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Answer given by Mr Reynders
on behalf of the European Commission
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To better tackle situations of company insolvency, the Commission launched on 11 November 2020 an initiative, which is aimed to address the main discrepancies in national insolvency laws and increase their convergence[1]. Also the Commission has taken various measures in order to support businesses as a result of the COVID-19 pandemic[2]. The activation of the general escape clause of the Stability and Growth Pact (SGP) allows Member States to undertake measures to deal adequately with the crisis and to mitigate the pandemic's severely negative socio-economic consequences. State aid rules were adapted to allow support to companies in difficulty because of the crisis (that were not in difficulty on 31 December 2019), and under Cohesion policy, national authorities may provide support to companies for working capital (not conditional to any new investment by the company). Furthermore, the European Investment Bank Group put in place a EUR 25 billion pan-European guarantee fund. The fund provides loans up to EUR 200 billion for companies with a focus on small and medium-sized enterprises throughout the EU. At the same time, the temporary support to mitigate unemployment risks in an emergency (SURE) helps people keep their job during the crisis.

[1] https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12592-Enhancing-the-convergence-of-insolvency-laws-
[2] https://ec.europa.eu/info/live-work-travel-eu/coronavirus-response/overview-commissions-response_en