

Restructuring and Insolvency: an outlook for 2021

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Across the world, government support has kept insolvency rates down but as jurisdictions look to loosen restrictions and ease back into some kind of normality, governments can't foot the bill forever.

As financial support is withdrawn, restructuring, insolvency and corporate recovery practitioners will likely see a spike in activity, and offshore firms in the Channel Islands are braced for an increase in demand from clients.

"In the second half of the year, we expect to see an uptick in restructuring and refinancing work once governments in the UK and elsewhere withdraw their financial support schemes. After that, there'll likely be lender enforcement resulting in formal insolvencies by the end of the year and into next year," said Citywealth Litigation Lawyer of the Year 2021 Mathew Newman, who leads Ogier's Dispute Resolution team in Guernsey and is the global head of the firm's multi-disciplinary Restructuring and Insolvency practice.

"A number of Guernsey companies hold UK property and when loan-to-value goes south, which I think it is already doing, banks will start to enforce against borrowers and that will involve enforcement or other commercial solutions. So we're definitely expecting to see a lot of activity in this area as the year goes on. We are also expecting to see a significant increase in restructuring, refinancing and business reorganisation work generally."

The economic landscape is not too dissimilar to that after the 2008 financial crisis - the year that Mathew joined Ogier after having spent eight years with international law firm DLA Piper. Since starting with the firm, he has seen the Guernsey Dispute Resolution team experience significant growth, now with four partners and nine qualified fee earners together with two trainees and a paralegal - with more fee earner recruits in the pipeline for 2021.

In addition, the team has developed a collaborative, multi-disciplinary approach to restructuring and corporate recovery. It's allowed the firm to provide responsive and commercial solutions for

clients' complex needs.

"There's been a huge increase in the quality and breadth of work we're seeing in Dispute Resolution, with a mix of contentious trust and insolvency work, contentious regulatory work, shareholder disputes and advice on quite specific matters such as anti-money laundering issues together with a broad commercial litigation and professional negligence practice - and we get to do it all here in the Channel Islands, which is fantastic," he said.

"Even before Covid, Ogier adapted and adopted technology, from homeworking to embracing platforms that enable clients to sign documents electronically. We also take a very collaborative approach and work closely with experts from our Private Wealth, Corporate/Funds and Banking and Finance teams. Whatever the piece of work, we make sure clients have the best experts for the job."

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