**Bankruptcy - Spain**

1. **What are the different types and aims of insolvency proceedings?**

The new Insolvency Law (Law 22/2003 of 9 July 2003) provides for a single legal proceeding for situations of crisis caused by the insolvency of a common debtor. This insolvency proceeding is called “concurso de acreedores” (“creditors’ meeting”). A debtor is in a situation of insolvency if he cannot meet his liabilities on a regular basis.

The creditors’ meeting is the only proceeding that applies to both civil debtors and traders, regardless of whether they are natural or legal persons. Its main purpose is to satisfy the creditors’ claims as far as possible, although to achieve this aim the Insolvency Law encourages solutions that allow the company to continue in business and jobs to be saved. Once an insolvency proceeding has been ordered, there is always an initial phase in which an inventory is made of the debtor’s assets and a list of the creditors, duly classified, is drawn up.

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1. **What are the conditions for opening each type of insolvency proceedings?**

The insolvency proceeding may be applied for by the debtor, his creditors or the shareholders personally liable for the debts of the debtor company. Insolvency proceedings applied for by the debtor are voluntary proceedings, while those applied for by the other parties are compulsory proceedings.

The debtor has the right to apply for an insolvency order not only once he has become insolvent but also beforehand, when insolvency is imminent. Once the debtor actually becomes insolvent, this right becomes an obligation, and a formal application for insolvency proceedings must be made within two months.

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1. **What is the role of the various participants in each type of proceedings?**

The judge directs the insolvency proceedings. He opens and closes the proceeding, ensures that the necessary formal procedures are carried out, supervises the actions taken by the administrators and resolves any disputes arising at any stage of the proceeding.

The role of the administrators is a complex one. They have to provide information to and cooperate with the judge while also representing the general interests of all the creditors and supervising the administration and disposal of the debtor’s assets.

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1. **What are the effects of the opening of proceedings?**

Once the insolvency proceeding has been opened, all the debtor’s present and future assets and rights, except for non-attachable assets and rights, are attached. The opening of the insolvency proceeding is recorded in the registers in which these assets and rights are entered.

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