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 **EUROJURIS**
INTERNATIONAL
BUSINESS GROUP



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***Did you know that in France,
in case of a bankruptcy,
a pledge will be really efficient only if it is set up on
an asset financed by the loan?***

Did you know that in France, in case of a bankruptcy, a pledge will be really efficient only if it is set up on an asset financed by the loan?

- In France, bankruptcy law aims at protecting the bankrupt company and its employees.
- Only the court of justice is entitled to decide on the outcome of the proceedings and secured creditors may not play a key role.
- Moreover, secured creditors shall be entitled to a preference claim to payment but may be denied their resale right (« *droit de suite* »), .i.e. the right for a creditor to seize the pledged property in the hand of any third-party purchaser as a security for payment.

Did you know that in France, in case of a bankruptcy, a pledge will be really efficient only if it is set up on an asset financed by the loan?

Only secured creditors who have:

- financed assets; and
- attached a pledge to the financed assets

shall be entitled to:

- a preference claim; and
- a resale right.



Thank you for your attention.



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