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Transplanting Chapter 11: Path Dependency and the Rejection of Debtor-in-Possession Rescue in the UK and India

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David Grant, a partner in Troutman Pepper Locke's Bankruptcy + Restructuring Practice Group, authored the article, "Transplanting Chapter 11: Path Dependency and the Rejection of Debtor-in-Possession Rescue in the UK and India," in the *University of Oxford Business Law Blog* on September 11, 2026.

> Global corporate restructuring has long been divided between two models. London built its practice on creditor control, while New York built Chapter 11 around the debtor in possession (DIP). In recent years, both the United Kingdom and India have tried to bridge this divide by grafting US-style DIP mechanisms onto their creditor-heavy regimes. The UK introduced a standalone debtor-in-possession moratorium through the Corporate Insolvency and Governance Act 2020 (CIGA). Within a year, India introduced the Pre-packaged Insolvency Resolution Process (PPIRP) under the Insolvency and Bankruptcy Code 2016 (IBC), a hybrid DIP route reserved for micro, small and medium enterprises (MSMEs). Both experiments were ambitious. Both have fallen flat in practice. This post argues that the underuse of the CIGA moratorium and the PPIRP is not a teething problem of new legislation. It reveals an institutional rejection of the DIP concept itself, rooted in lenders' old habit of control and their distrust of incumbent management, which continues to override statutory attempts to normalise debtor-led rescue in both jurisdictions.

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