



SUMMATIVE (FORMAL) ASSESSMENT: MODULE 6A

RESIT ASSESSMENT: SEPTEMBER 2023

FRANCE

37/50 = 74%

This is the summative (formal) assessment for Module 6A ***of this course and must be submitted by all candidates who*** selected this module as one of their elective modules.

The mark awarded for this assessment will determine your final mark for Module 6A. ***In order to pass this module, you need to obtain a mark of 50% or more for this assessment.***

INSTRUCTIONS FOR COMPLETION AND SUBMISSION OF ASSESSMENT

Please read the following instructions very carefully before submitting / uploading your assessment on the Foundation Certificate web pages.

- 1. You must use this document for the answering of the assessment for this module. The answers to each question must be completed using this document with the answers populated under each question.**
- 2. All assessments must be submitted electronically in Microsoft Word format, using a standard A4 size page and an 11-point Arial or Avenir Next font. This document has been set up with these parameters - please do not change the document settings in any way. DO NOT submit your assessment in PDF format as it will be returned to you unmarked.**
- 3. No limit has been set for the length of your answers to the questions. However, please be guided by the mark allocation for each question. More often than not, one fact / statement will earn one mark (unless it is obvious from the question that this is not the case).**
- 4. You must save this document using the following format: [studentID.assessment6A]. An example would be something along the following lines: 202223-336.assessment6A. Please also include the filename as a footer to each page of the assessment (this has been pre-populated for you, merely replace the words "studentID" with the student number allocated to you). Do not include your name or any other identifying words in your file name. Assessments that do not comply with this instruction will be returned to candidates unmarked.**
- 5. The final submission date for this assessment is 21 September 2023. Please provide the completed assessment back to Sanrie Lawrenson via email at Sanrie.Lawrenson@insol.org by no later than 23:00 (11 pm) GMT on 21 September 2023. No submissions can be made after this time, no matter the circumstances.**
- 6. When submitting your assessment you will be required to confirm / certify via email that you are the person who completed the assessment and that the work submitted is your own, original work. Please see the part of the Course Handbook that deals with plagiarism and dishonesty in the submission of assessments. Please note that copying and pasting from the Guidance Text into your answer is prohibited and constitutes plagiarism. You must write the answers to the questions in your own words.**

ANSWER ALL THE QUESTIONS

QUESTION 1 (multiple-choice questions) [10 marks in total] **7 marks**

Questions 1.1. - 1.10. are multiple-choice questions designed to assess your ability to think critically about the subject. Please read each question carefully before reading the answer options. Be aware that some questions may seem to have more than one right answer, but you are to look for the one that makes the most sense and is the most correct. When you have a clear idea of the question, find your answer and **mark your selection on the answer sheet by highlighting the relevant paragraph in yellow. Select only ONE answer. Candidates who select more than one answer will receive no mark for that specific question.**

Question 1.1

Which option below comprises a procedure which is not a pre-insolvency mechanism?

- (a) *Mandat ad hoc, conciliation and safeguard.*
- (b) *Mandat ad hoc, conciliation, safeguard and rehabilitation proceedings.***
- (c) *Conciliation, safeguard and accelerated safeguard.*
- (d) *Mandat ad hoc and safeguard.*

Question 1.2

Which statement below is incorrect in relation to the accelerated safeguard procedure?

- (a) *The accelerated safeguard procedure is not a standalone procedure; it can only be used following the opening of conciliation proceedings.*
- (b) *The accelerated safeguard is the flagship of preventive restructuring in France.*
- (c) *The accelerated safeguard is the same procedure as the safeguard, except that its timeline is shorter.***
- (d) *The accelerated safeguard was revamped following the passing of EU Directive 2019/1023.***

Question 1.3

What is the main difference between the safeguard procedure and the rehabilitation procedure?

- (a) The main difference lies in the person who can request the opening of the procedure (creditors of the company in the case of the safeguard and the company's director(s) in the case of rehabilitation proceedings).**
- (b) The main difference lies with in court that will deal with the case (the commercial court for the safeguard and the specialised commercial court for rehabilitation proceedings).**
- (c) The main difference lies in the duration of the procedures (10 months for the safeguard procedure and 18 months for rehabilitation proceedings).**
- (d) The main difference lies in the condition required to open the proceedings (insolvency for rehabilitation proceedings and no state of insolvency for the safeguard).**

Question 1.4

Who can request the opening of an *ad hoc* mandate procedure?

- (a) The debtor's creditors.**
- (b) The president of the court.**
- (c) The director(s) of the company.**
- (d) The director(s) of the company or the company's auditor.**

Question 1.5

What are the conditions for a company in financial difficulties to resort to conciliation proceedings?

- (a) A debtor must not be in a state of insolvency (in a payment failure situation) and must not encounter difficulties that it is not able to overcome.**
- (b) A debtor must not have been in a state of insolvency for longer than 45 days.**
- (c) A debtor must prove that it has availed of an *ad hoc* mandate first, which has failed.**
- (d) The rescue of the company must be deemed impossible by its directors.**

Question 1.6

Can the president of the court impose a conciliation procedure on a debtor company?

- (a) *Yes, at the request of the creditors.*
- (b) *Yes, at the request of the Public Prosecutor.*
- (c) *Yes, at the request of a contractual third party.*
- (d) No, never.**

Question 1.7

What are the conditions for a company to avail of safeguard proceedings?

- (a) When the company is not in a state of insolvency (in a payment failure situation) but is experiencing difficulties which it is not able to overcome.**
- (b) *When the company has not been in a state of insolvency for longer than 45 days.*
- (c) *When the company is insolvent.*
- (d) *When the company is insolvent and the company has attempted conciliation or *ad hoc* mandate proceedings which have failed.*

Question 1.8

Which statement regarding liquidation proceedings is incorrect?

- (a) *Liquidation proceedings trigger an automatic stay of proceedings and enforcement actions against the company.*
- (b) *All pre-filing creditors are barred from enforcing their rights to obtain payment from the debtor, subject to some exceptions.*
- (c) All pre-filing creditors are barred from enforcing their rights to obtain payment from the debtor, with no exceptions.**
- (d) *If a sale plan is conducted, third parties cannot terminate or rescind their contracts with the debtor.*

Question 1.9

In relation to the recognition of judgments under French law, choose the accurate statement:

(a) Foreign judgments can only be enforced if they have been subject to a procedure of *exequatur*. The granting of *exequatur* to a foreign judgment is left at the discretion of the court.

(b) Foreign judgments can only be enforced if they have been subject to a procedure of *exequatur*. For a foreign judgment to be granted *exequatur*, three conditions must be met: (i) the original judgment must be devoid of any fraudulent intention, (ii) the judgment must comply with international public policy, and (iii) the foreign court or tribunal who issued the judgment must have been competent to do so.

(c) Even if foreign judgments have not been granted *exequatur*, there are some ways in which they can be recognised and enforced by French authorities. It is, for example, possible for the French court to recognise a foreign judgment if there are also local insolvency proceedings pending against the same debtor.

(d) Once *exequatur* has been conferred, the foreign judgment is considered a French judgment.

Question 1.10

Marlon SARL, a company registered in France, has been experiencing financial difficulties since 10 June 2023. On 1 July 2023, it is officially insolvent (*en cessation des paiements*). On 11 August, it wants to file for an insolvency procedure. Which procedure(s) is / are available to the company?

(a) *Ad hoc* mandate.

(b) Conciliation.

(c) Safeguard or rehabilitation proceedings.

(d) Rehabilitation or liquidation proceedings.

QUESTION 2 (direct questions) [10 marks in total]

Question 2.1 [maximum 2 marks] **1 mark**

Consider the following two statements:

Statement 1: A procedure which can only be opened following conciliation proceedings.

Statement 2: The procedure is not limited in time; its objective is to avoid the insolvency of the company.

Which insolvency procedures do these statements refer to?

[Statement 1: This statement refers to the accelerated safeguard procedure. Amicable out-of-court proceedings in accordance with the Commercial Code, Article L611-7.

*Statement 2: This refers to the nature and objective of the Safeguard Procedure (procédure de sauvegarde)] **This refers to the ad hoc mandate***

Question 2.2 [maximum 3 marks] **2 marks**

List three of the main variations between the safeguard procedure and the rehabilitation procedure under the Commercial Code.

[The Safeguard Procedure (procédure de sauvegarde) and the Rehabilitation Procedure (procédure de redressement judiciaire) in the French Commercial Code differ in their objectives, focus, initiation criteria and duration.

The Safeguard Procedure is geared toward preventing insolvency while the Rehabilitation Procedure is employed when insolvency is already present and involves more stringent eligibility criteria and potentially long-term solutions for distressed businesses.

The said procedures serve different purposes and have several key variations.

Objective and Focus:

- *Safeguard Procedure: The primary objective of the safeguard procedure is to prevent a debtor from becoming insolvent, allowing to negotiate with creditors and draft a recovery plan.*
- *Rehabilitation Procedure: The primary objective of the rehabilitation procedure is to rehabilitate the debtor's financial situation. This procedure is used when a business is already insolvent or on the verge of insolvency.*

Initiation and Eligibility:

- *Safeguard Procedure: This procedure can be initiated by the debtor (voluntary) or by creditors (involuntary) under specific conditions. It is available by to a broader range of businesses facing financial difficulties.*
- *Rehabilitation Procedure: The rehabilitation procedure is initiated by the debtor through a voluntary petition court. It is employed when the debtor acknowledges its insolvency. The eligibility criteria for this procedure are generally more stringent compared to the safeguard procedure.*

Duration and Severity:

- **Safeguard Procedure:** This procedure is typically a shorter duration compared to the rehabilitation procedure. It aims to provide a quicker resolution for businesses that can recover quick with the right support.
- **Rehabilitation Procedure:** This procedure may involve a more extended period, as it deals with businesses in more severe financial distress. It allows a more comprehensive examination of the debtor's financial situation and a long-term plan for recovery.]

The constitution of classes of creditors: during safeguard proceedings, the constitution of classes of creditors is not mandatory, except for companies that meet one of two criteria (they employ over 250 employees and have a turnover greater than EUR 20 million; or they have a turnover of over EUR 40 million). At the request of the debtor, the supervising judge may nonetheless constitute classes of affected parties for debtors that fall below the threshold. During rehabilitation proceedings, if the debtor does not meet the required criteria, the authorisation to form classes of affected parties may be requested by the administrator from the insolvency judge, without the debtor's approval.

Question 2.3 [maximum 3 marks] **0 marks**

List three new elements of insolvency law which had been introduced in the French Commercial Code following the Order of 15 September 2021.

[

1. Accelerated Safeguard Proceedings: **The concept of accelerated safeguard proceedings was introduced under the order of 15 September 2021.**
2. Role of the Judicial Administrator Strengthened: **This order enhanced the responsibilities of the judicial administrator.**
3. Court Sanctioned Mediation: **This enables all the parties involved in the case to engage in a mediation process with the court's approval.**

]

Any three:

- (1) **Classes of creditors**
- (2) **New safeguards in place in case of cross-class cram-down by the court**
- (3) **Reduction of the observation period in safeguard proceedings**
- (4) **New- and post-money privileges**

Question 2.4 [maximum 2 marks] **2 marks**

Explain the difference between *homologation* and *constatation* of the conciliation agreement.

[The main difference between constatation a homologation of a conciliation agreement lies in their legal effect.

Constataion is the initial administrative step where the court acknowledges the existence of the agreement, while homologation is the subsequent judicial approval that gives the agreement the status of a court judgment, making it legally binding on all parties involved. Homologation provides greater legal protection to the parties, which is why it is an important step in the conciliation process in French Law.

1. Constataion:

- Purpose: ***This is the initial step in the conciliation process. It involves the court verifying the existence and terms of the agreement reached between the debtor and its creditors during the conciliation proceedings.***
- Timing: ***The constataion typically occurs at the conclusion of the conciliation process once the parties have reached an agreement.***
- Court Involvement: ***The court's role in the constataion stage is primarily administrative. It ensures that the agreement complies with the legal requirements, is properly documented, and that the relevant parties have signed it.***
- Effect: ***The constataion does not have the same legal force as a judgment. Its simply ?***

2. Homologation:

- Purpose: ***This is a more substantial and legal binding step which involves court's approval and endorsement of the conciliation agreement.***
- Timing: ***Homologation follows the constataion and it is the next step in the conciliation process. After the constataion, parties may apply for the homologation of the agreement.***
- Court Involvement: ***During the process of homologation the court will review the agreement, thoroughly. Taking in consideration the best interest of the debtor and the creditor. Looking into all legal requirements and fairness.***
- Effect: ***Once the agreement is approved, it becomes legally binding on all parties involved.]***

QUESTION 3 (essay-type question) [15 marks]

In addition to the correctness, completeness (including references to case law, if applicable) and originality of your answers to the questions below, marks may be awarded or deducted on the basis of your presentation, expression and writing skills.

Question 3.1 [maximum 5 marks] 3 marks

Why can it be said that the reform of 15 September 2021 has been somewhat minor and not an overhaul of the *status quo*?

[In short, the reform of 15 September 2021 can be seen as an refinement of the existing French Insolvency framework rather than a transformation. The efficiency and

effectiveness were enhanced of the insolvency proceedings. It is sometimes characterized as a relatively minor reform.

Many of the core principles and procedures of the French Insolvency Law remain intact. Fundamental elements such as the distinction of between safeguard and liquidation proceedings were largely preserved.

Creditor's rights were preserved. The principles in protecting the creditor's rights and ensuring fairness were maintained.

Accelerated safeguard proceedings were introduced to provide a faster resolution option. Which we come back to stating that the accelerated safeguard proceeding offer a more time-efficient option for companies in urgent need of a financial recovery plan.]

The main novelties introduced by the 2021 reform include:

- **The introduction of classes of creditors, grouping creditors within classes representative of a sufficient commonality of economic interest.**
- **New safeguards in place in case of cross-class cram-down by the court. For this purpose, France has adopted the absolute priority rule, which means that creditors of a class that voted against the plan must be fully repaid when a lower-ranking class is entitled to be paid or retains an interest.**
- **The Ordinance of September 2021 also introduced a "post-money" (post-commencement) privilege which did not exist previously. This privilege benefits claims arising from a cash contribution to the debtor during the observation period, as authorised by the supervisory judge; and / or for the implementation of the safeguard plan adopted by the court; or for a medication of the plan, as adopted by the court.**

Question 3.2 [maximum 5 marks] **5 marks**

While they exhibit some similarities, the safeguard and accelerated safeguard procedures are nonetheless very different proceedings. List the main similarities, differences and objectives of these two proceedings.

[We can refer to Chapter VIII of Book VI of the Commercial Code where some variations are found. The accelerated safeguard is subject to the rules applicable to the traditional safeguard.

1. *In order to open safeguard procedures, the debtor must be engaged in conciliation proceedings.*

2. *Due to the debtor being in payment failure, the situation does not preclude the opening of accelerated safeguard. The same criteria are used as that of the conciliation, that is the debtor must not have been in a payment failure situation for more than forty-five (45) days.*
3. *We can refer to **Book VI of the Commercial Code** which states that voting conditions and the adoption of the plan by classes of affected parties are defined within the framework of the safeguard procedure.*
4. *The specificity of the accelerated safeguard lies within the compulsory constitution of classes of the affected parties, which differs from the safeguard proceedings.*
5. *Also, the imposition of a short deadline, since the plan must be adopted within two (2) months of the opening judgment, otherwise the procedure is closed, without a possibility of a conversion.*
6. *Both procedures aim to rescue the debtor.*
7. **Similarities:**
 - *Safeguard (**sauvegarde**): Court administered proceedings.*
 - *Accelerated Safeguard (**sauvegarde acceleree**): Court administered proceedings.*
8. **Differences:**
 - *Safeguard (**sauvegarde**): The debtor is required to show that it was facing difficulties which they were not able to overcome. Maximum duration for this procedure is twelve (12) months (six (6) months renewable once)*
 - *Accelerated Safeguard (**sauvegarde acceleree**): This procedure is not a stand-alone procedure. It must be preceded by a conciliation process. The company cannot be insolvent to avail accelerated safeguard proceedings. Maximum duration of four (4) months.*
9. **Objectives:**
 - *Safeguard (**sauvegarde**): To enable the entity to continue and maintain its jobs and discharge any and all liabilities under the Court's supervision.*
 - *Accelerated Safeguard (**sauvegarde acceleree**): It is to preserve the company's value within the framework of a pre-pack, where a restructuring plan can be adopted by the affected creditors.*

Question 3.3 [maximum 5 marks] **4 marks**

Explain what the main features of the new class formation are under French insolvency law following the reform of 2021. Explain, also, what issues may arise in insolvency cases in relation to classes of creditors.

[The main features of class formation under French insolvency law (reform of 2021) consists of the following:

1. Introduction: **The 2021 reform introduced the concept of classes of creditors. The aim was to enhance the efficiency of the insolvency proceedings by putting creditors in classes with similar rights and interests.**
2. Classification: **This is typically based on the nature of their claims. For instance, secured, unsecured, employees, etc.**
3. Treatment: **Each class may be treated differently during the insolvency process.**
4. Voting: **Creditors have the opportunity to vote on the proposed plans or the decisions related to insolvency proceedings.**
5. Court approval: **The court must approve the classification of the creditors into classes.**

Issues that may arise in the insolvency cases in relation to the classes of creditors is as follows:

1. Classification: **Disputed may arise regarding the classification into a particular class. This can result in legal disputes which will off course delay the insolvency process.**
2. Treatment: **The different classes of creditors may perceive the treatment they get.**
3. Voting: **The potential for manipulation and/or strategic voting will be an influence on the outcome of the creditor vote.**
4. Approval: **Obtaining approval for the different classes of creditors will be complex.**
5. Fairness: **It is very challenging to ensure that the proposed treatment of each class of creditors is fair and comply with the legal requirements.**
6. Litigation Risk: **Disputes can result in litigation proceedings which will delay the insolvency process.]**

In introducing classes of creditors in September 2021, the Commercial Code also introduced a difference between safeguard and accelerated safeguard proceedings. In the latter, the formation of classes is compulsory for all debtors (Article L628-4). For safeguard proceedings, however, the new class system is not mandatory except for companies that meet the following thresholds:

(a) they employ over 250 employees and have a turnover greater than EUR 20 million; or

(b) they have a turnover of over EUR 40 million. (Articles L626-29 and R626-

52.)

QUESTION 4 (fact-based application-type question) [15 marks]

Mireille has been working as an independent fitness coach for 10 years. During the Covid-19 pandemic, her business took a serious hit due to confinement restrictions. In January 2022, she started experiencing serious cash flow difficulties, which have continued ever since. She is now starting to struggle to pay her expenses, especially the rent of her fitness studio, which is her main liability each month. Mireille is starting to feel very anxious that she may become insolvent in the near future.

One of her friends told her that she should apply for conciliation proceedings, but Mireille fears that it will give her business bad publicity and scare off her clients. This is of particular importance to her as most of her business is premised on word-of-mouth clientele.

Question 4.1 [maximum 5 marks] **3 marks**

Should Mireille apply for conciliation given her personal circumstances? Does she meet the different criteria to open the procedure? Justify your answer.

[The situation of Mireille is very challenging and the decision to apply for the conciliation proceedings should be made carefully, considering her circumstances. Her decision to apply for conciliation should be based on her financial situation, her commitment to continue her business and the impact on her clientele. She does meet the different criteria to open the conciliation procedure. (1)

- To open conciliation proceedings, the debtor must be experiencing difficulties of a legal, economic or financial nature, proven or foreseeable, and not have been in a state of insolvency for longer than 45 days (Article L611-4).***

Factors that she need to consider for the eligibility for the conciliation process id the financial difficulty, as she needs to demonstrate her genuine financial difficulty and her inability to pay the rent of her fitness studio. Further, she should assess whether she genuinely wants to continue her fitness coaching business as the conciliation proceedings are aimed at preventing bankruptcy and help the business to continue its activities. Lastly, she should confirm her eligibility with legal counsel, as conciliation proceedings are generally available to entrepreneurs, including independent professionals like Mireille. (1)

Although the conciliation proceedings are not publicized, her concern about bad publicity is valid. However, there is some level of disclosure to creditors and the success of keeping the proceedings confidential may depend on the specifics of the

case. **(1) Conciliation proceedings need not be publicised if the conciliation agreement is merely acknowledged, rather than sanctioned, by the court.**

It might be a viable option to apply for the conciliation if Mireille believes that her business can recover and that her clients will not be adversely affected.

- **The president of the Court is seized by the debtor who must present sufficient proof demonstrating the need for opening the procedure (for example, their economic and financial situation, their financing needs, their difficulties and the solutions to tackle them) (Article L611-6).**

It is crucial for Mireille to consult with an attorney or legal advisor with expertise in insolvency and business restructuring, given the complexity of her situation.

Conciliation should be considered as a last resort. Mireille should explore alternative solutions. For instance, Accelerated Safeguard Proceedings.]

Question 4.2 [maximum 5 marks] **5 marks**

Explain to Mireille the way conciliation proceedings run and the advantages of opening such procedure. Further advise her whether he could also avail of any other insolvency procedure.

[A debtor in view of the economic, social and (if applicable) environmental balance sheet, with the assistance of an appointed administrator will propose a plan without prejudice to the application in terms of the provisions of Article L622-10.

This said plan must mention the commitments to make the necessary cashflow and contributions to execute the plan.

The following will be determined in the draft plan:

- *Recovery according to the possibilities and methods of activities, the state of the market as well as the means of financing available.*
- *Defines the methods of settlement of the liabilities and any guarantees that the debtor must take out to ensure their execution.*
- *It sets out and justifies the level and prospects of employments.*
- *It sets out social conditions envisaged for pursuit of activity. **(1)***

Conciliation Proceedings:

- *Easy to open: It is open at the request of the debtor who seizes to competent court. The debtor doesn't need to be insolvent - but they can also be insolvent for no more than forty-five (45) days. **(1)***

- **Objective:** It is to promote the negotiation between the debtor and creditors of a debt repayment plan, debt reduction or rescheduling under an insolvency professional which is called a conciliator. **(1)**
- **Duration:** Procedure lasts for up to four (4) months and can be renewed only once for a month.
- **Confidentiality:** Opening this procedure are not published in any way and are confidential in nature. **(1)**
- **Mireille needs to remember that the procedure is amicable. This means that the court cannot force any debt rescheduling, reduction, or repayment plan on creditors.**

Ad hoc Proceedings:

- **Mireille could also open ad hoc proceedings. (1)**
- **Unlike the conciliation procedure, the ad hoc mandate has no limit of duration.**
- **Some companies prefer ad hoc mandate for its flexibility.**
- **Studies have shown that before the Covid-19 pandemic, that 56% of cases, debtor's have chosen the conciliation proceedings. But in 2020 the Covid orders made it possible to extend conciliation proceedings to up to ten (10) months. During this period, the ad hoc mandate lost the advantage of duration which it typically had over the conciliation procedure.**
- **Generally speaking, the conciliation proceedings are more advantageous to debtors than the ad hoc mandate.**

Whenever the draft provides for dismissals for economic reasons, it recalls the measures already taken and defines the actions to be taken in order to facilitate the reclassification and compensation for the employees whose employments is threatened.

It identifies, appends and analyses acquisition offers relating to one or more activities, presented by third parties.

The objective here is for the debtor to reach an agreement with its creditors in a speedy fashion.

Subject to some variations, found in Chapter VIII of Book VI of the Commercial Code, the

accelerated safeguard is subject to the rules applicable to the traditional safeguard.

The first

substantial variation is that, to open safeguard proceedings, the debtor must be engaged in

conciliation proceedings. The fact that the debtor is in a payment failure situation does not preclude the opening of accelerated safeguard; the same criterion is used as that of the conciliation, that is the debtor must not have been in a payment failure situation for more than forty-five (45) days.]

Question 4.3 [maximum 5 marks] **5 marks**

Can Mireille open accelerated safeguard proceedings? If so, explain what this procedure is and what its advantages are.

[Yes, Mireille can open accelerated safeguard proceedings as this is a legal mechanism that is designed to assist businesses facing financial difficulties with a reasonable chance of recovery. It is known as "procédure de sauvegarde accélérée" in French and this procedure aims to protect and rehabilitate the business facing financial difficulties.

The advantages of Accelerated Safeguard Proceedings is as follows:

1. Confidential: **While creditors are informed of proceedings during this process, they are not made public, which can help the business's reputation. Which is exactly what is Mireille's concern.**
2. Enforcement: **This means that creditors are prohibited from taking any legal action against the business.**
3. Creditors' Negotiations: **The primary goal here is to negotiate with creditors, in this case the landlord, in order to restructure the company's debts and draft a recovery plan.**
4. Time Efficiency: **This procedure is designed to be quicker than the regular safeguard proceedings. This is very advantageous for business facing urgent financial distress.**
5. Continuation of business: **This is very important for Mireille's business, which the ultimate aim is to allow the business to continue its day-to-day operations and regain financial stability.**

Procedure:

"The accelerated safeguard procedure is not a standalone process but rather a step that follows a conciliation process. According to Article L628-1 of the Commercial Code, the initiation of the accelerated safeguard procedure is contingent upon a debtor's participation in a conciliation procedure. Importantly, the conciliation procedure must still be in progress when the accelerated safeguard proceedings are initiated.

Article L628-2 further stipulates that the court's decision to commence accelerated safeguard proceedings is based on a report submitted by the conciliator.

Two key criteria for commencing these proceedings are as follows:

1. **The debtor must be actively engaged in conciliation proceedings.**
2. **A plan, formulated during the conciliation phase, must have a reasonable chance of being accepted by the creditors affected by the plan within three months from the date of the opening judgment (as per Commercial Code, Article L628-8).**

It's noteworthy that the accelerated safeguard procedure adheres to most of the regulations governing the standard safeguard procedure. Additionally, the procedure is initiated at the request of the debtor, and the court has the authority to appoint one or more judicial administrators as necessary. The commencement of the procedure also entails the establishment of creditors' classes in accordance with Article L626-29 of the Commercial Code".]

*** End of Assessment ***