an enabling environment, one that encourages participants to engage in consensual arrangements designed to restore an enterprise to financial viability.

B4 – Informal Workout Procedures

Creditors and debtors should be enabled to use voluntary methods, such as negotiations, mediation, or amicable dispute resolution, with the financial supervisor playing only a supporting role consistent with its regulatory duties, rather than directly resolving disputes between creditors.

B5 – Regulation of Workout and Risk Management Practices

The financial sector should support the development and implementation of a code of conduct concerning enterprises facing financial difficulties, while regulatory authorities should promote sound risk management practices and effective procedures for the recovery of impaired assets.

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2 Colloquium on enhancing credit infrastructure in the context of climate goals

Discussions focused on the role of credit infrastructure in achieving climate objectives, with particular attention to the interlinkages between secured transactions systems, insolvency frameworks, and the development of sustainable and resilient financial markets.