

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



## Speakers:

- Andres F. Martinez, Senior Financial Sector Specialist, World Bank Group
- Marcelo Martins, Founding Partner, Jive
- 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.