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'I' ITEM NOTE

From: General Secretariat of the Council
To: Permanent Representatives Committee (Part 2)
Subject: Proposal for a Directive of the European Parliament and of the Council
harmonising certain aspects of insolvency law
– Confirmation of the final compromise text with a view to agreement

I. INTRODUCTION

1. On 7 December 2022, the Commission submitted to the Council and the European Parliament a proposal for a Directive harmonising certain aspects of insolvency law¹. The proposal for a Directive is one of the initiatives included in the 2020 Capital Markets Union (CMU) action plan. It aims to encourage cross-border investment within the single market through a targeted harmonisation of insolvency proceedings.
2. The draft Directive is based on Article 81(2) of the Treaty on the Functioning of the European Union (TFEU) (ordinary legislative procedure).

¹ 15896/22.

3. This proposal is a key element of the EU’s broader efforts to strengthen the CMU. The Euro Summit statement of 22 March 2024 stressed the need for ‘the rapid completion of the outstanding legislative work on the 2020 Capital Markets Union action plan’. Additionally, in April 2024, the European Council further underscored the urgency of advancing the legislative work on all identified measures needed to establish integrated European capital markets, expressly referring to this proposal. Furthermore, in its conclusions of 20 March 2025, the European Council expressed that it expects the co-legislators to quickly agree on all pending proposals from the 2020 Action Plan on the Capital Markets Union, including on insolvency.
4. The European Data Protection Supervisor delivered its opinion on the proposed Directive on 6 February 2023².
5. The European Economic and Social Committee delivered its opinion on the proposed Directive on 24 March 2023³.
6. On 12 June 2025, the Council reached a general approach⁴ on the abovementioned proposal, which constituted the mandate for negotiations with the European Parliament in the context of the ordinary legislative procedure.
7. On 19 November 2025, a provisional agreement was reached between co-legislators, resulting in the final compromise text as set out in document 16061/2025.

² 6147/23.

³ 7856/23.

⁴ 9257/25.

II. CONCLUSIONS

8. The Permanent Representatives Committee is invited to:
- (a) confirm agreement on the final compromise text as set out in document 16061/25 with a view to reaching an agreement at first reading with the European Parliament;
 - (b) authorise the Chair of the Permanent Representatives Committee to send a letter to inform the Chair of the European Parliament's Committee on Legal Affairs that, should the European Parliament adopt its position at first reading on the text of the proposal in the exact form as set out in document 16061/25 and subject to revision of that text by the lawyer-linguists of both institutions, the Council will approve the European Parliament's position and the act will be adopted in the wording which corresponds to the European Parliament's position.
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