



# General Assembly

Distr.: Limited  
31 October 2019

Original: English

---

Seventy-fourth session

**Sixth Committee**

Agenda item 77

**Report of the United Nations Commission on International  
Trade Law on the work of its fifty-second session**

**Draft resolution**

## **Model Law on Enterprise Group Insolvency of the United Nations Commission on International Trade Law**

*The General Assembly,*

*Recalling* its resolution [2205 \(XXI\)](#) of 17 December 1966, by which it established the United Nations Commission on International Trade Law with a mandate to further the progressive harmonization and unification of the law of international trade and in that respect to bear in mind the interests of all peoples, in particular those of developing countries, in the extensive development of international trade,

*Recognizing* that effective insolvency regimes are increasingly seen as a means of encouraging economic development and investment, as well as of fostering entrepreneurial activity and preserving employment,

*Noting* the significance of enterprise groups, whether formed domestically or internationally, to international trade and commerce in an increasingly globalized world economy,

*Recognizing* that, where the business of an enterprise group fails, it is important not only to know how the group will be treated in insolvency proceedings, but also to ensure that such treatment facilitates, rather than hinders, the fast and efficient conduct of the insolvency proceedings,

*Aware* that very few States, if any, have a comprehensive regime for the treatment of enterprise groups in insolvency, including effective mechanisms for coordination and cooperation in cases of insolvency involving enterprise groups, the development of a group insolvency solution and the cross-border recognition and implementation of that solution in multiple States,

*Recalling* its resolution [52/158](#) of 15 December 1997, in which it expressed its appreciation to the Commission for the adoption of the Model Law on Cross-Border



Insolvency of the United Nations Commission on International Trade Law,<sup>1</sup> which deals with cross-border coordination, cooperation and recognition in relation to insolvency proceedings concerning a single debtor, and its resolution 65/24 of 6 December 2010, in which it expressed its appreciation to the Commission for the adoption of part three of the *Legislative Guide on Insolvency Law of the United Nations Commission on International Trade Law*,<sup>2</sup> which deals with the treatment of enterprise groups in insolvency,<sup>3</sup>

*Recognizing* the need for a generally acceptable model law that would focus on insolvency proceedings relating to multiple debtors that are members of the same enterprise group, thereby extending the provisions of the Model Law on Cross-Border Insolvency and part three of the *Legislative Guide on Insolvency Law*,

*Convinced* that the Model Law on Enterprise Group Insolvency,<sup>4</sup> adopted by the Commission at its fifty-second session, fulfils that need and is expected to contribute to the establishment of fair and internationally harmonized legislation on enterprise group insolvency that respects national procedural and judicial systems,

*Convinced also* that the Model Law on Enterprise Group Insolvency provides for the fair and efficient administration of enterprise group insolvencies, the protection and maximization of the overall combined value of the assets and operations of enterprise group members affected by insolvency and of the enterprise group as a whole, the facilitation of the rescue of financially troubled enterprise groups and the adequate protection of creditors and other interested persons, including debtors,

1. *Expresses its appreciation* to the United Nations Commission on International Trade Law for finalizing and adopting the Model Law on Enterprise Group Insolvency<sup>3</sup> and its guide to enactment;

2. *Requests* the Secretary-General to transmit the text of the Model Law, together with its guide to enactment, to Governments and interested bodies;

3. *Recommends* that all States give favourable consideration to the Model Law when revising or adopting legislation relevant to insolvency, bearing in mind the need for internationally harmonized legislation governing and facilitating instances of enterprise groups in insolvency, and invites States that have used the Model Law to advise the Commission accordingly;

4. *Also recommends* that all States, when revising or adopting legislation on enterprise group insolvency, also make use of part three of the *Legislative Guide on Insolvency Law of the United Nations Commission on International Trade Law*,<sup>2</sup> on the treatment of enterprise groups in insolvency,<sup>3</sup> as well as part four of the *Legislative Guide*,<sup>5</sup> addressing the obligations of directors of an enterprise in the period approaching the insolvency of that enterprise,<sup>6</sup> whose additional section,<sup>7</sup> adopted at the fifty-second session of the Commission, addresses the obligations of directors of enterprise group companies;

<sup>1</sup> *Official Records of the General Assembly, Fifty-second Session, Supplement No. 17 (A/52/17)*, annex I.

<sup>2</sup> United Nations publication, Sales No. E.12.V.16.

<sup>3</sup> *Official Records of the General Assembly, Sixty-fifth Session, Supplement No. 17 (A/65/17)*, chap. V.

<sup>4</sup> *Ibid.*, *Seventy-fourth Session, Supplement No. 17 (A/74/17)*, chap. VI, sect. A, and annex II.

<sup>5</sup> United Nations publication, Sales No. E.13.V.10.

<sup>6</sup> *Official Records of the General Assembly, Sixty-eighth Session, Supplement No. 17 (A/68/17)*, chap. V, sect. B.

<sup>7</sup> *Ibid.*, *Seventy-fourth Session, Supplement No. 17 (A/74/17)*, chap. VI, sect. B.

---

5. *Further recommends* that all States continue to consider the implementation of the Model Law on Cross-Border Insolvency<sup>1</sup> and of the Model Law on Recognition and Enforcement of Insolvency-related Judgments, both of the Commission;<sup>8</sup>

6. *Requests* the Secretariat to ensure close cooperation and coordination with international organizations active in the field of insolvency law reform to ensure the consistency and alignment of that work with all texts of the Commission in the area of insolvency law, including the Model Law on Enterprise Group Insolvency, the Model Law on Recognition and Enforcement of Insolvency-related Judgments and part four of the *Legislative Guide on Insolvency Law*, as amended by the Commission at its fifty-second session.

---

<sup>8</sup> *Ibid.*, *Seventy-third Session, Supplement No. 17 (A/73/17)*, annex III.