SESSION #28: Handling Insolvency during Crisis: What Will SMEs Need?

Speakers:
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- Hugo Sánchez Ramírez, Superintendent of Restructuring and Insolvency of Chile
- Marta Sánchez Saché, Senior Investment Officer, IFC

Main takeaways:
- Partly due to unprecedented level of fiscal stimulus, and regulatory forbearances introduced by central banks around the world, there is rising fear among the industry about the sharp increase in insolvency cases.
- High level of informality of SMEs led to limited information for them to satisfy insolvency law requirements, in addition to the insufficient assets to fund insolvency proceedings.
- The creditors' passivity or lack of interest in the restructuring of the MSMEs, as well as the overlaps between business and personal insolvency regimes also posed challenges for SMEs entering insolvency.