

Insolvency work back with a vengeance in Guernsey

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Insolvency work is back with a vengeance in Guernsey - and it's not predicted to slow down.

That's the view of Ogier partner Mathew Newman, who highlights the different types of work underway in this month's BL Global:

- Large-scale restructurings under a scheme of arrangements or administration order
- Property holding companies or investment funds whose loan to value ratios have gone the wrong way, leaving them insolvent
- Fraud and asset tracing work, sometimes with a Guernsey holding company but often with a foreign insolvency practitioner trying to recover assets or information held in Guernsey

He says: "We're seeing a lot more work for company boards, who are concerned about their own positions when the company is on the brink of insolvency, and also for creditors looking to enforce their debts. Occasionally we might also get a good old-fashioned contested winding up application."

Ogier is currently working on the contentious administration of a group holding company that has assets all around the world and various claims against third parties in different jurisdictions.

Mathew tells BL Global: "We have a number of hostile creditors. Keeping them at bay while working with the administrators to manage the day-to-day operations of the underlying businesses is a significant challenge."

Guernsey's new corporate insolvency law was originally due to come out at the end of the first quarter of 2019 but has been delayed. Mathew believes the new legislation will be important in bringing Guernsey into line at least with other comparable offshore jurisdictions - and to some extent with the UK - in respect of the powers of liquidators, which will be greatly enhanced.

He adds: "The new power of the Guernsey court to wind up foreign-registered companies will, I think, interplay quite nicely with the new substance requirements that are now in place. I think it will give rise to an increase, rather than a decrease, in court work as a result."

Read the full [article](#).

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