



Global Insolvency: 2025 Reflections and 2026 Projections

Middle East



Middle East

Middle East insolvency market overview

The insolvency and restructuring scene in the Middle East is on a transformative journey. Legal reforms, economic pressures, and a newfound openness to formal restructuring tools are driving this change. Since the UAE took the lead in 2016 by updating its bankruptcy laws, other countries in the region have followed, each at their own pace, with varying levels of court involvement and business community acceptance.

Our Business Restructuring Services team is leading the charge in this evolving market, working closely with companies, creditors, and stakeholders on some of the region's most intricate and high-profile insolvency cases.

Engagement trends

Legal reforms across the Middle East are encouraging a shift from informal 'amend and extend' strategies to more structured, court-supervised restructuring options.

We have established ourselves as leaders in this dynamic environment by:

- Having registered and qualified appointment takers in key jurisdictions.
- Building strong local relationships and maintaining Arabic-language capabilities, which remain essential as many court proceedings are conducted in Arabic.
- Earning a solid reputation with institutional investors and credit funds involved in regional non-performing loans and special situations.

We foresee a steady increase in formal insolvency activities. At the same time, opportunities outside of insolvency, such as distressed mergers and acquisitions, structured exits, and non-performing loan sales, are expected to gain momentum as trust in regional frameworks grows



Other markets

Egypt

Activity in Egypt has faced constraints, yet the underlying challenges, especially in consumer sectors, remain important. Currency devaluation, reduced tourism, and disruptions in the Suez Canal continue to impact USD inflows, putting pressure on working capital and FX-based debt.

Oman

Oman's recent introduction of a 5% personal income tax as part of broader fiscal reforms could have long-term economic effects. However, its impact on the insolvency landscape is still unfolding.



Kingdom of Saudi Arabia (KSA)

Insolvency volumes and trends

Saudi Arabia stands out as the most transparent and statistically active insolvency market in the region. The latest H125 data from the KSA Bankruptcy Commission reveals 132 accepted cases, bringing the total to 1,110 since the law's enactment in 2019. This marks a major rise from 100 cases in the first year (2019) to nearly 300 in 2024. Most filings originate from the contracting (36%) and retail (23%) sectors, which continue to experience challenges across the region.

PwC's Role in Restructuring

Saudi Arabia (KSA)

We've been pivotal in some of the largest restructurings in KSA. While formal 'Trustee' roles are typically held by court-registered Saudi nationals, our team frequently advises Trustees or companies, guiding them through the process. This includes developing restructuring plans and assessing claims. Recently, we secured a new mandate to advise a major KSA conglomerate on restructuring approximately \$800 million in liabilities, outperforming both Big 4 and boutique competitors.

United Arab Emirates (UAE)

Emerging Trends and Notable Cases

The UAE has increasingly embraced formal onshore insolvency processes, with several high-profile cases setting significant legal precedents. Over the past year, we advised on two landmark UAE restructurings. These deals underscore the growing credibility of the UAE framework and are sparking renewed interest from special situations and private credit funds across the region:

- **JBF RAK:** A \$1 billion debt-for-equity swap, the first under the UAE Bankruptcy Law.
- **Emirates Hospitals Group:** A \$950 million restructure involving debtor-in-possession funding and a court-supervised process.

In 2024, the UAE's Bankruptcy Law was refined to enhance procedural clarity. By May 2025, Abu Dhabi announced the establishment of the UAE's first specialised bankruptcy court, with similar courts expected across other Emirates. These developments are set to increase the volume and pace of formal filings.

The UAE's renowned free zones, DIFC and ADGM, continue to operate under separate insolvency laws. While activity levels are modest, they offer efficient, internationally familiar legal structures for resolving distressed assets.

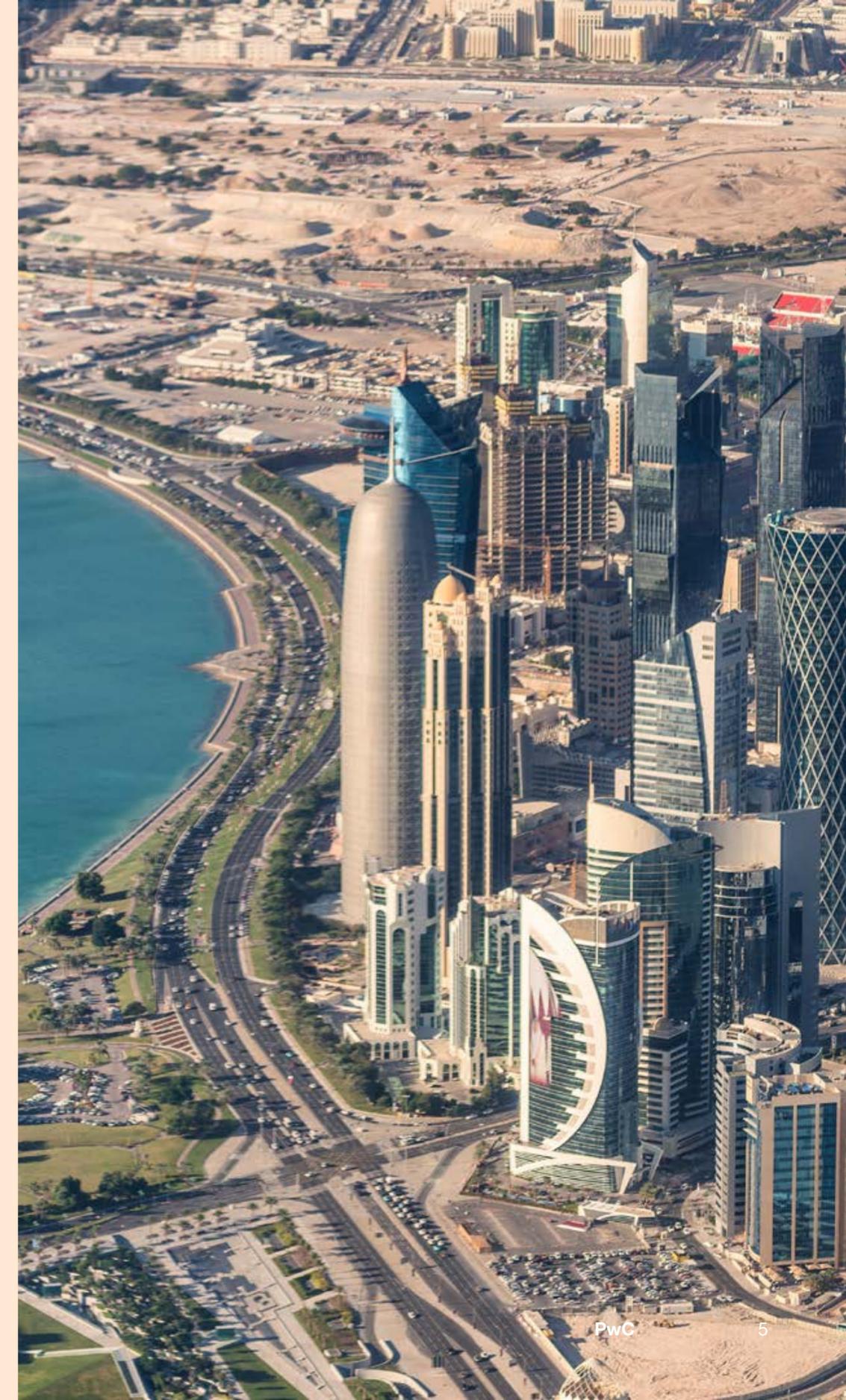
Qatar

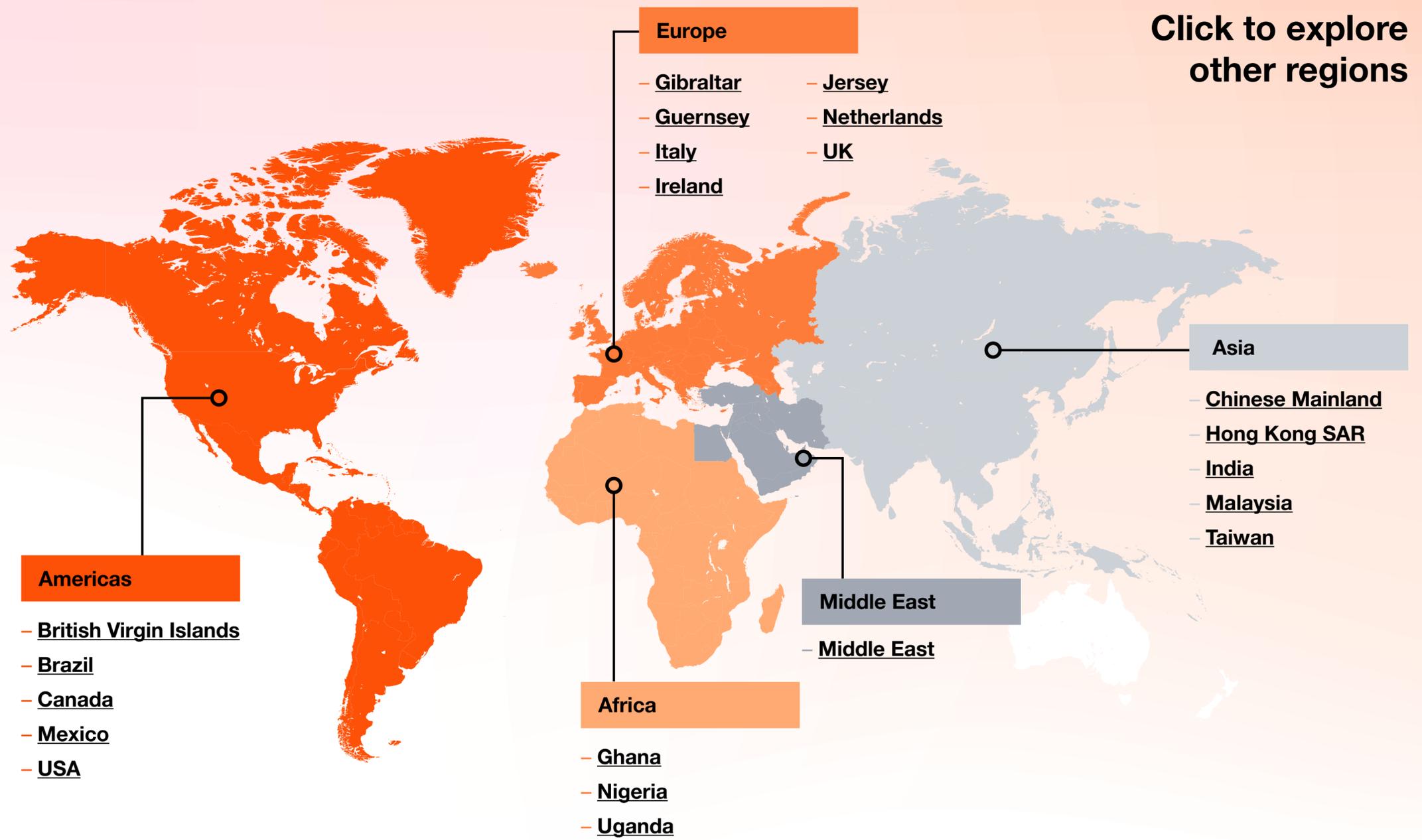
Insolvency outlook and our role

Qatar is poised to take a more prominent role in the regional insolvency landscape. In July 2025, the government introduced a draft bankruptcy law, with formal enactment anticipated in the first quarter of 2026.

Over the past year, we've actively participated in industry consultations, collaborating with legal stakeholders to shape this framework. The success of the law's adoption hinges on robust support through court training, public education, and the establishment of institutional mechanisms like a bankruptcy commission or dedicated courts.

At the same time, economic pressures, especially from the post-FIFA World Cup construction sector, have sparked an increase in restructuring and exit-related discussions. Several companies are considering winding down their local operations.





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Territory lead



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