



INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE

**UNIDROIT COMMITTEE OF GOVERNMENTAL EXPERTS
FOR THE PREPARATION OF A DRAFT CONVENTION ON
SUBSTANTIVE RULES REGARDING INTERMEDIATED
SECURITIES
INFORMAL WORKING GROUP ON INSOLVENCY-RELATED
ISSUES**

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**Informal Working Group on Insolvency-related Issues
Comments on the Paper of the Chairman (Doc. 97)**

(submitted by the delegation of Denmark)

Denmark is grateful for the work done by the Chairman of the informal Working Group. Generally, Denmark supports the present wording of draft Article 18. However, Denmark has two comments.

1) As pointed out by the Chairman of the informal Working Group in his Paper at page 3, it may be unclear what the exact scope of the term "avoidance" is in Article 18(a). Denmark suggests that the text of Article 18(a) is amended so that it is made clear that Article 18(a) also covers automatic avoidance rules such as preferences and "undervalue" transactions as described on page 3. On the other hand, Denmark at present sees no need to include in Article 18(a) rules on preferential treatment of certain categories of claims (ranking rules) as mentioned at page 4.

2) As pointed out by the Chairman of the informal Working Group in his Paper at page 7, Article 24 may be read as extending the protection of systems beyond what is stipulated in the Settlement Finality Directive. Denmark would like to reserve its position on this matter as it concerns issues regulated by EU legislation. At this point, Denmark suggests that the scope of Article 24 is made subject to further consideration.