

Roadmap to the Proposed Changes – DIFC Insolvency Law

#	Current Law reference	Amendment Law reference	Legislative Change	Summary of Change
1.	N/A	Part 3 Articles 13 -31 <u>Rehabilitation Procedure</u>	New Provision	Key concept: A new debtor in possession rehabilitation procedure. Key provisions: Arts. 15 – 19: establishing new rehabilitation procedure, including an automatic moratorium of 120 days; Arts. 20 - 21: establishing requirement of debtor to appoint one or more rehabilitation nominees, who must be leading insolvency practitioners; Arts 24, 27 and 31: establishing role of the courts in relation to a rehabilitation procedure; Article 25: establishing meeting and voting requirements.
2.	N/A	Part 4 Articles 32 – 41 <u>Administration procedure</u>	New Provision	Key concept: A new administration process where there is evidence of misconduct and management is replaced by an administrator. Key Provisions: Arts. 32 - 34: clarifying the procedure for appointing an administrator. Arts. 36-38: establishing general powers and duties of the administrator. Arts. 39 – 41: clarifying the discharge and release of the administrator.
3.	Article 26	Article 54	Existing - amended	Simplifying the circumstances in which a company may be wound up voluntarily.
4.	Article 35 and 44	N/A	Existing - deleted	Abolishing the requirement for a liquidator to call certain mandatory meetings of creditors or members.
5.	Article 35	Article 63	Existing - amended	Clarifying the duties of the liquidator upon the completion of a members' voluntary winding up. Creation of further sanctions for failure to comply with obligations imposed.
6.	Article 36	Article 64	Existing - amended	Clarifying the liquidator's duties upon a company's insolvency. Creation of further sanctions for failure to comply with obligations imposed.
7.	N/A	Article 68	New Provision	Simplifying the process of nominating and

#	Current Law reference	Amendment Law reference	Legislative Change	Summary of Change
				appointing a liquidator on a creditors' voluntary winding up.
8.	Article 37	Article 65	Existing - amended	Clarifying the procedure in relation to the conversion of a members' voluntary winding up to a creditors' voluntary winding up.
9.	Article 39	Article 67	Existing - amended	Extending on the directors' duty to provide the creditors with statement of company affairs.
10.	N/A	Article 68	New Provision	Addition of provision by which the creditors and the company can nominate a person to be the liquidator.
11.	N/A	Article 71	New Provision	Providing a mechanism by which a liquidator can disclaim onerous property.
12.	Article 44	Article 74	Existing - amended	Clarifying the duties of the liquidator upon the completion of a members' voluntary winding up.
13.	N/A	Article 80	New Provision	Providing a mechanism by which a liquidator may be removed or may resign.
14.	Article 57	Article 89	Existing - amended	Expanding on the duty of a liquidator to investigate the affairs of an insolvent company and report to the court if appropriate.
15.	Article 60	Article 92	Existing - amended	Modernising and streamlining the process for appointing a liquidation committee, its roles and duties, and voting procedures.
16.	N/A	Article 95	New Provision	Clarifying the duties of the liquidator upon the completion of a compulsory winding up.
17.	Article 68	Article 100	Existing - amended	Clarifying and expanding on the process for disclaiming onerous property in a compulsory winding up.
18.	N/A	Article 101	New Provision	Addition of a mechanism enabling rescission by the court.
19.	Article 72	Article 105	Existing – amended	Clarifying the process for dissolving a company.
20.	N/A	Article 106	New Provision	Providing a mechanism by which a liquidator may be removed or may resign.
21.	Article 79	Article 113	Existing - amended	Provision of an additional defence to the offence of wrongful trading.
22.	N/A	Article 114	New Provision	Addition of an offence of misconduct in the course of a winding up.
23.	Article 81	Article 116	Existing - amended	Addition of exceptions to the restriction on the re-use of a name of a company in liquidation.
24.	Article 82	Article 117	Existing - amended	Enhancement of provisions that deal with assisting foreign insolvency proceedings by

#	Current Law reference	Amendment Law reference	Legislative Change	Summary of Change
				incorporating the UNCITRAL Model Law on cross border insolvency into the law of the DIFC.
25.	Article 96	Article 131	Existing - amended	Creation of further sanctions for failure to comply with enquiries into Company's dealings.
26.	N/A	Arts. 139 – 140	New Provisions	Create the possibility of remote attendance at meetings and the use of websites to give notices.