

Update

Newsflash 18 March 2020

COVID-19: Suspension of debt enforcement proceedings and potential measures in the judicial sector

On 18 March 2020, the Swiss Federal Council declared the suspension of limitation periods for the entire Swiss debt collection system, in accordance with article 62 of the Swiss Federal Act on Debt Collection and Bankruptcy (DEBA / SchKG / LP). The suspension will be in effect from 19 March 2020, 7 a.m., until midnight of 4 April 2020.

The coronavirus pandemic also affects the Swiss judicial system.

Suspension pursuant to article 62 of the Debt Enforcement and Bankruptcy Act

On 18 March 2020, the Swiss Federal Council declared the suspension of limitation periods for the entire Swiss debt collection system, in accordance with article 62 of the Swiss Federal Act on Debt Collection and Bankruptcy (DEBA / SchKG / LP). The suspension will be in effect from 19 March 2020, 7 a.m., until midnight of 4 April 2020. It will immediately be followed by the ordinary annual Easter suspension (debt collection holidays), which will last until 19 April 2020. After this date, the Federal Council may order further legal suspension in accordance with article 62 DEBA, if necessary.

The suspension of the limitation periods means, in essence, that debt collection acts may no longer be carried out. The following are, in particular, deemed debt collection acts:

- › Service of an order to pay to debtors
- › Definitive and provisional dismissal of the debtor's objection
- › Bankruptcy notice, bankruptcy hearings, and the declaration of bankruptcy

No debt collection acts and, therefore, still possible are, among others:

- › Filing of debt collection requests
- › Raising objection against an order to pay
- › Dismissal of the debtor's objection through civil action for recognition of debt
- › Bankruptcy acts, provided that the bankruptcy has already been declared

Limitation periods triggered by debt enforcement acts that come to an end within this suspension period or the debt collection holidays will not expire during that period, but are extended until the third day following the end of the suspension period and the debt collection holidays.

Potential further measures in the judicial sector

Since the Federal Council has declared that an "extraordinary situation" exists in the sense of the Epidemics Act, on Monday, 16 March 2020, several cantonal judicial authorities have already taken measures affecting the judicial sector by suspending or postponing court hearings, suspending proceedings, or granting generous extensions of deadlines. There is not yet a

uniform practice among the different cantons, however.

The Federal Council is currently examining the implementation of measures on a national level, relating to the holding of court hearings and the running of limitation periods.

Please do not hesitate to contact us in case of any questions..

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