

Ogier advises applicants on ground-breaking British Virgin Islands scheme of arrangement

News - 14/04/2020

Ogier has successfully represented the applicants in a BVI scheme of arrangement for a debt restructuring, as part of a \$1.5 billion global restructuring, demonstrating the ability of our transactional and dispute resolution teams to work together to provide a joined up, full service approach to distressed restructuring.

The scheme of arrangement is part of a wider restructuring in which Ogier has acted in conjunction with White & Case in New York and Galdino & Coelho Advogados in Brazil, where Ogier's Grant Carroll, Brian Lacy, Michael Killourhy, Ray Wearmouth and Rebecca Clark have advised Constellation Oil Services Holding – a Brazilian-headquartered oil and gas drilling group – and Eleanor Fisher of Ernst & Young and Paul Pretlove of Kalo – as joint provisional liquidators – on the restructuring and debt refinancing of 11 BVI companies, including a ground-breaking "soft touch" provisional liquidation in the BVI.

Continuing the outstanding success of Ogier's BVI office in the restructuring sector, the scheme of arrangement is atypical for a scheme in the BVI in that it is a debt restructuring with no equity elements.

Dispute resolution partner Grant Carroll, who has led the restructuring and insolvency teams on this matter, said: "We are delighted to have achieved this result, which is the culmination of over two years of work. Every aspect of this transaction has been novel for the BVI and this continues to demonstrate the efficiency and flexibility of the BVI as a jurisdiction for restructuring, where the BVI Courts are able to assist all stakeholders to ensure the continued viability of business ventures."

Justice Wallbank approved the sanction order of the scheme of arrangement on 25 February 2020 and the New York Bankruptcy Court subsequently granted Chapter 15 recognition. Despite the British Virgin Islands being in a lockdown due to the Covid-19 pandemic, the BVI Registrar of Corporate Affairs worked with the parties and registered the Scheme on 6 April 2020, demonstrating the territory's resilience and commitment to the global finance industry.

Under the Scheme, all the creditors under the existing notes will be issued new notes and the old notes will be cancelled. This brings the BVI company, Olinda Star Ltd, into the same position as the other BVI company guarantors under the new notes that were restructured pursuant to a Brazilian RJ.

Michael Killourhy, the head of Ogier's corporate department in the BVI and the lead corporate adviser on the matter, said: "We are increasingly seeing that the best way to achieve the optimum result for stakeholders in restructurings is for the corporate finance teams and dispute resolution teams to collaborate, not just within the BVI but across jurisdictions, and in this case we worked together to provide a truly joined up, full-service approach to distressed restructuring.

"On the Corporate and Finance side, managing associate Rebecca Clark was pivotal in this achievement. Our talented professionals have established a true restructuring practice, covering, co-ordinating and communicating effectively across all relevant legal specialities and Ogier is rightly proud of its capabilities here."

About Ogier

Ogier is a professional services firm with the knowledge and expertise to handle the most demanding and complex transactions and provide expert, efficient and cost-effective services to all our clients. We regularly win awards for the quality of our client service, our work and our people.

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Key Contacts



Michael Killourhy

Partner

British Virgin Islands

E: michael.killourhy@ogier.com

T: [+1 284 852 7309](tel:+12848527309)



Brian Lacy

Partner

British Virgin Islands

Jersey

E: brian.lacy@ogier.com

T: [+44 1534 514493](tel:+441534514493)



Ewelina Clyde-Smith

Counsel

British Virgin Islands

London

E: ewelina.clyde-smith@ogier.com

T: [+44 1534 514187](tel:+441534514187)

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