



PIVOT TO RECOVERY™

THE SWISS DEBT RESTRUCTURING MORATORIUM:
EVOLUTION OF THE NUMBER OF CASES 2019 – 2023



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Introduction

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Context

Every year, the Swiss Federal Statistical Office (FSO) collects national statistics on the number of debt enforcement actions and bankruptcies. However, restructurings – or debt restructuring moratorium procedures, as defined by the Swiss Debt Enforcement and Bankruptcy Act (DEBA) – are outside the scope of FSO's statistics.

A debt moratorium provides a legal framework to enable the successful implementation of restructuring plans.

Whilst various European countries have amended their insolvency regimes in recent years, the last significant revision of the Swiss debt restructuring moratorium dates from 2014. Since then, minor adjustments, such as the extension of the provisional phase of a moratorium, were introduced to deal with the economic impact of the pandemic.

Alvarez & Marsal (A&M)'s survey of Swiss moratorium proceedings offers valuable resources for restructuring practitioners and insights for the further development of the legal instrument.

Comprehensive information on the Swiss debt restructuring moratorium process can be found in [our detailed compendium](#).

Methodology

The data of the present study is based on the official publications in the Swiss Official Gazette of Commerce (SOGC) and is limited to legal entities (excluding sole proprietorships or private individuals). For the analysis of debt restructuring moratorium procedures which were not made public, the authors have collected data directly from the Swiss local bankruptcy courts.

Out of the 110 district courts contacted, we achieved an average response rate of 80% over the observation period from 2019 to 2023. This high response rate allows us to draw robust conclusions from the data. Furthermore, the data was discussed with the majority of administrators who were engaged in the analysed period.

The assignment of a debt restructuring moratorium to a specific year was determined based on the first opening date of the provisional phase (for example, if the provisional phase was granted in 2019 and converted to a definitive composition moratorium in 2020, the case would be counted only in for 2019).



In a nutshell

The number of Swiss debt restructuring moratoriums surged in 2023, although its use as a restructuring tool remains low by international standards.

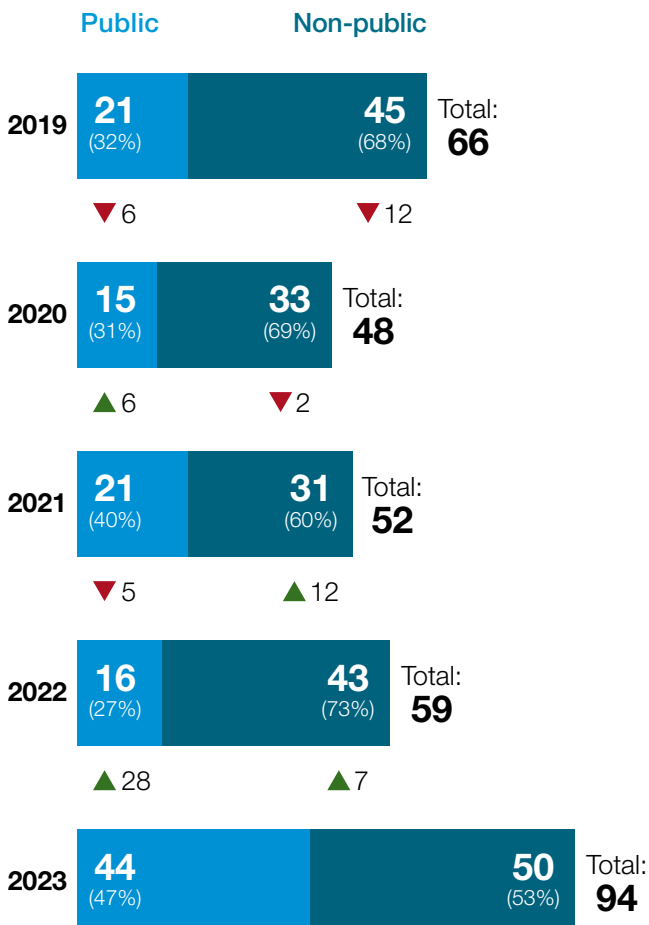
The Swiss debt restructuring moratorium is an in-court procedure that enables companies to gain time to implement financial and operational restructurings, as well as reorganisation measures.

The use of the debt restructuring moratorium peaked in 2023, following a decline in the prior years, despite challenges from the pandemic, economic disruptions from the war in Ukraine and rising inflation. This reflects the commonly observed delayed response of companies to financial crises, as well as the low level of awareness of the instrument.

Data collected over the past five years clearly indicates that companies prefer to waive the public announcement of the procedure. The so-called 'silent' procedures accounted on average for 65% of total proceedings since 2019. This contrasts with the lawmakers' objective to only grant waiving publication on exceptional cases.

The authors expect the number of procedures to grow further in 2024 and beyond, reflecting global economic challenges and signs of the revised company law, which specifically highlights the debt restructuring instrument as an alternative to bankruptcy liquidation.

How have the number of procedures evolved between 2019 – 2023?



What is the success rate of the restructuring procedure?

Restructuring of the legal entity		Restructuring of the business	
2019	46%	2019	58%
2020*	38%	2020*	56%
2021**	29%	2021**	35%
2022***	27%	2022***	35%
2023****	36%	2023****	42%

as per 31.10.2024

* 9 procedures are not reconcilable

** 1 procedure is not reconcilable

*** 10 procedures are still ongoing

**** 41 procedures are still ongoing

The success rates of procedures initiated in 2023 are expected to increase over time, as successful turnarounds generally take more time to materialise.

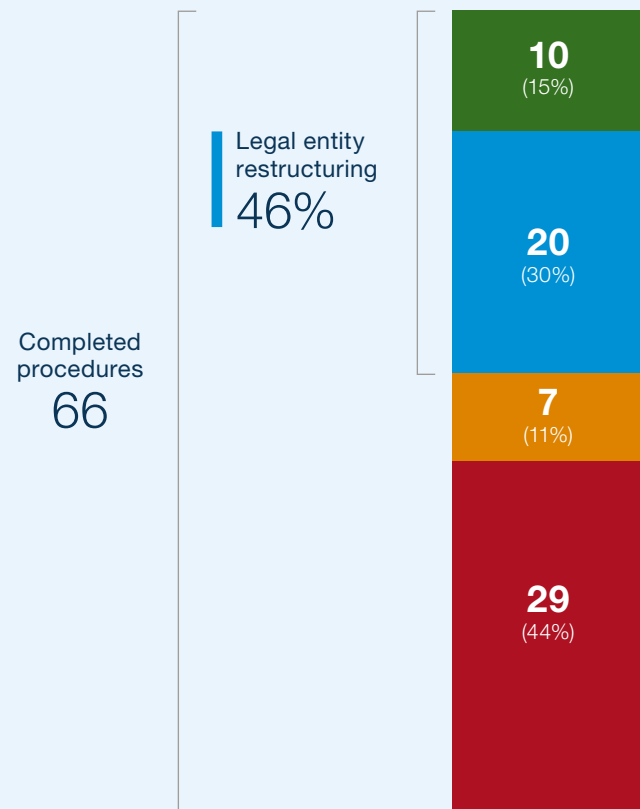
Study results

The following charts summarise the main outcomes of Swiss debt moratorium procedures between 2019 and 2023. The analyses consider the results of the composition proceedings on the debtor company/legal entity (e.g. restructuring in the narrow sense) as well as on the business/operating unit (e.g. restructuring in the wider sense).

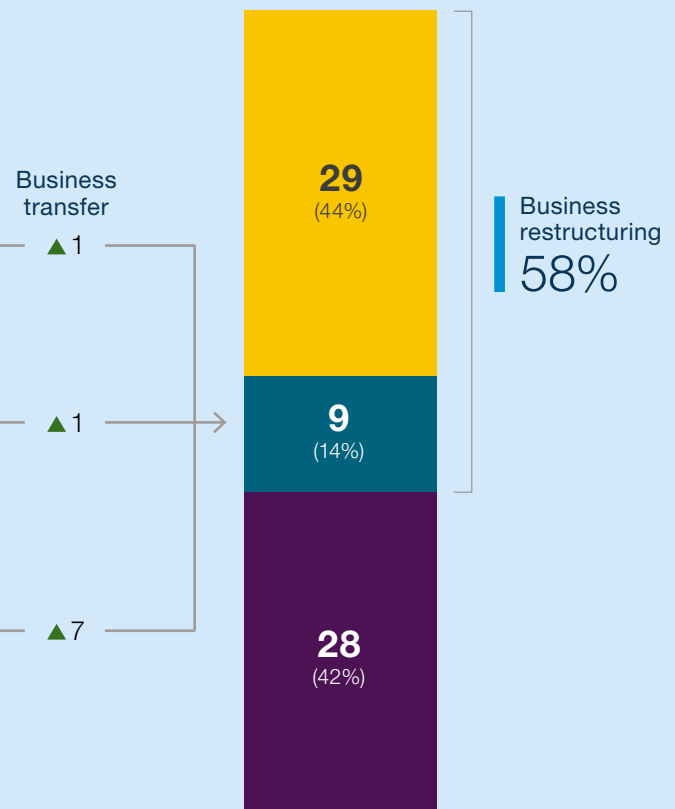
In other words, the reorganisation assessments are based either on a legal consideration (if the legal entity will be continued or liquidated) or on a business consideration (if the operating business will be continued or liquidated). As a large proportion of proceedings initiated in 2023 are still ongoing as of October 2024, there are limitations in the analysis of the outcome of proceedings.

2019

Restructuring of the legal entity (legal consideration)

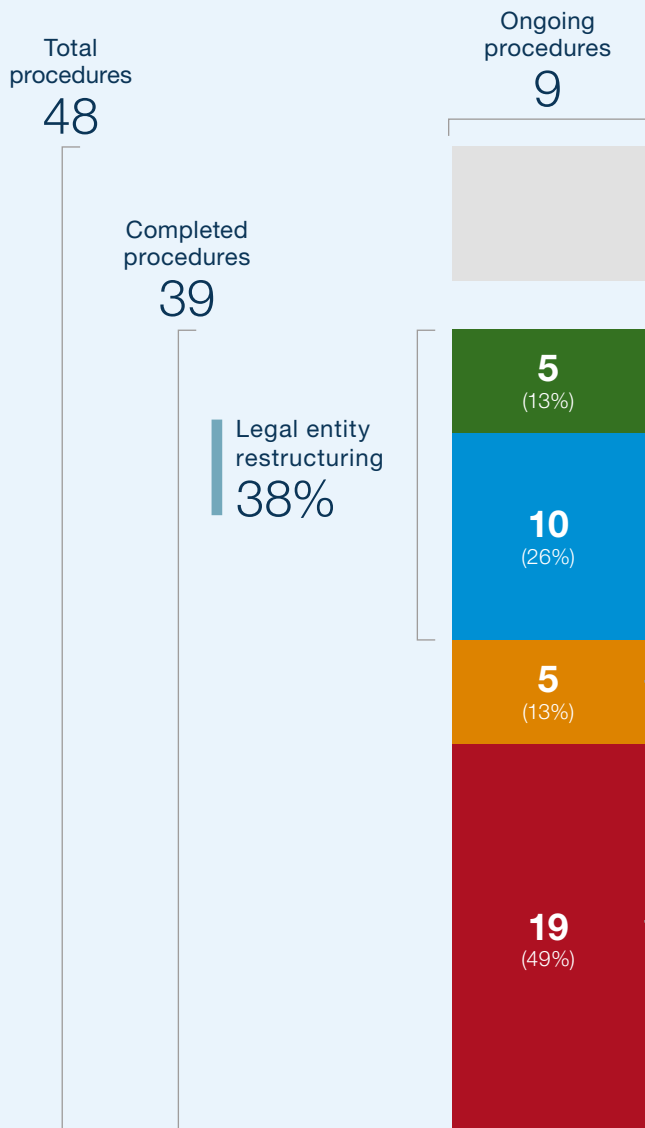
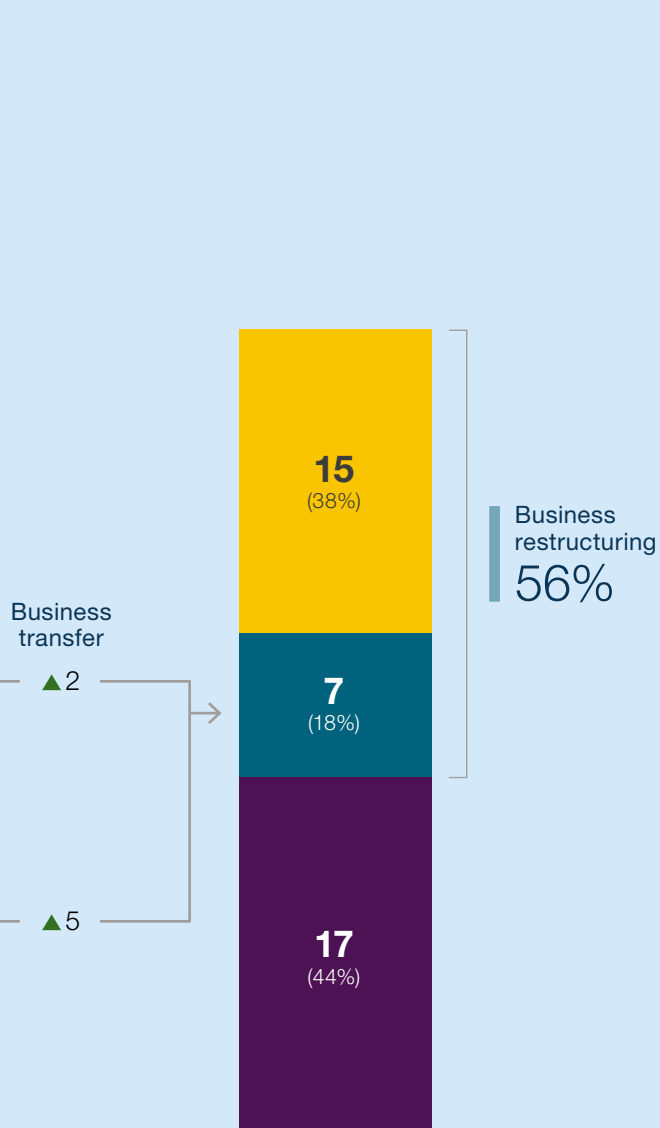


Restructuring of the business (business consideration)



- Restructuring
- Ordinary composition agreement
- Composition agreement with assignment of assets
- Bankruptcy
- Restructuring (narrow sense)
- Business transfer
- Discontinuance of business

2020*

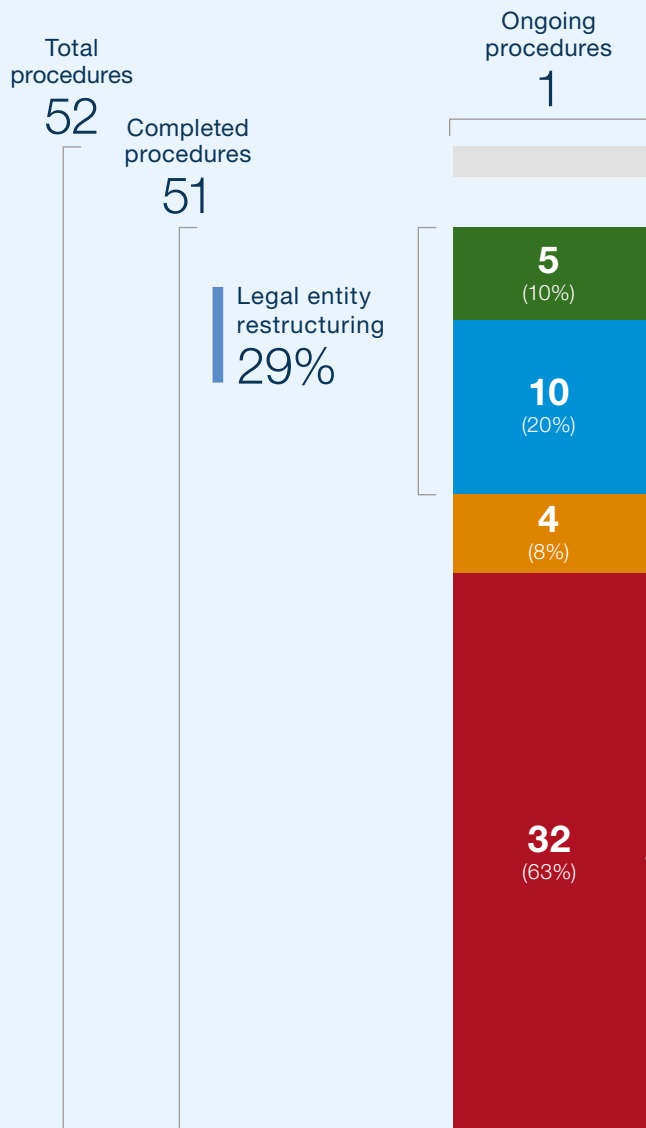
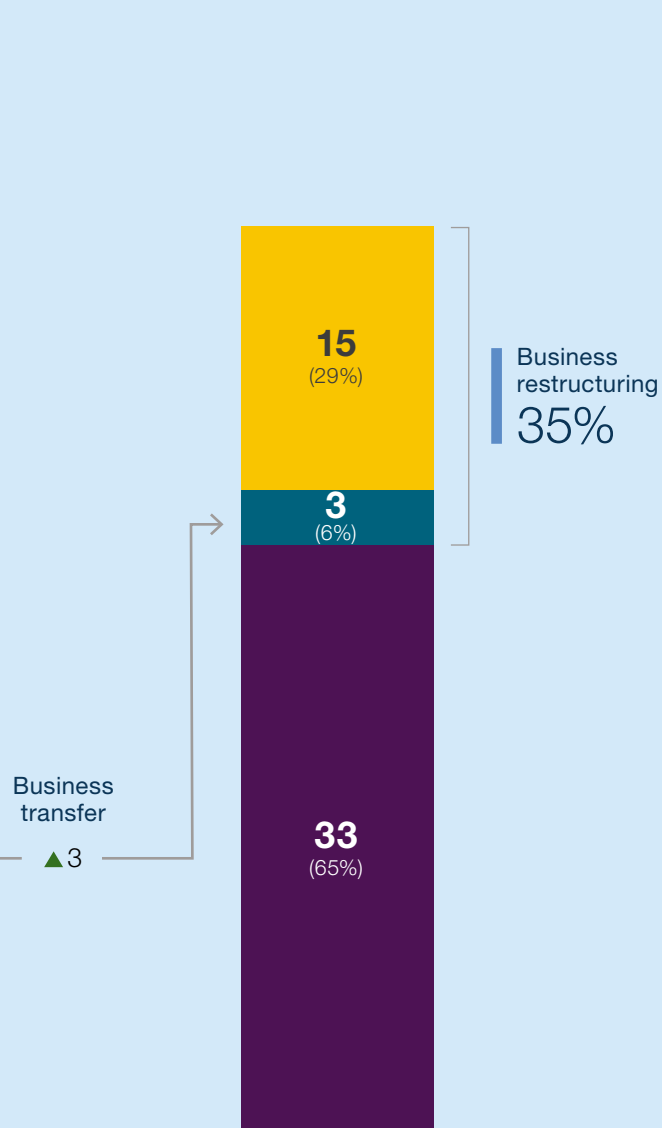
Restructuring of the legal entity
(legal consideration)Restructuring of the business
(business consideration)

- Restructuring
- Composition agreement with assignment of assets
- Restructuring (narrow sense)
- Discontinuance of business
- Ordinary composition agreement
- Bankruptcy
- Business transfer

Notes

*9 cases that have been provided by the probate courts on an anonymized basis were not reconcilable.

2021**

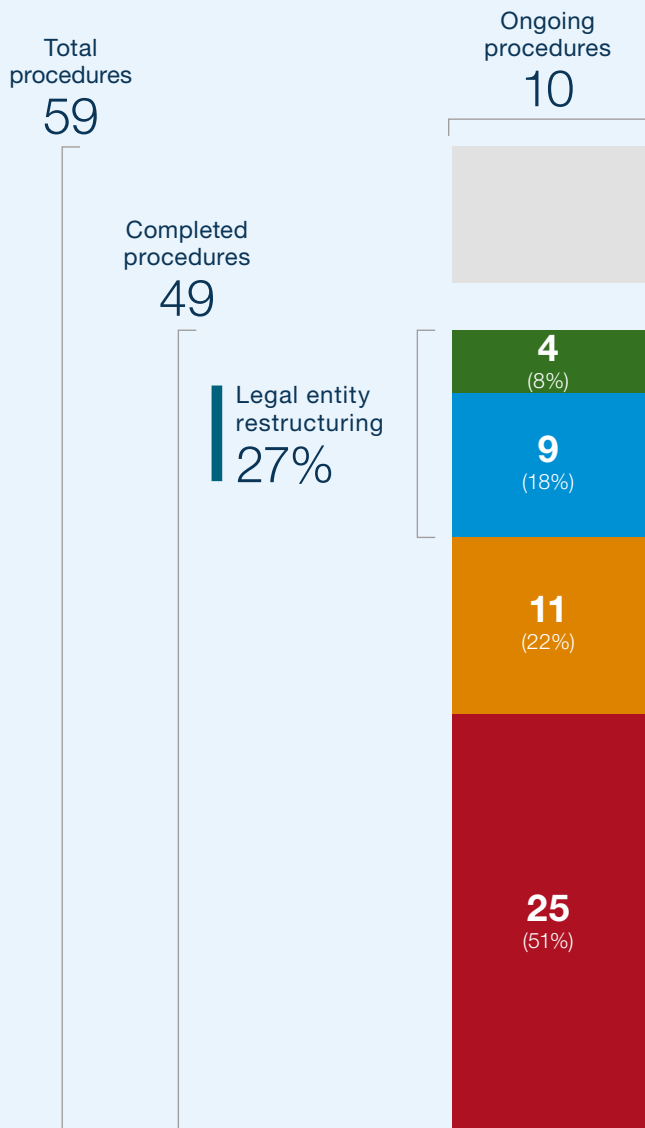
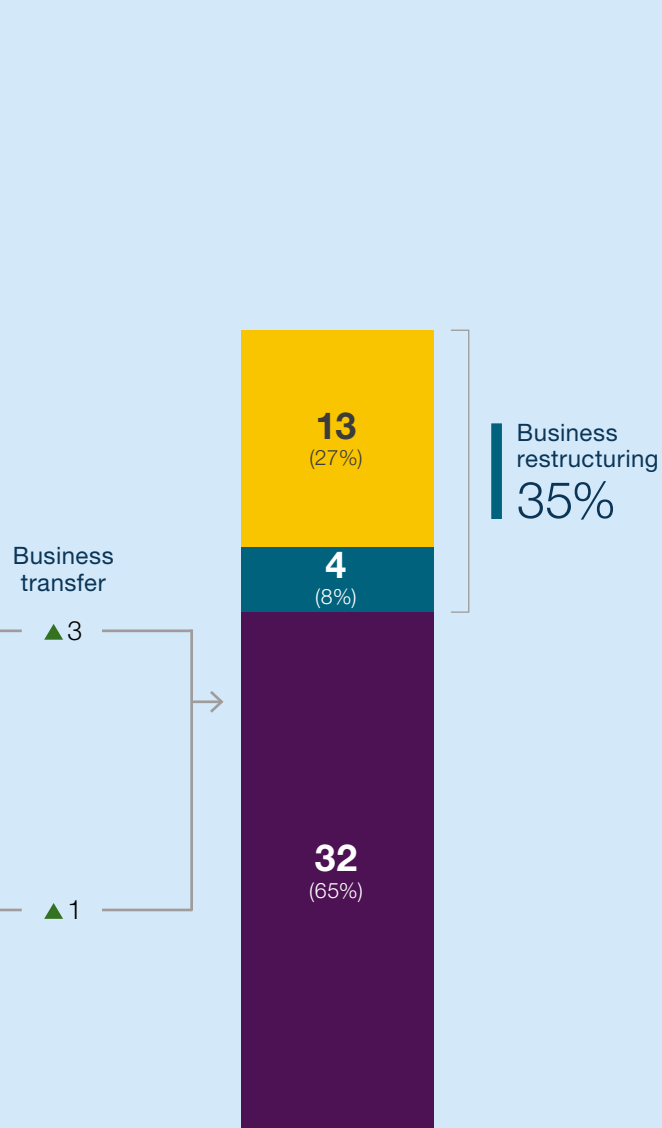
Restructuring of the legal entity
(legal consideration)Restructuring of the business
(business consideration)

- Restructuring
- Composition agreement with assignment of assets
- Restructuring (narrow sense)
- Discontinuance of business
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Notes

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2022***

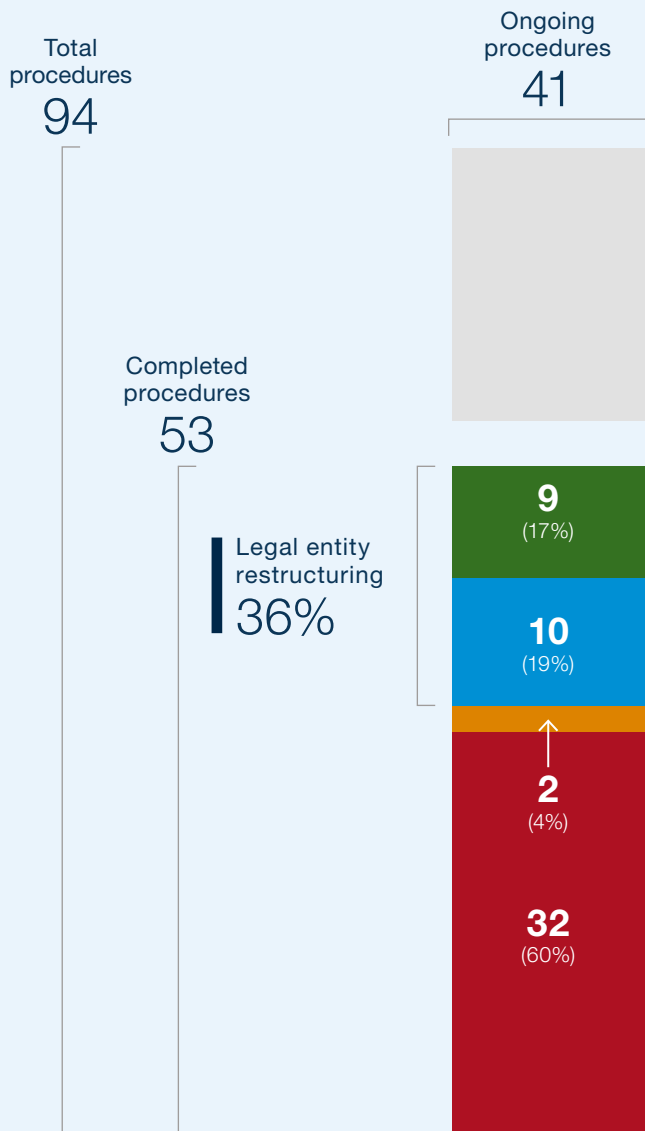
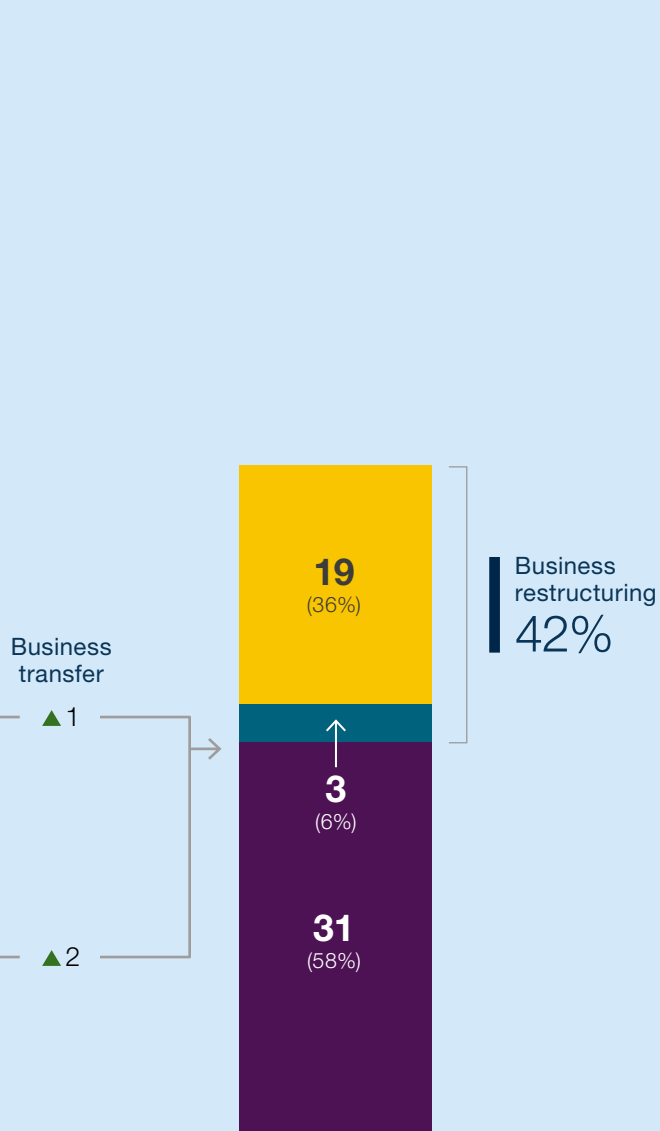
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- Restructuring
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- Restructuring (narrow sense)
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- Discontinuance of business

Notes

***10 procedures are still ongoing as per 31.10.2024.

2023****

Restructuring of the legal entity
(legal consideration)Restructuring of the business
(business consideration)

- Restructuring
- Ordinary composition agreement
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- Bankruptcy
- Restructuring (narrow sense)
- Business transfer
- Discontinuance of business

Notes

**** 41 procedures are still ongoing. The successful resolution of the procedures initiated in 2023 is expected to increase over time, as successful processes typically take more time.

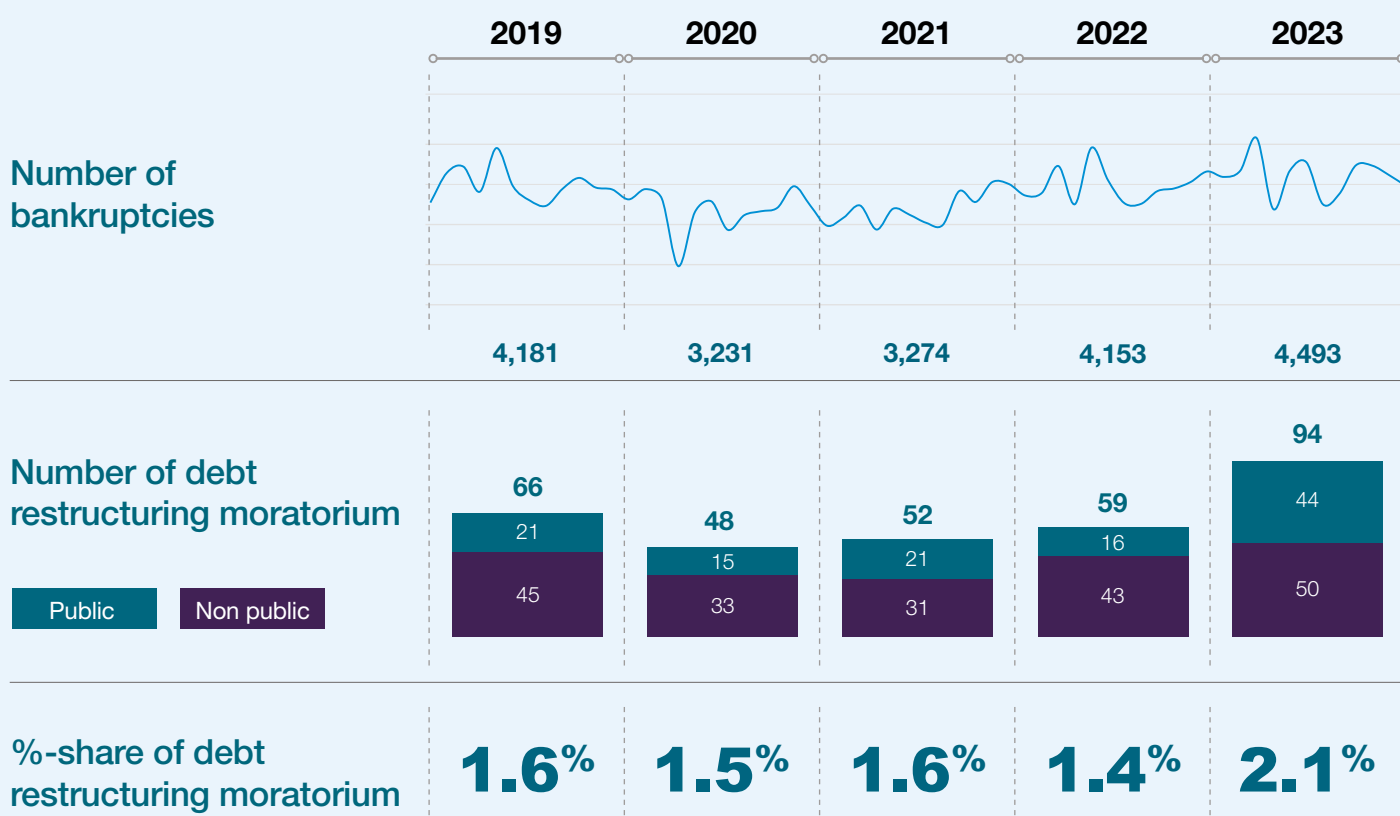
Conclusion

In 2023, the number of debt moratorium procedures reached the highest level within the five-year analysis period, even when adjusted for the proceedings related to the collapse of real estate and retail group Signa, which alone accounted for eight procedures.

The developments highlighted by the survey underscore that financial collapses typically occur with a time lag. The outcomes of these processes reflect a complex interplay of economic factors—such as temporary versus permanent, exogenous versus endogenous shocks—, procedural efficiency, and the ongoing need to evaluate restructuring mechanisms to adapt to dynamic economic environments.

The revised company law, which came into effect on January 1, 2023, has elevated the importance of the board of directors' duties in corporate crises. While we are not fully convinced that the changes have effectively strengthened the early warning system, the provision stating that filing for a debt moratorium satisfies the board's legal obligation in such crises may lead to an increase in awareness, and ultimately, in the overall number of procedures.

How have debt restructuring moratoriums compared to company bankruptcies developed?
(Exclusively legal form of PLC and LLC)



Selected credentials of A&M's Swiss team



HOCHDORF

Financial and Restructuring Advisor

A&M acted as lead financial restructuring advisor to the Board of Directors and Management of SIX Exchange-listed HOCHDORF Holding AG (now HOCN AG) in the sale of its subsidiary amidst the parent company's restructuring.

The engagement included preparing and evaluating financial restructuring options, as well as executing a complex sale transaction involving its operating subsidiary, HOCHDORF Swiss Nutrition AG ("HSN"). The transaction was structured as a pre-pack under Switzerland's debt restructuring moratorium ("Nachlassstundung") and was successfully concluded.



FTX

Global Restructuring Advisor

A&M was appointed as global restructuring advisor to FTX to protect the remaining value of the crypto platform during its Chapter 11 proceedings.

The Swiss team prepared the short-term cash flow forecasting process, assessed the liquidation value and evaluated options for the European sub-holding and its subsidiaries. After initiating a moratorium for the European sub-holding based in Switzerland, we supported the Swiss administrator and coordinated between Swiss moratorium and U.S. Chapter 11 procedures.

The entity successfully exited the Swiss procedure following restructuring.



gzo
spital
wetzikon

Financial and Restructuring Advisor for the 12 Shareholder Municipalities

A&M advises the 12 shareholder municipalities of GZO AG, Spital Wetzikon, providing strategic and financial advice, supporting recapitalization efforts, and guiding the long-term repositioning of the hospital. The mandate involves extensive support during the ongoing debt restructuring moratorium ("Nachlassstundung") and the formulation of sustainable solutions to ensure the hospital's future viability and strategic direction.



Confidential

Financial Restructuring Advisor

A&M advised the Board of Directors and Management of an e-commerce business in assessing restructuring options, in the filing for Swiss Debt Restructuring Moratorium ("Nachlassstundung") as well as in negotiations during the ongoing moratorium towards a Composition Agreement.



Contacts



A&M: Leadership. Action. Results.

A&M has worked with some of the largest European and global organisations to stabilise financial performance, transform operations and accelerate results through decisive action.

When traditional improvement activities are not enough, A&M's restructuring and turnaround heritage brings fact-based, action-oriented leadership to transformation and delivers rapid results.

Our professionals have both operations and advisory experience together with a proven track record in leading businesses through tough, complex situations, often characterised by liquidity and time constraints.

They have deep expertise in distressed business planning, cash forecasting and management, working closely with company management teams and boards of directors as they address critical challenges. To learn more about our expertise and to understand the full scope of our work please get in touch with one of our key contacts.



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