

Summary of recommendations for restructuring in Estonia

Below you will find three recommendations for entrepreneurs, who have gotten in the middle of restructuring proceedings as creditors, and entrepreneurs, who themselves have come across some solvency problems.

Recommendations for creditors

1. **Don't ignore the letters and documents sent by the restructuring adviser.** If you won't reply to them by the given deadline, then you might discover that you have lost your chance to claim the debt in full.
2. **Restructuring is not the same as bankruptcy, nor is it preparing for it.** Keep an open mind when it comes to restructuring proceedings of your business partners. Communicate with debtors - restructuring really does protect creditors as well.
3. **Don't make a decision about the restructuring plan based on your first emotions.** Even if the solution proposed in the plan seems unfair at first, it might be a better solution financially than if the restructured company would go bankrupt.

Recommendations for entrepreneurs

1. **Don't be afraid to initiate restructuring proceedings.** Communicate with your creditors. Open and honest communication ensures that when the restructuring proceedings are over, business activity can continue as normal.
2. **Initiate restructuring proceedings on time.** You should submit your restructuring application at the first sign of financial difficulties. Delaying the inevitable may lead to a situation, where all possible financial resources for a successful restructuring proceeding have been depleted.
3. **Before submitting the restructuring application, ask a restructuring adviser for advice.** An experienced restructuring adviser can assess the situation adequately and help you prepare your restructuring application. You can also ask the court to appoint the same adviser as your official restructuring adviser in the restructuring application.

Our restructuring specialist Veikko Toomere is here to assist you in case you have any additional questions.



VEIKKO TOOMERE
ATTORNEY AT LAW,
PARTNER

(+372) 66 76 440

VEIKKO.TOOMERE@NJORDLAW.EE