LONDON—Efforts to resolve Greece's financial crisis are focusing on asking banks to take a major write-down on their holdings of Greek government bonds.

On Tuesday, Greece's troika of international lenders, the European Union, International Monetary Fund and European Central Bank, said Greece is likely to receive its next tranche of aid in early November, staving off a potential default. However, officials from the three lenders said the country must speed up economic reforms.

In statement Tuesday the troika said the money will be available for Greece after euro-zone finance ministers and the IMF approve the latest review of the Greek economy.

The troika's decision quickly moves the discussion onto write-downs, or "haircuts." Sources with direct knowledge of talks with European governments and the International Monetary Fund said these write-downs could range between 40% and 60% depending on the modality used.

The other question open is whether European governments and the ECB also will have to accept losses to provide Greece with debt relief.

"The discussion is on a haircut, how big it needs to be and whether sovereign creditors may be involved," said one senior official with direct knowledge of the situation. This official said Greece's debt load has come to be seen as unsustainable.

The euro zone is under mounting pressure from financial markets and governments around the world, including the U.S., to take more decisive steps to prevent the Greek crisis from spreading around Europe and triggering a new banking crisis worldwide.

ECB President Jean-Claude Trichet on Tuesday warned that the euro-zone crisis has "reached a systemic dimension" and said governments must swiftly push through fiscal reforms and coordinate a recapitalization of banks.

German Chancellor Angela Merkel and French President Nicolas Sarkozy held emergency talks in Berlin last Sunday on new ways to tackle the crisis, and agreed upon a broad package of measures—including a plan to recapitalize European banks—but details aren't expected until later in the month.

In July, Greece's top creditors, the IMF, the European Union and the ECB, agreed on a second €109 bailout loan on top of which private-sector creditors are expected to contribute roughly another €13.5 billion. A tentative agreement was reached to accept a 21% write-down on the banks' holdings of Greek bonds. That exercise was expected to cut the face value of Greece's €350 billion debt by less than 5%.

Since July, the deteriorating Greek economy has thwarted the country's efforts to meet its goals to reduce the budget deficit, requiring more funding than originally planned.

One official who participated in the July 21 meeting said discussions also considered a proposal that the write-down be as deep as 40%. The proposal was shot down by France, whose banks have the biggest exposure
on Greek debt. Since then, the situation in Greece has worsened, say officials in Athens.

Luxembourg Prime Minister Jean-Claude Juncker, who also is president of the Eurogroup of 17 countries sharing the euro, said late Monday that he isn't ruling out a "brutal" haircut for holders of Greek government bonds.

"I don't rule out a haircut, but we should not think that it's enough just to go ahead now with a brutal haircut for Greece," Mr. Juncker said on Austria's ORF television. "One needs to ensure that this doesn't lead to contagion elsewhere in the euro zone."

European finance ministers have been working out means of protecting European banks and governments from Greek losses and the possible aftershocks in financial markets coming from a Greek debt restructuring. The focus of these preparations is to pump more capital into European banks and activate the EU's newly enlarged bailout fund, the €440 billion European Financial Stability Facility.

European banks need padding of between €100 billion and €200 billion, Antonio Borges, director of the IMF's European department, said last week.

Sticky details include how to compel banks to raise capital, and how governments can help those banks that can't easily access capital markets. Another is whether to allow the EFSF to leverage its capital to create a lending base closer to €2 trillion.

With the technicalities are still not in place, European leaders have pushed back their summit to decide on the package from Oct. 17 to Oct. 23 to allow for more time to settle the details.

The plan drawn up in July envisaged a debt exchange under which private creditors will swap existing bonds for new ones with maturities of up to 30 years with an average coupon of 5%.

A senior official said one idea now under discussion foresees existing bonds being swapped for new debt with even longer maturities and even lower interest rates than had been planned when the proposal was launched in July.

The talk is now for a 50% cut or more in the net present value of the bonds, and greater use of bonds with a lower principal, or face value, so that there is a meaningful reduction in Greece's ratio of debt to gross domestic product. This also equates to a bigger loss for creditors.

A second option considered is a straight haircut of 50% or more that involves both private-sector and sovereign creditors. Such a haircut would involve all European countries that participated in Greece's first bailout package of €110 billion agreed in May last year.

So much of Greece's debt is already in the hands of either official creditors or the ECB that a meaningful debt reduction is almost impossible without asking official creditors to accept some form of haircut too. Under the terms of the 2010 bailout, only the IMF's loans are senior to Greece's outstanding bonds.

Representatives of the creditors completed talks in Athens Monday on whether to give Greece the next payment from its 2010 bailout plan. The decision will be made at the Oct. 23 summit.

Under the first rescue package, sovereign creditors have so far given Greece €48 billion. In addition, the ECB is estimated to have bought around €50 billion of Greek sovereign paper under its Securities Markets Program. The ECB also holds tens of billions of euros of Greek debt as collateral against loans to Greek banks.

—Geoffrey T. Smith in London and Stelios Bouras in Athens contributed to this article.