

# Hawkamah Symposium Issues Declaration on Insolvency and Creditor Rights Systems



The Hawkamah Institute for Corporate Governance's Symposium on Insolvency Systems and Creditors Rights yesterday (Wed 27th May) issued a Declaration that outlined a roadmap for the development of insolvency and creditor-rights systems in the Middle East and North Africa region.

Signed by the delegates at the Symposium, the Declaration reaffirmed the importance of sound insolvency and creditor rights systems to the development of the region's capital markets and private sector. It also called for the modernisation of insolvency and creditor rights regimes in the Middle East and North Africa (MENA) according to international best practices and standards, particularly the World Bank's *Principles for Effective Insolvency and Creditor Rights Systems*, and the UNCITRAL *Legislative Guide on Insolvency*.

The global financial crisis offers an opportunity to move ahead with financial reform and to build insolvency systems designed to address systemic risk and to build modern and

efficient insolvency procedures, the Declaration pointed out. Though a “one size fits all” insolvency model is not effective, harmonisation of insolvency regimes will encourage more domestic and international investors and add value to the corporate and financial sectors, it said.

The Declaration encouraged policy makers, legislators and regulators to work towards building and addressing the legal, regulatory and institutional frameworks necessary for sound insolvency regimes in the region. It also announced the establishment of a Regional Forum on insolvency and creditor rights which will aim to engage, educate, and inform more stakeholders on the reform process and serve as a platform for sharing policy and infrastructure best practices.

The Hawkamah **Symposium on Insolvency Laws and Creditor Rights Systems in the MENA region** was held in cooperation with Organisation of Economic Cooperation and Development (OECD), the World Bank, INSOL International, the Abu Dhabi Chamber of Commerce and Industry, the Abu Dhabi Center for Corporate Governance and Latham & Watkins on 26 and 27 May at the Abu Dhabi Hilton Hotel.

The first day of the event discussed the initial results of a first-of-its-kind survey on insolvency systems and creditors rights conducted in eleven jurisdictions including the UAE, Lebanon, Egypt, Jordan, KSA, Bahrain, Qatar, Oman, Yemen, and Palestine, as well as the Insolvency Law of the Dubai International Financial Centre (DIFC).

In the survey that measured the quality and development of insolvency systems, the MENA region scored an average of 88 points compared to 124 scored by OECD countries in a recent survey that applied the same scoring system. In the survey’s other findings, DIFC was ranked number one in an assessment of the insolvency systems of regional organisations, scoring 126 points out of a maximum of 155.

The second day of the Symposium discussed global financial crises and insolvency; policy options on insolvency

frameworks; recent developments in the wake of the global financial crisis; regional restructuring; cross-border insolvency including INSOL and UNCITRAL Model Law and Court to Court protocols; the challenges involved in building global insolvency norms; and lessons from financial crises in the past and the need for preparing for the future.

The Symposium was attended by government policymakers and regulators, judges and lawyers, restructuring and insolvency professionals, bankers and accountants, auditors and financial forensic experts from across the MENA region. Key figures participating in the Symposium include HE Mahmoud Mohieddine, Minister of Investment in Egypt; Mahesh Uttamchandani, Senior Counsel at the World Bank; Dr Rainer Geiger, Senior Regional Advisor OECD; Robert Sanderson, President of INSOL International and Sumant Batra, Vice President, INSOL International; HE Khalfan Al Kaabi, Board Member ADCCI; Lubna Qassim, Executive Director, Legal and Regulatory Affairs Department, Dubai Economic Council; and William Foster, Executive Director Mudara Institute of Directors.