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DEBT RESOLUTION MECHANISMS: A CROSS-JURISDICTIONAL ANALYSIS OF INSOLVENCY LAWS

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Abstract
The Code is a landmark legislation aimed at clearing of bad debts and preventing debtors from delaying recovery proceedings by creditors for years on end. Prior to introduction of the Code, it took several years, on average, for creditors to recover the dues. The Code has been envisaged as a panacea for the problem of bad debt in the country. The Code affects debtors and creditors all over the country while also having repercussions for the employees of the debtors as well as parties that the debtors have entered transactions with. The successful implementation or failure of the Code will have a profound impact on the economy of the country and its development. Thereby, the Code must be modified and improved as the Code, has the potential to be a significant boon for the economy. In case of large companies undergoing insolvency, the ripple effects can affect millions of people including employees, clients, suppliers etc. This paper endeavours to study and analyse laws of the United States of America (U.S.A.), the United Kingdom (U.K.) with India concerning debts and recovery. It focuses on the specific major laws in these countries concerning insolvency.

Keywords: Insolvency, Bankruptcy, Code, Legislation, Regulations.

Introduction

Even though everyone who starts a business hopes to build a profitable enterprise, not all entrepreneurs are successful in their endeavours. Not only does the firm collapse, but it also has an impact on its creditors, who have done business with the debtor and now have to consider trying to get their money back from the bankrupt corporation. The business may have failed as a result of real-world events outside the owner's or company's control, including the onset of a pandemic, the spread of a natural disaster, or erratic market conditions. On the other hand, it could also occur from carelessness or dishonest behaviour on the part of the company. Whatever the cause, in the end, creditors are left frantically trying to collect the money that is owed to them. Insolvency and bankruptcy laws are relevant in this situation. Insolvency and bankruptcy rules strike a compromise between two goals: first, making sure the bankrupt corporation is able to repay its creditors as much as feasible; and second, making sure the bankrupt entity is able to get back on its feet and carry on with business operations as much as possible. Even though the first priority is crucial, the second priority is also becoming more and more acknowledged. If excessively strict insolvency and bankruptcy laws result in the bankrupt entity's legal death, not only will the economy lose a productive producer of goods or services and its employees will lose their jobs, but the dissolution of these businesses will also deter entrepreneurs from trying to launch new ventures, which will lower economic efficiency. As a result, insolvency and bankruptcy rules need to balance the interests of debtors and creditors in light of the current social and economic climate.

To better comprehend the Code's advantages and disadvantages, it is crucial to compare it with bankruptcy laws from other countries while analyzing it. The paper endeavors to study and analyse laws of the United States of America (U.S.A.), the United Kingdom (U.K.) with India concerning debts and recovery. It focuses on the specific major laws in these countries concerning insolvency.

Insolvency And Bankruptcy Concept

When a person, whether legal or not, cannot pay back debts when they are due or when their assets are fewer than their liabilities, they are said to be insolvent. On the other hand, courts and legal tribunals establish bankruptcy as a legal status based on an individual's insolvency. Legal decrees are issued in response to a bankruptcy ruling in order to resolve the insolvency issue.

As a result, even if someone is insolvent, they won't be officially declared bankrupt until a tribunal or court of law rules otherwise. On the other hand, someone who has filed for bankruptcy will undoubtedly lack funds.

A person may be declared bankrupt by an application filed with the courts or tribunals by the individual or by a creditor whose obligation remains unpaid, depending on the rules in effect in the nation.

The Insolvency and Bankruptcy Code, 2016 (henceforth referred to as the "Code") defines the terms "bankrupt" and "bankruptcy" as follows in Part III under Sections 79(3) and (4): (3) bankrupt means—(a) a debtor who has been adjudicated as bankrupt by a bankruptcy order under Section 126; (b) each partner of a firm, where a bankruptcy order under Section 126 has been made against a firm; or (c) any person adjudged as an undischarged insolvent. (4) Bankruptcy means the condition of being bankrupt.

Literature Review

Bhagwati Jaimini (2022) looked at how much the bankruptcy and insolvency codes affected long-term financing. The researcher also examined court rulings concerning insolvency, which exposed asset stripping and legal evasion used by borrowers. According to the study, there is also a lack of knowledge in the relevant field.

Malu and Shreyan (2022) thought that even though the IBC had undergone a lot of changes since its founding, the legal position regarding cross-border insolvency was still stuck in the discussion stage. Even after making great strides in 2018, the Indian legal system still lacks a comprehensive set of laws addressing the matter. The Insolvency and Bankruptcy Code, 2016 (IBC) provides domestic legislation for handling bankrupt firms, but as of right now, it lacks a uniform instrument for reorganising businesses with cross-border jurisdictions, according to the report. Although foreign creditors are able to bring claims against a domestic company, the IBC does not currently permit the automatic recognition of any bankruptcy procedures in foreign jurisdictions.

Bajpai, G.N. et al. (2021) underlined in their report the value of real-time data in evaluating the insolvency process's progress. The working group felt that the IBBI quarterly publications needed to contain quantifiable cost information, such as court costs, resolution professional fees, etc., the amount of time it took to finish the procedure, and recovery rates. The group went so far as to suggest that macroeconomic metrics such as the quantity of companies registered, credit availability, non-performing assets, employment ratios, and investment ratios can be used to gauge how well the insolvency process is working. The committee underscored the importance of evaluating both measurable and non-measurable results (such as modifications in behaviour) resulting from the IBC.

Bose et al. (2021) looked into the effect of bankruptcy law on the performance of troubled enterprises. The researchers discovered that distressed enterprises are in a better position than their non-distressed counterparts as a result of legal intervention. For larger, younger, and more collateralized troubled enterprises, the payoffs are more noticeable. The researchers look at the efficiency of the Insolvency and Bankruptcy Code in extending lending channels. According to the researcher, an effective bankruptcy system may help financially troubled businesses not only gain from a quick and long-term revival process, but it can also provide lenders with more confidence to lend, giving businesses in difficult situations easier access to financing.

Das Anurag (2021) investigated the significance and potential effects of achieving the best results in insolvency resolution processes. The author claims that there are three main changes to the insolvency environment that need to be made. To keep up with the complexity of the financial system and its ensuing requirements, potential amendments to the Code are necessary. Advances in India's bankruptcy law and practice indicate that, in addition to lowering entrance barriers for investors, it is imperative to equip the system to manage troubled situations more effectively. Second, turnaround fund management and distressed debt investing are urgently needed. Thirdly, the researcher believes that in order to strengthen the Indian insolvency system, it is necessary to learn from the successful American bankruptcy system.

According to Devendra Mehta (2023), environmental claims are strange, and green insolvency is basically necessary. According to the Insolvency and Bankruptcy Code (IBC), environmental agencies are classified as operational creditors. This is something the researcher investigates. Due to the numerous laws protecting environmental protection, these claims involve unliquidated damages, fines, or penalties that are challenging to calculate and may even be contestable by the corporate debtor. The researcher thinks that these assertions ought to be given more weight because environmental protection is becoming more and more important.

According to Dr. Saminathan R. (2021), is a positive move that, when applied in the context of the shifting economic paradigm, may be very advantageous for lenders, businesses, and other stakeholders as well as supporting organisations. The legislation will undoubtedly boost trust in the insolvency system and lower the number of businesses that fail. The time-bound aspect of the IBC resolution, according to the study, will foster financial stability and credit discipline in the economy.

Guru and Sahu (2020) examined the Insolvency and Bankruptcy Code from an economic perspective as well as the stakeholder groups' behavioural inclinations. The author claims that the Code has influenced how failed business management and promoters see and handle debt repayment. The author contends that although a person's decisions are influenced by a variety of biases, the Code's implementation in India has successfully prompted the necessary parties to achieve the objectives of the Code, which include protecting businesses from liquidation, maximising asset value, and giving distressed business resolution priority. According to the researcher, the Code deprives promoters of authority over their businesses as soon as the Corporate Insolvency Resolution Process (CIRP) is started, which has caused them to become fearful of losing control.

Kattadiyil et al. (2021) looked at how the Insolvency and Bankruptcy Code (IBC) changed how rich countries viewed developing countries as investment opportunities because of the decreased risk, flexible departure policies, and realisation of maximum asset value. The study discusses how an

insolvency specialist restructures a failing business under the IBC. According to the author, the dynamic and ever-changing nature of laws increases the likelihood of a business's resuscitation.

In their report, Shahi et al. (2021) looked at how debt quantity affected the length of the settlement procedure. The majority of the delays, according to the researcher, happen during the issuing of expressions of interest, listing of resolution applicants, issuance of requests for resolution plans, and approval of resolution plans. It was discovered that although the issue of the information memo occurred well within the allotted time, the admission of the CIRP application and the RFRP took longer than expected. There were no delays in the submission of claims in any area, according to the study's sectoral analysis. The study found that different sectors perceived obstacles differently and that the Committee of Creditors passed a resolution designating Resolution Professionals. The manufacturing sector took 52 days, the real estate sector took 51 days, and the wholesale and retail commerce sector took 75 days.

The USA Insolvency Legislation

The United States of America is regarded as a safe haven for voluntary bankruptcies. Under U.S. legal law, bankruptcy has shifted from being viewed as a sin to being more closely evaluated as an economic failure. U.S. law envisions a more lenient system, especially for small business debtors. In fact, the U.S. Constitution expressly grants Congress the authority to enact uniform bankruptcy laws, indicating that even the country's founding fathers valued the bankruptcy process. In the modern U.S. economy, bankruptcy plays a crucial role and is mostly utilised by individual debtors. American bankruptcy law seeks to provide a fresh start by maximising the amount of obligations payable to creditors and then releasing the bankrupt from further debt. It is suggested that American bankruptcy regulations, which are oriented towards debtors, increase the likelihood that financially troubled businesses will be able to operate as going concerns.

English law served as the original foundation for American bankruptcy law. However, over time, American bankruptcy law adopted a pro-debtor stance that markedly diverged from English law's more creditor-friendly stance. Recent patterns, however, indicate a change in American bankruptcy jurisprudence, with bankruptcy once again being viewed as a deviant act by the bankrupt that requires correction. This has been partly caused by organised creditors' lobbying activities in the United States of America.

Insolvency inside the United States of America. is mostly regulated by the Bankruptcy Code, which was enacted by the Bankruptcy Reform Act of 1978 and codified in Title 11 of the United States Code. The Bankruptcy Reform Act of 1978 created the main bankruptcy law, Title 11 of the United States Code (hereinafter referred to as Title 11). Additionally, the 2005 Bankruptcy Abuse Prevention and Consumer Protection Act, or "BAPCPA," is significant when it comes to bankruptcies involving consumers. The BAPCPA has a significant impact on consumer bankruptcy as well. The BAPCPA proposed to change a few Title 11 clauses. The BAPCA made significant changes for both corporate and consumer bankruptcies. Whether or not debtors use the bankruptcy law opportunistically or honestly depends largely on the rules of the legislation. Prior to the passage of BAPCPA, debtors were encouraged to file for bankruptcy under Title 11 of the US bankruptcy code in an effort to avoid paying their obligations. It has been suggested that referring to the BAPCPA as a "consumer protection act" is misleading because the modifications have made it more difficult for both individuals and

companies to petition for bankruptcy. Additionally, it has been claimed that, rather than being implemented to benefit consumers, the reforms were the product of corporate lobbying.

USA insolvency law with regard to the 2016 bankruptcy and insolvency code of India

It has been argued that the lengthy and bureaucratic process outlined in Title 11 is costly, particularly when compared to an informal out-of-court resolution. The bankruptcy laws in the United States of America have also been perceived as favouring debtor interests over creditors' rights. Nevertheless, there are some beneficial elements that could be included in the code, as will be covered in the sections that follow.

Title 11 allows the indicated monetary amounts to be automatically adjusted for inflation. The statute stipulates that the dollar amount under Title 11 will be adjusted every three years, starting on April 1, 1988, to reflect variations in the Consumer Price Index for All Urban Consumers, rounded to the nearest $25. Similarly, a provision regarding the monetary amounts mentioned may be incorporated under the Code to adjust for inflation by referring to the wholesale price index and other indexes, and the revised amounts may be published by the Board. The Judicial Conference of the U.S.A. is tasked with publishing the adjusted dollar amounts in the Federal Register.

Although the public can view the documents submitted to the bankruptcy court, nondisclosure of the documents may be allowed upon request. There is no specific clause in the Code that permits stakeholders or the general public to look into the records that have been filed. Transparency will increase if interested parties are permitted to view the documents related to the insolvency process. If the AA determines that such disclosure is inappropriate, it may be denied.

Title 11 allows all creditors to vote in a bankruptcy procedure, unlike in India, and this power may also be introduced there to safeguard the interests of operating creditors.

When requesting an involuntary start of bankruptcy under Title 11, the petitioner is required to provide the court with a surety for expenses that could be ordered to be paid in the event that the petition is denied. A clause like that would not be practical in India given the litigants' financial circumstances and would prevent creditors from accessing justice. Comparably, American courts have the authority to award punitive damages when petitions are filed in bad faith; however, Indian courts typically only award compensatory damages rather than punitive penalties. Moreover, the creditor-centric approach of the Code may discourage even the most serious creditors from taking advantage of the Code's provisions. If the court determines that dismissing a petition for the beginning of involuntary bankruptcy would be in the best interests of both the debtors and the creditors, it may also be done under Title 11. There is no such clause in the Code, and insolvency must be declared if a default on a debt that is past due is accepted. Furthermore, it would be improper to let the AAs reject the application for the initiation of insolvency on the grounds that doing so would unnecessarily complicate the legal procedure and be exploited by the debtors as a means of stalling the proceedings by bringing in accomplice creditors.

Title 11 further stipulates that the Court may order the bankruptcy estate to be used to pay the debtor's legal expenses. In terms of personal bankruptcy, the code also needs to include such clauses. As was previously discussed, a bankruptcy trustee assumes ownership of an individual's properties in the case of bankruptcy. In order to prevent the bankrupt from using legal counsel dishonestly or as a means of delay, AAs must be able to order the bankruptcy estate to pay for the bankrupt's legal representation.

A trustee investigating a debtor under Title 11 looks at the debtor's knowledge of the ramifications of filing for bankruptcy. In order to enable the debtor to make an informed choice, comparable clauses pertaining to the voluntary filing of bankruptcy must be incorporated into the Code. Such a decision may fall to the RP in order to make sure the debtor understands the conditions and consequences of declaring bankruptcy.

Under Section 11, utilities providing services to the debtor may stop doing so if sufficient security is not given for further services. Additionally, as per the Code, suppliers of goods and services that are essential must continue to provide them until there is a payment default following the declaration of insolvency. However, in the event of a default, the vital suppliers of supplies or goods can have challenges in their attempts to recoup the money owed for the supplies or commodities that the debtor was forced to accept by law, especially if the supplier has no assets. Thus, the interests of the suppliers of necessary supplies will be safeguarded by permitting them to demand a security that the AA may also confirm is not exorbitant.

A claim may be made by a creditor, any organisation that has secured the debt due by the debtor to the creditor, or the trustee. Without such a privilege, the creditor may still take legal action against the guarantor or the individual who secured the debt in the event that they forfeit their rights against the debtor. Consequently, regardless of whether the creditor has taken legal action against the guarantor or the person who secured the debt, they must be permitted by the Code to make a claim on the debt owed by the debtor.

Regarding Title 11's debtor-centric approach, it is expressly forbidden to discriminate against someone who is or has been bankrupt. If similar clauses are added to the Code, they will lessen the stigma associated with bankruptcy and might even enable people to start over by exempting them from the disqualifications that occur from filing for bankruptcy.

Unless the United States trustee waives the requirement, Chapter 13 of Title 11 requires the debtor to finish the educational programme on personal finance management. To guarantee that the bankrupt is rehabilitated and does not become bankrupt again, a comparable clause should be included in the Code.

Additionally, Title 11 offers a thorough cross-border insolvency process. As before, in order to prevent the creditors from suffering an unfair advantage when the debtor's assets are located in other countries, the Code must provide a comprehensive process for handling cross-border insolvencies.

A few of the previously mentioned recommendations will lessen the burden placed on debtors in the case of bankruptcy. This could be favourable, especially in light of the fact that it has been discovered that more lenient bankruptcy laws reduce obstacles for entrepreneurs to start and shut down businesses, which is good for the economy. Thus, upholding the fundamental rights of truthful borrowers under the Code and giving them hope in the event of a business collapse will inspire entrepreneurship and ultimately benefit the Indian economy. In actuality, there is a global trend away from debtor liquidation and towards debt resolution.

The UK insolvency legislation

The main bankruptcy law in the United Kingdom. is known as the 1986 Insolvency Act. In the interest of completeness, the Recast Insolvency Regulation is also included, which was applicable to the United Kingdom both during its membership in and during its exit from the European Union. Insolvency regulations in the United Kingdom have historically favoured debt holders over debtors. Nonetheless, there is a rising understanding of the significance of corporate rescue and its continuation

as a going concern following the passing of the Cork Report. After all, a firm that has been saved will be a competitive player in the market that benefits the owners, employees, and creditors of the business that has been restored. The Insolvency Act, 1986 (Insolvency Act) put the Cork Committee's recommendation to implement a procedure to rescue and rehabilitate the feasible parts of the company experiencing financial distress. The Recast Insolvency Regulation did apply to the United Kingdom, both when it was leaving the European Union and when it was still a member of the Union. The Insolvency Regulation Act governed insolvencies that started before the United Kingdom left the European Union, but the Recast Insolvency Regulation applied to those that started on or after June 26, 2017. Still, the U.K. has formally left the European Union and, absent a new deal, will no longer be subject to its regulations. Under the Recast Insolvency Regulation, which states that the Recast Insolvency Regulation continued to apply to insolvencies where the main proceedings were initiated before the transitional period ended, i.e., on December 31, 2020, the Insolvency (Amendment) (EU Exit) Regulations 2019 (SI 2019/46) maintain the existing jurisdiction in the United Kingdom. It will still be applicable throughout the European Union. The purpose of Insolvency Regulation (EC) 1346/2000, often known as Regulation 1346, was to simplify cross-border insolvencies that occurred within UK borders.

Regulation 1346 separates insolvency procedures into three categories. The first of these kinds of proceedings was the main proceeding. It was thought that a debtor's registered office served as the focal point of their interests, although this might be refuted with evidence. The term "main proceeding" refers to insolvency procedures that are initiated when a debtor's primary interests are involved. Secondary proceedings are another kind of bankruptcy proceeding. When a debtor was involved in a non-transitory economic activity using goods and human resources but without a major interest, secondary insolvency procedures were used. These proceedings were restricted to the debtor's assets located in the member state in question. Territorial insolvency proceedings include the third category of insolvency proceedings. Territorial insolvency proceedings are those that are started in the UK before main proceedings commence and in which a debtor uses goods and human resources to engage in non-transitory economic activity.

The Recast Insolvency Regulation significantly changed and modified Regulation 1346. The Recast Insolvency Regulation, which also updated and clarified a number of its rules, retained the three categories of bankruptcy procedures.

According to the Recast Insolvency Regulation, the centre of principal interests is the location where the debtor's interests are consistently administered and where this is also visible to others. The centre of the debtor's primary interests is usually assumed to be the registered office of a business or other legal organisation, though this assumption can be refuted with evidence.

The United Kingdom's Cross-Border Insolvency Regulations, 2006, are relevant in the post-Brexit period for the UK's recognition of foreign insolvency procedures. if such international bankruptcy procedures are conducted within the borders of the European Union. A foreign proceeding is defined as a collective judicial or administrative proceeding in a foreign state, including an interim proceeding under an insolvency law in which the debtor's assets and affairs are subject to control or supervision by a foreign court for the purpose of reorganisation or liquidation. This definition is based on cross-border regulations. Foreign main proceedings are defined as those that occur on the territory of the state in which the debtor possesses the majority of its interests. Foreign non-main proceedings are

defined as those that occur outside of the state in which the debtor possesses the majority of its interests. Any location where the debtor uses assets, labour, and other resources to conduct a non-transitory economic activity has been defined as an establishment. Furthermore, it has been clarified that the term "foreign representative" refers to any individual or entity, even one designated temporarily, that is authorised in a foreign proceeding to manage the restructuring or liquidation of the debtor's assets or activities or to serve as the foreign proceeding's representative.

The foreign representative must apply to the courts in the United Kingdom in order for cross-border regulations to be applicable. This application must include a certified copy of the decision that started the foreign proceeding and appointed the foreign representative, a certificate from the foreign court confirming the foreign proceeding's existence and the foreign representative's appointment, or, in the event that such evidence is not available, any other evidence that the court deems sufficient to prove the foreign proceeding's existence and the foreign representative's appointment.

The foreign main proceeding or foreign non-main proceeding, depending on whether the debtor's establishment is in a foreign state where the process is ongoing, will be recognised if a foreign proceeding for recognition has been sought and is a proceeding in a state where the debtor's centre of main interests lies.

The Court may grant temporary relief, such as stopping execution against the debtor's assets and giving the foreign representative or another person the court designates administration or realisation of all or part of the debtor's assets located in Great Britain, from the time the application for recognition is filed until the matter is decided. Once a foreign main proceeding is recognised, a stay is automatically granted regarding the initiation or continuation of individual actions or proceedings pertaining to the debtor's assets. This also suspends execution against the debtor's assets and the ability to transfer, encumber, or otherwise dispose of the debtor's assets.

To the greatest extent feasible, British courts may collaborate with international courts or foreign representatives. Such cooperation may take the form of information sharing, concurrent process coordination, agreement approval for coordinated proceedings, etc.

UK insolvency law with regard to the 2016 bankruptcy and insolvency code of India

Although there are a few clauses pertaining to the U.K., the Code and bankruptcy law are comparable in that both contain important clauses that safeguard stakeholders' rights and can be combined to further the latter's objectives.

The UK law pertaining to insolvency stipulates that in the event that a moratorium is issued for a debtor firm, information about its existence must be made public and included in all business documents the company executes. This guarantees that any creditor doing business with the debtor company after the moratorium is imposed is informed of the repercussions of the debtor company's non-payment, i.e., that the moratorium will typically affect recovery measures under the law. This enables creditors of the debtor company to make well-informed choices about doing business with a debtor company that is subject to a moratorium. Although the fact of insolvency is currently made public under the Code, it is not required to mention the fact of the declaration of moratorium in every business document the debtor corporation executes. Nevertheless, this information should be included so that all parties involved in transactions with the debtor corporation are better informed.

A voluntary arrangement is another feature of insolvency law of UK that allows directors of a debtor corporation to suggest a composition for the settlement of its debts or an arrangement for the

management of its business. In order to enable debtor corporations to settle their debt before it accumulates to an unmanageable amount, a comparable clause may be added to the Code. In the U.K., voluntary winding up is also offered. insolvency law, which permits a business to shut down when it can no longer make a profit and is experiencing financial difficulties. Since outsiders are currently permitted to bid on the company under the Code, the previous management is unlikely to wish to start CIRP in such a scenario. Only MSMEs are eligible for the prepackaged insolvency resolution process; voluntary liquidation will result in the company's dissolution and is only applicable when all debts can be repaid. Consequently, a system like voluntary company arrangements will guarantee that the management of companies is eager to take this road and not to continue operating the company, which is experiencing financial strain because it lacks a legitimate exit mechanism.

The UK insolvency law provide any group of creditors may apply to the court for the winding up of a corporation, according to insolvency law. Operational creditors are not permitted to request the initiation of CIRP jointly, but financial creditors may. To ease the load on the AAs and save them time, a comparable provision ought to be made available to operational creditors. Furthermore, any creditor should be able to request the start of CIRP upon the non-payment of a debt due that is uncontested, regardless of whether they are operational creditors or any other type of creditor.

In the UK bankruptcy law, the trustee may take equipment and other assets of the bankrupt that are not included in the bankrupt's estate if the trustee determines that the whole or any portion of the asset's realisable value is more than the amount needed to replace it reasonably, and they may use funds from the estate to purchase a reasonable replacement for any assets vested in the trustee on the bankrupt's behalf. But given the meagre exemptions under personal insolvency, adding such a clause to the Code would only be somewhat beneficial and would probably result in more lawsuits because the bankrupt would fight the seizure of their essential belongings. Moreover, the bankrupt would suffer great difficulty if their fundamental necessities were taken away from them and they had to wait for the estate to be liquidated before getting a replacement. Therefore, such a provision would not be possible in the Indian context.

Similar to the United States, the United Kingdom has a comprehensive structure in place to handle cross-border insolvencies and legislation as well. It is essential that the law be changed in accordance with the Code to address cross-border insolvencies. The insolvency law of the United Kingdom similarly grants all creditors the ability to vote in an insolvency procedure, much like it does in the United States and the Code should grant equal rights to each and every creditor.

Conclusion and Suggestions

Examination of the bankruptcy and insolvency laws of the United States and the United Kingdom. India offers a variety of intricate legislative frameworks pertaining to bankruptcy and insolvency procedures. Certain elements of the aforementioned laws may be added to the Code's provisions in order to better accomplish debt resolution while safeguarding the interests of all parties involved. One notable omission from the Code is the provision of a thorough procedure for cross-border insolvencies. In the event that these multinational corporations face bankruptcy procedures in foreign jurisdictions, Indian creditors may be in danger due to the expanding Indian economy and the proliferation of global corporations. With the establishment of global supply chains, suppliers run the risk of the businesses to whom they have supplied goods becoming insolvent before they receive payment for the goods delivered. Failure to pay suppliers could force them into insolvency, which could then cause the

insolvencies of their business partners, and so forth. In these situations, Indian creditors can suffer if cross-border insolvencies are not handled thoroughly by the law. The Insolvency Law Committee on Cross-Border Insolvency had suggested a legislative framework for cross-border insolvency, but it has not yet become law. Furthermore, unlike India, where only financial creditors make up the COC and have the ability to vote in favour of or against resolution plans, all types of creditors have voting rights in the other jurisdictions, as noted. As a result, it's critical to follow the example set by the aforementioned laws and include more representation for creditors other than financial creditors in the Code. The Code's effectiveness will rise if the best practices under the various bankruptcy and insolvency laws are included in it. Therefore, even if the Code has improved business conduct in India, a more efficient and effective legal structure will emerge if some of the best features of foreign insolvency laws are considered and included within the Code.

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