[International Lawyer](https://scholar.smu.edu/til)

[Volume 33](https://scholar.smu.edu/til/vol33)
[Number 2](https://scholar.smu.edu/til/vol33/iss2) *International Legal Developments in Review: 1998*

Article 13

1999

International Creditors' Rights and Bankruptcy

Paula E. Garzon

Thomas M. Gaa

Anthony M. Vassallo

International Creditors' Rights and Bankruptcy

PAULA E. GARZON, THOMAS M. GAA, AND ANTHONY M. VASSALLO*

I. Introduction—The World Economy and International Insolvency

One of the major events of 1998 was the economic crisis that began in 1997 in Asia and spread to Russia and Latin America, notably Brazil. From the insolvency perspective at least two observations can be made. First, a significant number of the insolvencies resulting from this crisis have impacted, or will impact, creditors located outside of the country of the debtor; and second, the lack of an efficient bankruptcy law can have a crippling effect during the crisis and will be a hindrance to rejuvenating the economy.[1]

The increasing interdependency of the world economy is a fact. A dramatic example was the reaction of the various stock markets around the world to the events in Asia and Russia during the summer of 1998. Moreover, interdependency is no longer predominantly on a supranational level; it has reached the private entity level. Today, if there is an insolvency in an emerging market which involves foreign debt, it is very likely that a private entity will be impacted by the insolvency. Private capital inflows into emerging markets have increased dramatically.

From 1970 to 1981 official capital flows into emerging markets comprised 49.5 percent of all capital flows.[2] From 1990-1996 official capital inflows comprised only 9.5 percent of all capital inflows.[3] In the early 1990s private capital flows into emerging markets were estimated at over one trillion U.S. dollars, with a significant portion represented by direct foreign investment and portfolio investments.[4] In times of economic distress this translates into cross-border insolvency risk with direct impact on private entities.

---

*Sections I, III and IV were authored by Paula Garzon; Section II was authored by Thomas Gaa; and Section V was authored by Paula Garzon and Anthony Vassallo. Paula Garzon is researching and consulting on the use of the Internet in the practice of law; she is Chairman of the International Creditors' Rights and Bankruptcy Committee. Thomas Gaa is an associate at Murray & Murray, Palo Alto, California; he is Vice-Chairman of the International Creditors' Rights and Bankruptcy Committee. Anthony Vassallo is a bankruptcy associate at Willkie, Farr & Gallagher, New York, New York; he is Vice-Chairman of the International Creditors' Rights and Bankruptcy Committee.

1. What is an efficient bankruptcy law is a question that is obviously open to debate. For one view, see *International Capital Markets* pt. III at 77-78 (September 1998) (visited Mar. 25, 1999) <http://www.imf.org/external/pubs/ft/icm/icm98>.

2. *See id.* at 66.

3. *See id.*

4. *See id.*

When widespread insolvency begins to occur, as during a regional economic crisis, the absence of an efficient bankruptcy law means economic chaos. Furthermore, valuable time will be lost while trying to rebuild an economy in the absence of legal procedures. Both the International Monetary Fund (IMF) and the World Bank recognize the function of well developed bankruptcy laws for handling an economic crisis and rebuilding an economy;[5] accordingly, both organizations have made structural reform (including implementing or amending bankruptcy laws) a requirement for their various lending programs.[6]

This article will summarize some of these insolvency law changes occurring throughout the world. The changes discussed derive from case law and legislative reform. In addition, this article will provide the legal practitioner with a sampling of resources that can be used to stay current in the area of international bankruptcy law.

II. U.S. Cases of Interest to International Practitioners

Among the multitude of decisions by federal bankruptcy courts in the United States in 1998, two decisions are of particular interest to the area of international creditors' rights and bankruptcy. First, the Ninth Circuit Court of Appeals held that a bankruptcy court has authority to enjoin a creditor over whom it had jurisdiction from commencing an action in Hong Kong to collect on the personal guarantee of a person who had received a discharge under Chapter 7 of the United States Bankruptcy Code.[7] The court also held that a district court has authority to enforce this injunction (and other orders) by imposing sanctions and by permitting collection of such sanctions against assets of the creditor located within the court's jurisdiction.[8] Although not necessary to reach the result in this case, the court emphasized that the Bankruptcy Code may be applied extraterritorially to protect property of the estate and suggested that application of "international comity" in international bankruptcy matters will be determined on a case-by-case basis depending on the facts and circumstances.

Second, in *In re Eagle Enterprises*[9] the bankruptcy court held that the forum's choice of law rules, rather than the choice of law provisions of the contract, determine the "governing law" to be applied in determining whether certain equipment leases between a debtor and its German creditor were "true leases" or disguised "security interests." The bankruptcy court's decision in *In re Eagle Enterprises* reiterates the rule that a governing law provision in a contract will not necessarily determine the governing law for decisions that impact the rights of third parties who are not parties to the underlying contract (such as a bankruptcy trustee appointed under Chapter 7 of the U.S. Bankruptcy Code).[10]

5. *See The IMF's Response to the Asian Crisis-Factsheet* (Jan. 17, 1999) (visited Mar. 25, 1999) <http://www.imf.org./External/np/exr/facts/asia.HTM>; *Summary of Reports on International Financial Architecture* at 13 (Oct. 13, 1998) (visited Mar. 25, 1999) <http://www-worldbank.org/html/extdr/ifa-reports/index.htm>.

6. *See* Timothy Lane et al., *IMF Supported Programs in Indonesia, Korea and Thailand: A Preliminary Assessment* ¶ 37 (Jan. 1999) (visited Mar. 25, 1999) <http://imfntlx.imf.org/external/pubs/ft/op/opasia,index.htm#top>.

7. Hong Kong & Shanghai Banking Corp., Ltd. v. Simon (*In re* Simon), 153 F.3d 991, 996 (9th Cir. 1998), *petition for cert. filed*, 67 U.S.L.W. 3376 (Nov. 25, 1998) (No. 98-869). Unless indicated otherwise, all references to the Bankruptcy Code are to Title 11 of the United State Code.

8. *See id.*

9. In re Eagle Enters., Inc., 223 B.R. 290 (Bankr. E.D. Pa. 1998).

10. In this instance, the bankruptcy court determined that Pennsylvania law, rather than the law specified in the underlying contracts (i.e., German law), was the law governing the characterization of the contracts at issue.

A. Hong Kong & Shanghai Banking Corp. v. Simon

Although the Ninth Circuit in *Hong Kong & Shanghai Banking* discussed the scope of the discharge injunction imposed by the Bankruptcy Code and notions of international comity, this case turns on the more narrow issue of the power of a bankruptcy court to enforce its orders where it has jurisdiction over a creditor. This case, therefore, raises once again the fundamental question any non-U.S. creditor must confront if its debtor files for relief under the U.S. Bankruptcy Code: Should the creditor file a proof of claim and thereby subject itself to the jurisdiction of the U.S. Bankruptcy Court? Or, despite the grant of world-wide in rem jurisdiction conferred by the U.S. Bankruptcy Code over all property of the debtor, should the non-U.S. creditor seek to enforce its rights outside the United States via a direct action against assets of the debtor outside the United States? The decision in *Hong Kong & Shanghai Banking* makes clear that any such direct action after commencement of a U.S. bankruptcy case involving the debtor will risk imposition of sanctions if the U.S. bankruptcy court has jurisdiction over the non-U.S. creditor.

The transaction at issue in *Hong Kong & Shanghai Banking Corp. v. Simon*, as well as the dilemma facing the Hong Kong and Shanghai Banking Corporation (the "Bank"), may not be unusual in the current economic conditions in many parts of the world. Simon was a major shareholder in Odyssey International Holdings, Ltd. (Odyssey), which was incorporated in the British Virgin Islands and maintained offices in Hong Kong. The Bank loaned Odyssey over $24 million and this loan was personally guaranteed by Simon. The guarantee specifically provided that it would be construed and determined under and could be enforced in accordance with the laws of Hong Kong, and that the courts of Hong Kong had jurisdiction over any disputes.[11]

Faced with personal debts over $200 million, Simon commenced an individual liquidation case in the United States under Chapter 7 of the U.S. Bankruptcy Code and listed his personal guarantee owed to the Bank as a liability.[12] The Bank filed a proof of claim in Simon's Chapter 7 case for $37 million (which represented its part of a separate $200 million syndicated loan), but it did not file a proof of claim with regard to Simon's personal guarantee of Odyssey's loan.[13]

Simon's discharge was granted without any objection by the Bank and the court issued its order enjoining any actions by creditors seeking to collect a pre-discharge debt as a personal liability of Simon.[14] After the discharge was granted, the Bank filed a complaint in the bankruptcy court seeking a declaratory judgment that the discharge was not effective outside the United States.[15] The bankruptcy court granted Simon's motion to dismiss and noted that, although the discharge injunction did not apply outside the United States, it was enforceable in the United States by imposition of sanctions by the U.S. federal district court, which could be

---

11. *See In re Simon*, 153 F.3d at 994.

12. *See id.*

13. *See id.*

14. *See id.* The bankruptcy court issued an order providing that "[a]ll creditors whose debts are discharged by this order . . . are enjoined from instituting or continuing any action or employing any processor engaging in any act to collect such debts as personal liabilities of the above-named debtor." This injunction was issued pursuant to 11 U.S.C. § 524(b)(2), which provides that unless a timely complaint seeking to block the discharge is filed, this discharge "operates as an injunction against commencement or continuation of an action, the employment of process, or an act, to collect, recover or offset any debt as a personal liability of the debtor. . . ." 11 U.S.C. § 524(b)(2) (1994).

15. *See id.*

satisfied by collecting against the Bank's assets in the United States.[16] The bankruptcy court also found that enforcement of such sanctions would not constitute extraterritorial application of a U.S. statute.[17]

The Ninth Circuit began its analysis by emphasizing that Congress clearly intended that the U.S. Bankruptcy Code have extraterritorial application as it pertains to "property of the estate."[18] Citing 11 U.S.C. § 541(a), the court reiterated that the bankruptcy estate consists of the debtor's legal and equitable interests in property, wherever located and by whomever held.[19] Further, it stressed that the federal district court obtains exclusive *in rem* jurisdiction over property of debtors wherever located in the world.[20] The consequence of in rem jurisdiction, however, is that the debtor's property—regardless of its actual location outside the United States—is legally located within the jurisdictional boundaries of the district in which the court sits.[21] As a result, a U.S. federal court may enjoin non-U.S. judicial or administrative proceedings, including a bankruptcy or insolvency proceeding, to protect its in rem or quasi in rem jurisdiction.[22] Accordingly, the discharge injunction imposed by § 524 enjoined the Bank "from commencing collection against any bankruptcy estate property regardless of its geographic location."[23]

Regardless of the court's views on the extraterritorial application of the Bankruptcy Code and the discharge injunction, there is no question that the Bank was subject to the U.S. Bankruptcy Court's jurisdiction. By filing a proof of claim, the Bank subjected itself to jurisdiction and sanctions if it commenced any post-discharge collection action against the debtor in a foreign court.[24] Moreover, because the Bank filed a proof of claim and fully participated in the bankruptcy case, the court did not have to reach the question whether a bankruptcy court may enjoin a foreign collection action against the debtor personally or as to assets that are not part of the bankruptcy estate.[25] The Ninth Circuit held that its action did not restrain the courts in Hong Kong; instead, the discharge injunction enjoined the Bank. Under this decision, the Bank remains free to commence an action in the Hong Kong courts, but that action risks imposition of sanctions by the U.S. Bankruptcy Court.[26]

Although apparently not necessary for its decision, the Ninth Circuit emphasized that the U.S. Bankruptcy Code embodies a flexible approach in applying notions of comity to international insolvency cases.[27] The court specifically rejected the Bank's argument that the Bankruptcy Code codified the territorial theory (known as the "grab rule") under which courts in various

16. *See id.* at 995.
17. *See id.*
18. *Id.* at 996.
19. *See id.*
20. *See id.* citing 28 U.S.C. § 1334(e) (1994).
21. *See id.* The Court's conclusion that its action was directed towards property that is "within its jurisdiction," as well as the fact that it had jurisdiction over the Bank, raises the question why it was compelled to address the extraterritorial application of the U.S. Bankruptcy Code at all. Under the circumstances, its comments probably are *dictum*. Nonetheless, they are instructive for creditors and other parties in interest in assessing the Court's views on jurisdiction.
22. *See id. See also* Underwood v. Hilliard (*In re* Rimsat, Ltd.), 98 F.3d 956, 961 (7th Cir. 1996) (the automatic stay created by 11 U.S.C. § 362(a) enjoins non-U.S. proceedings that interfere with property of the estate and the control of such assets).
23. *In re Simon*, 153 F3d at 996.
24. *See id.* at 997. *See also* Tucker Plastics, Inc. v. Pay 'N Pak (*In re* PNP Holding Corp.), 99 F.3d 910 (9th Cir. 1996) (filing proof of claim subjects foreign creditor to preference action by the trustee).
25. *See In re Simon*, 153 F.3d at 996-97.
26. *See id.* at 997.
27. *See id.* at 998.

countries seize and controlling assets within their control. Similarly, the court rejected Simon's contention that the Bankruptcy Code codified the universalist theory under which one plenary transnational proceeding is responsible for administering assets world-wide.[28] Instead, the Bankruptcy Code requires the bankruptcy court to "consider the status and progress of other nations' insolvency proceedings in determining how to manage domestic bankruptcies."[29] Under this approach, a U.S. bankruptcy court will defer to where the "center of gravity" of multiple proceedings exists, if one can be ascertained or it may proceed jointly with a foreign court or, it may finally exercise its power to the full extent of its jurisdiction.[30] But where, as in this case, no foreign proceeding is pending, the notion of deference to any foreign court is inapposite.[31]

III. In re Eagle Enterprises—The Applicability of Governing Law Clauses

The bankruptcy court's decision in *In re Eagle Enterprises* is noteworthy as a reminder that parties rarely contemplate the effect their selection of a governing law provision will have on non-parties to the contract. As the non-debtor in *In re Eagle Enterprises* discovered, this limitation may have far-reaching effects on the rights of the non-debtor if one of the parties commences a bankruptcy case.

Eagle Enterprises (the Debtor) acquired certain equipment through a transaction with United Container Systems (Deutschland) GmbH (UCS), a German company. The underlying contracts included a choice of law clause that selected German law as the governing law.[32] After conversion of the Debtor's Chapter 11 reorganization case to a liquidation under Chapter 7 of the Bankruptcy Code, the trustee asserted that the contracts created disguised "security interests" and that UCS had not perfected its security interests properly. Therefore, the trustee sought to avoid these security interests under its "strong-arm" powers.[33] The trustee asserted that the contractual choice of law clause was unenforceable under the Pennsylvania state Uniform Commercial Code (the UCC).[34] According to the trustee, all choice of law issues pertaining to the perfection or non-perfection of security interests are governed by UCC § 9103.[35] UCS, on the other hand, asserted that German law should govern the characterization of these contracts because it was the governing law specified in the contracts. UCS also asserted that German law would characterize these contracts as true leases and, therefore, title to the equipment would not pass to the Debtor until the purchase option was exercised at the end of the contract's term.[36]

In resolving this choice of law issue, the bankruptcy court first determined that bankruptcy courts should rely on the rule followed by the federal district courts hearing diversity cases and use the choice of law rules of the forum state.[37] Accordingly, it applied Pennsylvania's

28. *See id.*
29. *Id.* at 999.
30. *Id.*
31. As noted elsewhere in these materials, the proposed UNCITRAL Model Law, if enacted into the U.S. Bankruptcy Code, would impose rules for coordinating multiple national bankruptcy proceedings pending against or involving the same debtor. Although supported by the Bankruptcy Reform Commission, this proposed legislation was not enacted in 1998.
32. *See In re Eagle Enters.*, 223 B.R. at 291-292.
33. *Id.* at 292.
34. *See id.*
35. Although all states have enacted some version of the UCC, the provisions of each applicable state law must be analyzed to resolve this choice of law issue.
36. *In re Eagle Enters.*, 223 B.R. at 292.
37. *See id.*

choice of law rules and found that the choice of law rules under the UCC only "allows contracting parties to choose the law applicable to '*their*' relationship.[38] In this court's view, basic contract concepts compel the conclusion that a third party's rights cannot be altered, compromised or redefined by a contract it has not accepted.[39]

A trustee stands in the role of a third party because he or she is the representative of all creditors.[40] Thus, the trustee's rights (as a representative of the estate and its creditors) cannot be compromised by the parties' selection of a governing law for their relationship *inter se*.[41] In this instance, the UCC specifically provides that choice of law provisions are inapplicable to issues concerning the perfection of security interests.[42] Under the UCC, retention of title by a creditor merely creates a security interest and the UCC has set forth specific rules for determining whether a transaction is a "true lease" or creates a disguised "security interest."[43] Applying the UCC, the court found that the transaction was a sale and that a security interest was created, but not perfected by UCS.[44]

IV. Model Law on Cross-Border Insolvency

In May 1997 the United Nations Commission on International Trade Law (UNCITRAL) adopted the final text of the Model Law on Cross-Border Insolvency (Model Law). The Model Law was intended not to harmonize bankruptcy laws but to provide a framework for dealing with the issues that result upon a cross-border insolvency. The issues addressed, among others, include: (i) access for a foreign representative to the courts of any state that has enacted the Model Law ("State"); (ii) determining whether a foreign insolvency should be recognized by the State and what are the consequences of recognition; (iii) permitting courts of countries involved in the cross-border insolvency to cooperate more fully; (iv) authorizing foreign representatives to seek assistance in another State; (v) providing for jurisdiction and other rules of cooperation; (vi) providing rules for coordination of remedies.[45]

Since it is a model law, as opposed to a treaty, the text of the law must be incorporated into the domestic law of the enacting country.[46] As of February 1, 1999, the Model Law has not been enacted in any state.[47] In the United States, the text[48] of the Model Law, has been

38. *Id.* at 293. As the bankruptcy court noted, however, the parties implicitly accepted the Pennsylvania choice of law rules and the court adopted these rules in this instance without further analysis.

39. *See id.*

40. *See id.*

41. *See id.*

42. *See id.*

43. *Id.*

44. *See id.* at 298-99.

45. *See Guide to Enactment of the UNCITRAL Model Law on Cross-Border Insolvency*, United Nations Commission on International Law, 30th Sess., ¶ 3, U.N. Doc. A/CN.9/442 (1997) (also available at <http://www.un.or.at/uncitral/en-index.htm>) [hereinafter *Guide to UNCITRAL Model Law*].

46. In addition, the enacting state does not have to notify the United Nations or any other state of the enactment of the law. *See id.* ¶ 11.

47. *See* United Nations Office of Legal Affairs, *The Status of Conventions and Model Laws* ¶ 13 (Feb. 1, 1999) (visited Mar. 25, 1999) <http://www.un.or.at/uncitral/en-index.htm> (choose "Ratifications and Enactments" in the listed menu).

48. The text that is to be incorporated into the Bankruptcy Code does not have to match the exact text of the Model Law. While it is recommended that changes be kept to a minimum, it is expected that at the very least there will have to be changes so that the text conforms to existing law (for example, definitions). Accordingly, each enacting state will incorporate its own version of the Model Law. *See Guide to UNCITRAL Model Law*, *supra* note 45, ¶ 12.

proposed as a new chapter, Chapter 6 to the Bankruptcy Code. The bill containing these changes, (among others) is the "Bankruptcy Reform Act" currently pending in Congress, as it did not pass in 1998.[49]

V. Insolvency Law Initiatives

In addition to the anticipated changes to the U.S. Bankruptcy Code, a number of other countries are in the process of implementing or amending their bankruptcy laws. As discussed earlier, the IMF has specifically made structural reform a condition of certain lending programs. The lack of a strong bankruptcy infrastructure can be debilitating to a country in many ways. First, when there is an economic downturn it is necessary to deal efficiently with insolvent entities, before their insolvency has a contagious effect on the local economy (i.e., a domino effect). For example, if a foreign bank has lent to a local creditor that becomes insolvent and the bank fears that it will not be able to realize upon its collateral, or that in a general distribution of assets it will not be treated equitably under the local bankruptcy law, the bank will in all likelihood call the loan. Moreover, the bank will evaluate all of its local lending and may call in as many of its local loans as possible to reduce potential loss in the region.[50] Other financial institutions may then follow the lead of the first bank. Second, if there is an economic downturn and a financial crisis does ensue, there must be an orderly and timely way to deal with the insolvent entities (financial or corporate). If there is no way to deal with these entities, the economy may be crippled well past the crisis. In fact, studies have shown that countries with, among other things, a weak bankruptcy law, are more likely to have smaller financial markets.[51] Accordingly, the following is a list of countries that at the direction of the IMF and/or the World Bank have amended their bankruptcy laws, or have committed to do so in the near future:

Bangladesh—In 1997 as a result of a World Bank initiative, Bangladesh repealed its Insolvency Acts of 1919 and1920 and put in place the Bankruptcy Act of 1997. This year it is expected that the 1997 law will be amended to address various open issues.

Bulgaria—According to its Letter of Intent,[52] Bulgaria will amend its law to provide for the ability of all creditors to initiate and bring to completion bankruptcy procedures.[53]

Indonesia—In a series of Letters of Intent, Indonesia outlined its plans for bankruptcy reform. Indonesia has already amended its bankruptcy law. The Indonesian plan includes: (i) the establishment of specific restructuring agencies and initiatives, (ii) establishment of a Special Commercial Court to hear bankruptcy cases, (iii) a series of other legislative changes, including amendments to the tax laws, the removal of restrictions on debt/equity conversions, the establishment of

49. The official title of the bill is "A Bill to Amend Title 11 of the United States Code, and For Other Purposes." For more information on the status of this bill (or any other) the Library of Congress has an online legislative tracking service. *See Thomas* (visited Feb. 23, 1999) <http://thomas.loc.gov>.

50. Financial institutions sometimes build into the loan documents the option to call an event of default upon the deterioration of the financial sector or the deterioration of the economy of the debtor's country.

51. *See International Capital Markets*, pt. III at 78 (Sept. 1998) (visited Mar. 25, 1999) <http://www.imf.org/external/pubs/ft/icm/icm98>.

52. A "Letter of Intent" is a letter from the government of a country to the IMF that describes the policies the country intends to implement and updates the IMF on its progress with respect to implementing those polices in relation to its specific requests for financial aid from the IMF.

53. For a full description, see *Bulgaria Letter of Intent, September 9, 1998* (posted Oct. 2, 1998) (visited Mar. 25, 1999) <http://www.imf.org/external/np/loi/090998.htm>.

a procedure for the registration of security interests and the establishment of procedures to facilitate voluntary corporate restructuring.[54]

Korea—In its Letter of Intent, Korea describes a series of changes it has already agreed to as a part of its loan program with the World Bank. Among other things, Korea, (i) has established corporate restructuring groups, (ii) plans to review its current bankruptcy law intending to focus on expedited procedures; (iii) will be amending its tax laws to encourage mergers and acquisitions, asset sales and debt restructuring.[55]

Thailand—In its Letter of Intent, Thailand outlined a series of changes to its Bankruptcy Act. In addition to these changes, there will be changes made to the laws which relate to the taking of security and to taxes, with the intent of making a liquidation or restructuring an orderly and speedy process.[56]

Upon review of these plans it is clear that merely enacting or amending a bankruptcy law is not sufficient. In order to have an "efficient" bankruptcy system a variety of other laws must be in place, including laws relating to the ownership of property and the granting of security interests and tax laws that encourage restructuring or at best are neutral.

VI. World Wide Web Resources

The Internet, and more specifically the World Wide Web, is an evolving resource that can supply the legal practitioner with: (i) information regarding insolvency laws, (ii) reports and other updates relating to the current economic crises, and (iii) information about specific cases. The following is a sample of web sites which may be useful to lawyers practicing law in the international insolvency area.[57]

A. Legal/Insolvency Sites

American Bankruptcy Institute—http://www.abiworld.org
American Bar Association—http://www.abanet.org

54. For a full description of these plans and updates on what has been accomplished, see the series of Letters of Intent. *Indonesia Letter of Intent and Memorandum of Economic Financial Policies, July 29, 1998* (posted July 29, 1998) (visited Mar. 25, 1999) <http://www.imf.org/external/np/loi/072998.htm>; *Indonesia Letter of Intent and Supplementary Memorandum of Economic Financial Policies, September 11, 1998* (posted Sept. 21, 1998) (visited Mar. 25, 1999) <http://www.imf.org/external/np/loi/091198.htm>; *Indonesia Letter of Intent and Supplementary Memorandum of Economic and Financial Policies, October 19, 1998* (posted Oct. 23, 1998) (visited Mar. 25, 1999) <http://www.imf.org/external/np/loi/101998.htm>; *Indonesia Letter of Intent and Supplementary Memorandum of Economic and Financial Policies, November 11,1998* (posted Nov. 30, 1998) (visited Mar. 25, 1999) <http://www.imf.org/external/np/loi/1113a98.htm>.

55. *See Korea Letter of Intent, July 24, 1998* (posted Aug. 19, 1998) (visited Mar. 25, 1999) <http://www.imf.org/external/np/loi/072498.htm>; *Korea Letter of Intent, November 13, 1998* (posted Dec. 4, 1998) (visited Mar. 25, 1999) <http://www.imf.org/external/np/loi/111498.htm>.

56. *See Thailand Letter of Intent, August 25, 1998* (posted Aug. 25, 1998) (visited Mar. 25, 1999) <http://www.imf.org/external/np/loi/*082598*.htm>; *Thailand Letter of Intent, December 1, 1998* (posted Dec. 1, 1998) (visited Mar. 25, 1999) <http://www.imf.org/external/np/loi/120198.htm>.

57. The web sites listed in this article are a sample of the many resources available on the Internet. At the time of this writing, each of these sites was available. However, sites do change and are taken down. Therefore, it is possible that by publication date or anytime thereafter, a web site may not be available or may have moved. Inclusion or exclusion of a web site does not constitute a recommendation or an endorsement of the site by the American Bar Association, The International Creditors' Rights and Bankruptcy Committee, or by the individual authors, and the foregoing parties are not responsible for the content of any web site. Each person must make their own independent assessment as to the site, including without limitation, an assessment as to the accuracy of the information contained therein.

American Society of International Law—http://www.asil.org
Center for Information Law and Policy—http://www.cilp.org
Foreign Law Collections on the Web—http://www.usc.edu/dept/law-lib/legal/foreign.html
Findlaw—http://www.findlaw.com
Heiros Gamos—http://hg.org
Internet Legal Resource Guide™—http://www.ilrg.com
Legal Information Institute—http://www.law.cornell.edu
Legal Resource.Com—http://www.legalresouce.com
World Internet Insolvency & Bankruptcy Resources—http://www.insolvency.com
World Wide Web Virtual Library:Law—http://www.law.indiana.edu/law/v-lib/lawindex.html

B. Country Specific Sites

Australasia Legal Information Institute—http://www.austlii.edu.au
Canadian Bankruptcy Law Centre—http://wwlia.org/~wwlia/ca-bankr.htm
Italian Insolvency Law, Sources and Proceedings—http://www.gelso.unitn.it/card-adm/Review/Business/Insol.html
UK Bankruptcy & Insolvency Website—http://www.insolvency.co.uk

VII. Conclusion

International creditor's rights and bankruptcy issues took center stage in 1998. The global economic crisis that began in certain parts of Asia in 1997 continued to spread throughout Asia in 1998, with a spillover effect in Russia and Latin America in 1998. As a result of this crisis as well as the recognition that cross-border insolvency now affects a great majority of parties on a private level, it can be expected that 1999 will bring continued worldwide efforts to reform existing bankruptcy laws, including perhaps, the adoption of the UNCITRAL Model Law by the United States.