

## SCARP – Small Company Administrative Rescue Process

SCARP is a new restructuring option for SMEs. This scheme enables a company to restructure its balance sheet and write off some of its debt and is seen by many as a more cost-efficient alternative to examinership as it is designed to be quicker and involves less court oversight. The SCARP is for companies that meet two of the following three criteria:

- Turnover does not exceed €12m
- Balance sheet does not exceed €6m
- Less than 50 employees

Qualifying companies must meet the legal definition for insolvency and not have availed of examinership protection in the previous five years. **Key stages of the SCARP**

### **process:**

- Statement of Affairs
- Process Advisor appointment and report
- Board meeting
- Process Advisor engagement with creditors
- Process Advisor's Rescue Plan
- Creditors meeting to approve Rescue Plan
- Court applications

SCARP is designed to be streamlined and not dependent upon court applications (although court applications are required in certain circumstances). SCARP will help companies to deal with Revenue arrears, rates arrears and redundancy/staff reorganisations. It recognises that businesses have struggle during the pandemic and that debts accumulated by companies during Covid-19 must be dealt with equitably.