

# Out-Of-Court Restructuring Process in Lithuania

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1. Mandatory pre-trial procedure:  
agreement on assistance (Out-Of-  
Court Restructuring)

# Initiation of insolvency proceedings by head of legal entity

Notification to creditors about the unfulfilled obligations

Request to make an agreement on assistance or agree to initiate the out-of-court bankruptcy process within a term of 15-30 days

Last resort → application to court to open a restructuring or bankruptcy case

# Initiation of insolvency proceedings by creditor

Notification to a legal entity about the undisputed, unfulfilled obligation

Request to fill the obligation, make an agreement on assistance or agree to initiate the out-of-court bankruptcy process within a term of 15-30 days

Last resort → application to court to open a restructuring or bankruptcy case

## 2. Agreement on assistance (to overcome financial difficulties)

# Common issues

- lack of information;
  - lack of trust and cooperation;
  - difficulties implementing the *pari passu* principle;
  - lack of instruments to control the implementation of agreement on assistance;
  - considered as a formal procedure before applying to court;
  - etc.
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# 3. Application and (or) removal of interim measures

A person seeking to enter into agreement on assistance has the right to apply to the court for interim measures to be imposed and/or lifted before the date of conclusion of the agreement.

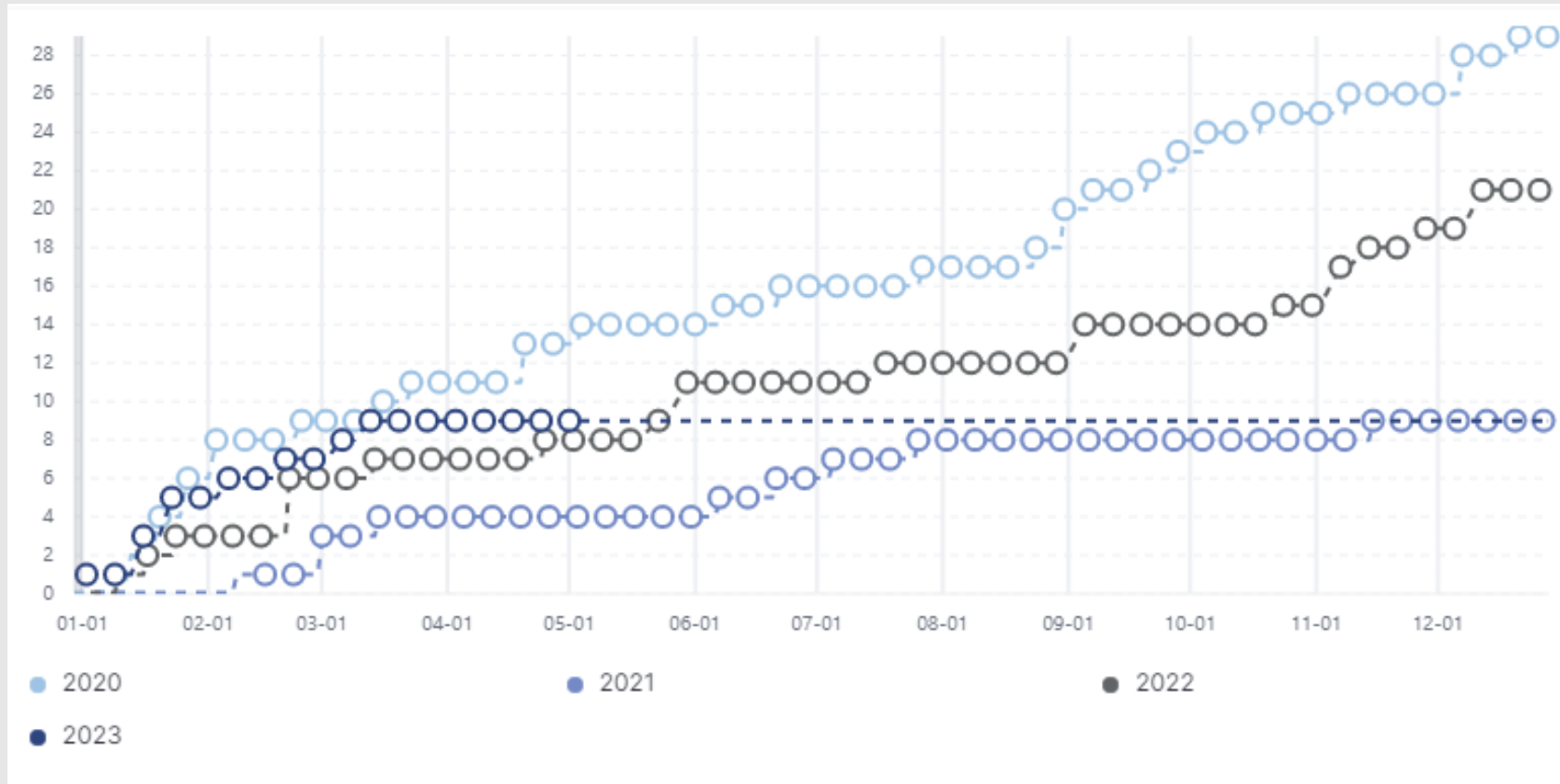


# 4. Statistics of Insolvency and Restructuring Cases

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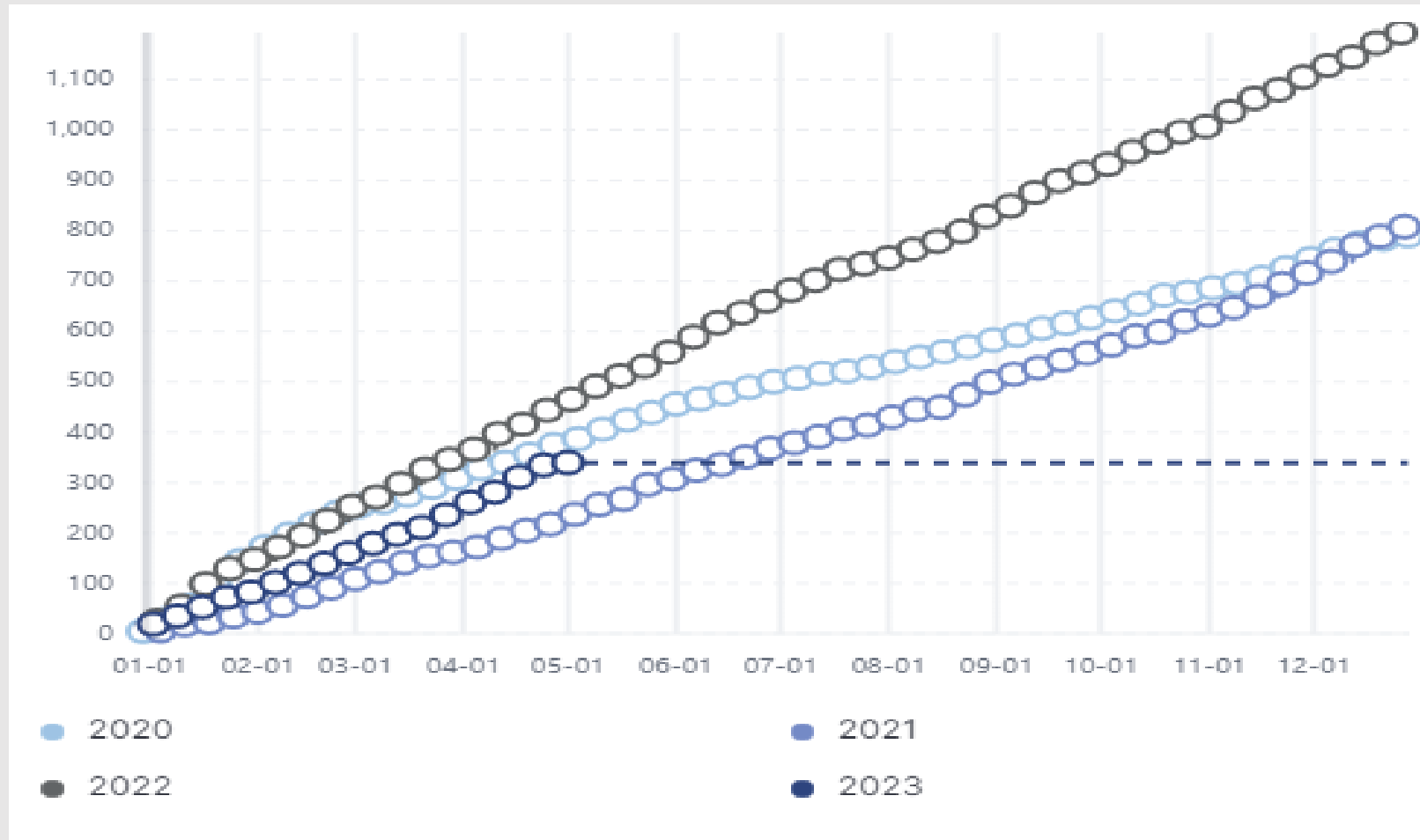


# Restructuring procedures initiated in 2020 - 2023



in 2023 → 9  
in 2022 → 21  
in 2021 → 9  
in 2020 → 29

# Insolvency procedures initiated in 2020-2023



in 2023 → 340  
in 2022 → 1193  
in 2021 → 808  
in 2020 → 790

## 5. Three things to remember

The mandatory pre-trial procedure is a formal requirement which does not guaranty any agreement on assistance to be concluded and rarely does.

Agreement on assistance to overcome financial difficulties should be utilized when it is still a likelihood of insolvency, rather than insolvency.

Failure to agree with creditors makes the out-of-court restructuring impossible. However, the restructuring case might be a solution.



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