



Ogier's Cayman Restructuring tools in the Companies Law

Restructuring tools available under the Cayman Companies Law:



Scheme of Arrangement (Section 86)

A Court approved compromise entered into between a company and its creditors or members or any classes of them. "Arrangement" is construed extremely broadly making a scheme a very flexible restructuring tool. Once effective, a scheme binds all members/creditors, including dissenters (whether or not they had notice of the scheme). The Cayman Court has significant experience in dealing with schemes involving companies engaged in all industries across the globe. Foreign companies have also migrated to the Cayman Islands to take advantage of the offering.

Creditor schemes can be used for:

- Corporate rescue of distressed or insolvent entities
- Debt swaps
- Liquidation of complex assets without a formal insolvency procedure
- To give effect to debt moratoriums
- The compromise of class action or group litigation
- Cross border restructuring of groups and in conjunction with restructurings supervised by the Courts of other jurisdictions.

Member schemes can be used for:

- Privatisations and de-listing in advance of friendly takeovers
- Mergers and demergers
- Liquidation of complex assets prior to a formal insolvency procedure
- Share exchanges and purchases
- General corporate restructuring including capital reductions.



Reconstruction and Amalgamation (Section 87)

A Scheme of Arrangement causing the reconstruction or amalgamation of two or more companies by which the Cayman Court can make various orders including (but not limited to) transfers (between the companies to be amalgamated) of assets and liabilities (including legal proceedings), the dissolution of the transferring company (without liquidation), provision for dissentient stakeholders, and the allotment of interests or property to the Scheme stakeholders.



Takeovers (Section 88)

Section 88 enables corporate takeovers to take effect by a majority of shareholders squeezing out dissenters. A "takeover offer" is an offer for the entire issued share capital of a target company which could become effective without the offeror acquiring 100% of such issued share capital. The law permits the offeror to acquire 100% of the target company if the offer is approved by holders of not less than 90% in value of the shares affected.



Merger and Consolidation (Section 233)

Merger & Consolidation "Merger" means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company. "Consolidation" means the combination of two or more constituent companies into a new consolidated company and the vesting of the undertaking, property and liabilities of such companies in the consolidated company. Plan of merger/consolidation put to shareholders and if approved, filed with the corporate registrar.

The global Ogier R&I team have been involved in many of the most complex and high-value offshore schemes and restructurings in recent years including Ocean Rig, QGOG/Constellation Overseas, Shire, Rangold Resources, Abraaj Group and Action Real Estate. The combined corporate and disputes teams have substantial experience in this sphere. Our team in the Cayman Islands is supported by Cayman-qualified Attorneys in the Asian and European timezones.



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