

Innovative startups and risk of bankruptcy

The innovative startup is not subject to the bankruptcy proceedings provided for by law (composition with creditors and bankruptcy), but only to the additional procedures provided under law 3/2012 or, in other words, the agreement to settle the crisis due to over-indebtedness and liquidation of the debtor's assets. However, if the innovative startup no longer meets one of the requirements provided under art. 25, paragraph 2, before the expiry of the five years from its establishment, it is subject to ordinary insolvency proceedings and, therefore, can be declared bankrupt.

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