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CECOP welcomes the European Commission proposal for a new Directive on preventive restructuring measures

Business transfers to employees under the cooperative form should be included in the final version as one of the available tools to be used to avoid liquidation

CECOP, the European confederation of industrial and service cooperatives, welcomes the publication by the European Commission of the proposal for a new [Directive on preventive restructuring frameworks, second chance and measures to improve the efficiency of restructuring, insolvency and second chance procedures](#). “Our national and local cooperative organizations help dozens of businesses undergo restructuring through business transfers to the employees under the cooperative form every year. In most cases, **the restructuring process takes place before liquidation**, thus constituting a preventive model which is in line with the Directive”, says the President of CECOP, Giuseppe Guerini.

Amongst the main objectives of the Directive, those that our restructuring model implements to the widest extent are: “increase investment and job opportunities in the internal market”, and “reduce the number of unnecessary liquidations of viable companies”. For this reason, we particularly support the early warning tools foreseen by the Directive and, in particular, the **provision of “available information about the means available to restructure early”**: such information should also **include business transfers to employees**, referred to in a number of European Commission communications since 1993 and in the [European Parliament Report on the contribution of cooperatives to overcoming the crisis \(2013\)](#).

CECOP supports the idea mentioned in the Directive that judges and insolvency practitioners should be properly trained, but such **training should also cover business transfers to employees**. Currently, two training projects on business transfer to the employees under the cooperative form are being implemented under a EU call launched by DG Growth. They cover eight European Union countries in all, reflecting **the need and interest for, this specific form of restructuring which, in most cases, avoids liquidation**.

“We hope that business transfer to employees under the form of a cooperative will be referred to in the final version of the Directive as one of the available preventive tools to avoid liquidation”, concludes the President of CECOP.

Related documents:

[European Commission proposal for a new Directive on preventive restructuring frameworks, second chance and measures to improve the efficiency of restructuring, insolvency and second chance procedures](#)

[CECOP study: Business Transfers to Employees under the Form of a Cooperative in Europe](#)

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CECOP – CICOPA Europe (European Confederation of Worker Cooperatives, Social Cooperatives and Social and Participative Enterprises) groups national organisations in 15 countries which in turn affiliate over 50.000 cooperative and participative enterprises in industry and services, the vast majority being SMEs, and employing 1.4 million workers across Europe. Most of them are characterised by the fact that the employees in their majority are members-owners, while some of them are second-degree enterprises for SMEs. Furthermore, around 4.000 of those enterprises are specialised in the reintegration of disadvantaged and marginalised workers (disabled, long-term unemployed, ex prisoners, addicts, etc).