

The logo for 'The Legal 500' is displayed in a stylized, bold font. The word 'The' is in a smaller font above 'LEGAL', and '500' is in a larger font below 'LEGAL'.

The  
**LEGAL**  
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EXCLUSIVE CONTRIBUTOR  
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The image shows the silhouettes of three business professionals (two men and one woman) standing in a meeting. They are positioned in front of a large window that offers a panoramic view of a city skyline at dusk or dawn. The silhouettes are dark against the lighter background of the city and sky. The woman on the left is looking towards the two men, who appear to be in conversation. One of the men is holding a folder or a set of papers.

The Legal 500  
Restructuring & Insolvency  
country comparative  
guide – Q&A

Bermuda

The logo for Carey Olsen is presented in a clean, sans-serif font. The text is white and stands out against a dark blue background that forms a diagonal shape in the bottom right corner of the page.

**CAREY OLSEN**

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At Carey Olsen, we always look at the bigger picture. In the face of opportunities or challenges, our clients know that the advice and guidance they receive from us will be based on a complete understanding of their goals and objectives combined with outstanding client service, technical excellence and commercial insight.

## **BIGGER PICTURE**

## Security and enforcement

What forms of security can be granted over immovable and movable property? What formalities are required and what is the impact if such formalities are not complied with?

### Forms of security granted over immovable property

Mortgages – of which there are two types:

- **Legal mortgage:** This is where the mortgagee holds the legal title to the mortgagor's property as security for the relevant debt. Although the mortgagor relinquishes legal title to the property it remains in possession of it, and legal title then reverts to the mortgagor once the secured debt has been fully extinguished.

Legal mortgages over certain property must be created by deed and validly executed.

- **Equitable mortgage:** here the mortgagor merely transfers the beneficial or equitable interest in its property to the mortgagee and retains both possession of the property and legal title. The disadvantage of an equitable mortgage is that it does not take priority over a third party who acquires legal title to the property in good faith and for value (for example, where that third party was unaware of the security interest).

Equitable mortgages and fixed charges (see below) must be in writing and are frequently (though not exclusively) created by deed. Deeds can be executed either under company seal or by a duly authorised signatory or signatories.

### Fixed charge

The holder of a fixed charge over an asset has the right to take possession of the charged asset, as well as a right to sell that asset, when a specified event of default occurs. The legal title over the charged asset is not transferred to the creditor, although (i) the charged asset is not deemed to be an asset of the debtor in the event of an insolvency; and (ii) the debtor cannot dispose of any property that is subject to a fixed charge without the creditor's consent.

If an event of default occurs, the creditor is at liberty to sell the charged property and use the proceeds to satisfy the outstanding debt. A creditor in possession of a fixed charge is entitled to sell the charged asset without reference or notice to other creditors and regardless of whether the debtor is subsequently liquidated.

### The importance of registration of interests/effect of non-compliance

Mortgages and charges over real property in Bermuda should always be registered with the Registrar General. It is also possible for charges to be registered with the Registrar of Companies. This includes charges on assets located outside of the jurisdiction.

In the event that a mortgage or charge over real property is not registered with the Registrar General, that mortgage/charge will not have priority over a registered mortgage/charge over the same real property that has been created later in time.

With regard to companies, if a charge created over certain property and assets belonging to a company is not registered with the Registrar of Companies, then the relevant charge will not have priority.

Specific statutory registration rules apply to mortgages over certain assets, such as aircraft and ships.

An important point to note is that a failure to register a security interest in Bermuda does not affect the legal validity or enforceability of that security interest. Registration of the security interest only goes to the issue of priority.

### Forms of security granted over movable property

#### *Mortgages*

As above.

#### *Fixed charges*

As above.

#### *Floating charges*

A floating charge can be taken over a class of assets that change periodically, and in many circumstances a floating charge is taken over a chargor's entire business. A floating charge does not attach to a particular asset, but "floats" over one or a range of assets. A chargor subject to a floating charge can, subject to its terms, deal with any charged assets without the chargee's consent, but on the occurrence of a specified event of default the floating charge will crystallise and convert into a fixed charge (and attach to the chargor's assets).

In the event of the bankruptcy or liquidation of a debtor subject to a floating charge, the chargee's claim will take priority over the claims of unsecured creditors.

As is the case for immovable property (see above, Immoveable Property), the date of registration of the security governs the order of priority. Failure to register the applicable security over movable property may result in a mortgage or charge not having priority over register mortgages or charges that were created later in time. However, failure to register does not make the security invalid or unenforceable.

#### *Lien*

A lien gives a creditor the right to retain possession of an asset until the debt is satisfied. However, the creditor is not entitled to sell the asset if the debtor defaults.

Liens can be created by contract, statute (e.g. in the case of certain types of creditors), and at common law.

#### *Pledge*

A pledge gives a creditor the right to take possession of the pledged asset and to sell it in the event of the debtor's default.

Pledges are created by contract. They are then perfected by actual or constructive delivery of the pledged asset to the creditor (e.g. the physical delivery of the share certificates of pledged shares to the pledgee).

#### [What practical issues do secured creditors face in enforcing their security \(e.g. timing issues, requirement for court involvement\)?](#)

The creditor-friendly security enforcement regime in Bermuda typically limits the practical barriers to enforcement. Secured creditors are free to avail themselves of all out of court enforcement mechanisms to which they are entitled notwithstanding the commencement of insolvency proceedings. Equally, where court proceedings are required for enforcement, the Court will readily grant permission to a secured creditor to proceed notwithstanding the automatic stay of proceedings on the appointment of a liquidator.

### [Local insolvency proceedings](#)

#### [What is the test for insolvency? Is there any obligation on directors or officers of the debtor to open insolvency procedures upon the debtor becoming distressed or insolvent? Are there any consequences for failure to do so?](#)

The Companies Act 1981 (Companies Act) and the Companies (Winding-Up) Rules 1982 (Rules) are the main pieces of legislation regulating the re-organisation and insolvency of corporate entities in Bermuda. The re-organisation and insolvency regimes provided by the Companies Act are derived largely from the English Companies Act 1948.

The Companies Act does not define or use the terms 'solvent' or 'insolvency', but rather refers to a company being 'unable to pay its debts'. A company will be deemed to be unable to pay its debts if:

- the court is satisfied that the company is unable to pay its debts taking into account the contingent and prospective liabilities of the company;
- the company fails to discharge an undisputed statutory demand exceeding 500 Bermuda dollars within 21 days; or
- execution of a judgment or order against the company is returned unsatisfied.

A company is not under any statutory duty to commence winding up in circumstances where it is insolvent or likely to become insolvent. However, where such circumstances exist the directors of a company must act in the best interests of the company's unsecured creditors. Directors are not required to file liquidation proceedings where a company becomes insolvent. However, if they do not they can, depending on the circumstances, incur personal liability for breach of their fiduciary duty, fraudulent trading and/or misfeasance.

The concept of 'wrongful trading' in circumstances where the company continues to trade while insolvent is not recognised by Bermuda law.

#### [What insolvency procedures are available in the jurisdiction? Does management continue to operate the business and / or is the debtor subject to supervision? What roles do the court and other stakeholders play? How long does the process usually take to complete?](#)

##### **Liquidation**

Liquidation procedures can be divided into compulsory and voluntary liquidations. The purpose of both is to realise assets, pay off creditors, and distribute any remaining assets to the shareholders. The company can then be dissolved and will cease to exist.

##### *Compulsory Liquidation*

A CL can be initiated by one of the following petitioning the Supreme Court:

- the company itself (generally by a shareholders' resolution if solvent and a directors' resolution if insolvent);
- a creditor (including contingent or prospective creditors);
- a contributory (i.e. any person liable to contribute to the assets of the company if it is liquidated, including fully paid shareholders); and
- in certain circumstances, the Registrar of Companies, the Supervisor of Insurance or the Bermuda Monetary Authority.

Once compulsory winding up proceedings have started, and prior to the making of a winding up order, the court may appoint a provisional liquidator. After a winding-up order is made, a permanent liquidator is appointed to conduct the liquidation.

Once appointed, a liquidator has wide powers in respect of the company, some of which are required to be exercised only with the sanction of the court or the committee of inspection. The power to sell the company's assets does not require the approval of the court or the creditors. If appointed, a committee of inspection, which represents the interests of the creditors or contributors (as the case may be), will provide directions to the liquidator in relation to the administration of the assets of the company and their ultimate distribution.

In a compulsory liquidation, once a winding-up order is made or a provisional liquidator appointed, an automatic stay prohibits creditor action. Secured creditors, however, are still entitled to enforce their security.

The process is managed by the court, which will make a winding-up order following the petition for winding-up if the grounds for liquidation are made out.

In terms of the length of procedure, a compulsory liquidation's duration will depend on the complexity of the company's affairs and the nature of its assets and debts.

Once the liquidator has realised all the company's assets, paid any amounts due in respect of preferential payments, made distributions to creditors and distributed any balance to shareholders, he must comply with certain formalities. In a compulsory liquidation, the liquidator must apply for a release from the court. In doing so, the liquidator must give creditors and shareholders 21 days' notice of his intention to make the application and provide an account of the liquidation with that notice.

### **Voluntary liquidation**

There are two types of voluntary liquidation:

- A members' voluntary liquidation (MVL) under which a solvent company is wound up by (and under the direction of) its shareholders; and
- a creditors' voluntary liquidation (CVL), which applies to an insolvent company and is undertaken by the insolvent company's creditors.

Both types of voluntary liquidations are commenced by the company's shareholders by way of a resolution (which is usually based on the recommendation of the board of directors).

Parties filing for a CVL can demonstrate that the company is, or is likely to become, unable to pay its debts when due by the following:

- On a cash flow basis (the company is unable to pay its liabilities as they become due) or balance sheet basis (the realisable value of the company's assets is less than its liabilities).
- By proof of an unpaid debt (as evidenced by a court judgment or a statutory demand for payment that has not been satisfied or set aside in 21 days).

The Bermuda Supreme Court can also put a company into liquidation if it can be shown that it is just and equitable to do so.

For an MVL, a majority of the directors must make a statutory declaration confirming that they believe that the company will be able to pay its debts in full within 12 months from the date of commencement of the liquidation. If no statutory declaration is made, the liquidation will proceed as a CVL.

In a voluntary scenario, and unless the company's bye-laws say otherwise, shareholders of the company approve the liquidation by a simple majority vote. In an MVL, the shareholders appoint the liquidator. In a CVL, a creditors' meeting must be held within 24 hours of the shareholders' resolution. At that meeting, a majority by value of the creditors present and voting appoint the liquidator and may also appoint a committee of inspection and fix the liquidator's remuneration.

There is no automatic stay of creditor actions in a voluntary liquidation, but the court can consider a liquidator's application to grant a stay from the date of the shareholders' resolution.

As for a compulsory liquidation, a CVL's duration depends on the complexity of the company's affairs and the nature of its assets and debts. In normal circumstances an MVL is concluded in 2-3 months.

In both an involuntary and voluntary liquidation, the liquidator takes over the company's management.

With regard to the role of stakeholders, in an insolvent liquidation (whether compulsory or voluntary) the unsecured creditors play a significant role, particularly in the period following a winding up order. In a CVL, secured creditors can determine the course of the liquidation through their representatives on the committee of inspection.

If the company is solvent, it is the shareholders who have the most significant influence.

How do creditors and other stakeholders rank on an insolvency of a debtor? Do any stakeholders enjoy particular priority (e.g. employees, pension liabilities)? Could the claims of any class of creditor be subordinated (e.g. equitable subordination)?

Creditors and shareholders are paid in the following order in Bermuda:

- Costs of insolvency proceedings: all costs, charges and expenses properly incurred in the company's winding-up are paid first, including the liquidator's remuneration.
- Debts owed to employees: these are sums due to employees under their contracts of employment.
- Preferential payments – including unpaid taxes, contributions to occupational pension schemes and statutory compensation for injury or occupational disease.
- Debts secured by a floating charge – holders of a floating charge take priority over unsecured creditors, however their claim will be subordinated to the higher priority claims, which must be paid out of property secured by a floating charge if the assets of the company are not otherwise sufficient to meet them.
- Unsecured debts – including shareholder loans and inter-company loans.
- Debts owed to shareholders in their capacity as shareholders.
- Shareholders' equity – any residual value or equity after all valid creditor claims have been satisfied in full will be returned to shareholders.

Each category of debts must be paid in full before the payment of creditors in the subsequent category. Creditors in the same category rank equally among themselves. A company can enter into an agreement with its creditors under which certain debts are contractually subordinated to other debts.

Can a debtor's pre-insolvency transactions be challenged? If so, by whom, when and on what grounds? What is the effect of a successful challenge and how are the rights of third parties impacted?

Certain transactions entered into by a company that subsequently becomes insolvent can be set aside in order to claw back the proceeds and restore the company to the position that it was in before the transaction.

#### **Fraudulent preferences**

Any conveyance or other disposition of property (including any inter-group disposition) made within six months before the commencement of its winding-up will be void if it was made:

- with the intention to fraudulently prefer one or more of the company's creditors; and
- at the time that the company was unable to pay its debts as they became due.

#### **Fraudulent conveyances**

A creditor can set aside a transaction or disposition of property at an undervalue where it can be shown that the dominant purpose was to put the property beyond the creditors' reach.

An eligible creditor is a person who:

- is owed a debt by the transferor on, or within two years after, the transfer;
- on the date of the transfer is owed a contingent liability by the transferor, where the contingency giving rise to the obligation has occurred; or
- on the date of the action to set aside the transfer is owed an obligation arising from a cause of action that occurred before, or up to two years after, the date of the transfer.

#### **Invalid floating charges**

Where it can be shown that a floating charge was created (i) within 12 months of the commencement of insolvency proceedings; and (ii) immediately after the creation of the charge, the company became insolvent, a floating charge would be considered invalid.

#### **Disclaimer of onerous/unprofitable contracts**

Provided the court grants permission, the liquidator of a company can in certain circumstances disclaim any property or contracts that it considers to be onerous, unprofitable or unsaleable.

What form of stay or moratorium applies in insolvency proceedings against the continuation of legal proceedings or the enforcement of creditors' claims? Does that stay or moratorium have extraterritorial effect? In what circumstances may creditors benefit from any exceptions to such stay or moratorium?

All proceedings against the company are stayed upon the appointment of a liquidator or provisional liquidator. The stay has extra-territorial effect as a matter of Bermuda law. The stay of proceedings does not affect any ability to enforce security rights out of court. A creditor may be granted leave to continue legal proceedings on application to the Bermuda Supreme Court, however this is not typically granted except where the proceedings are necessary for the purposes of the creditor enforcing valid security interests in the property of the company.

## Local restructuring proceedings

What restructuring and rescue procedures are available in the jurisdiction, what are the entry requirements and how is a restructuring plan approved and implemented? Does management continue to operate the business and / or is the debtor subject to supervision? What roles do the court and other stakeholders play?

In Bermuda the most often used restructuring tool is a scheme of arrangement. The Companies Act does make provision for restructuring through merger or consolidation, but that is less common.

The objective of a scheme of arrangement is to allow a distressed company to restructure its debt and/or equity by entering into a binding compromise or arrangement which if approved by the margins proscribed by statute will be binding on any dissenting creditors and/or shareholders.

A scheme is available to both solvent and insolvent Bermuda companies.

The company itself or any member or creditor can initiate a scheme. Where a provisional liquidator has been appointed, he/she will usually propose the scheme rather than the management of the company. Proceedings are started by applying to the Supreme Court for directions to convene meetings, on notice, with the various classes of creditors and/or shareholders who will be affected by the proposed scheme.

Once approved by each class of creditors and/or shareholders, an application is made to request the Bermuda Supreme Court's sanction of the scheme.

The scheme must be approved by the various classes of creditors and/or shareholders affected by the proposed scheme. A majority in number and representing 75% in value of those present (in person or by proxy) and voting at each class meeting must vote in favour of the scheme.

To sanction the scheme the court must be satisfied that:

- the statutory requirements have been met;
- each class of creditors or members has been fairly represented; and
- the arrangement is one that a reasonable person of business would approve.

In the case of a solvent company, the company's ordinary management remains in place to carry out the proposed scheme.

In the case of an insolvent company, a winding-up petition is typically presented to the court in advance of the scheme and a provisional liquidator is appointed. The provisional liquidator can be given the power to put forward the scheme, or his powers can be limited to overseeing the company's board and management.

There is no automatic stay preventing creditor action during the carrying out of a scheme of arrangement in Bermuda. To deal with this, during such time as the scheme is being implemented it is commonplace for the relevant company to be placed into provisional liquidation (where such a stay is available under Bermuda law). Liquidation proceedings are then discontinued when the scheme has been implemented.

Can a debtor in restructuring proceedings obtain new financing and are any special priorities afforded to such financing (if available)?

Yes. In liquidation, the liquidator or provisional liquidator of a company can raise finance to the extent that this is necessary for the beneficial winding-up of the company.

Repayment of this finance depends on its terms, but would usually take priority over existing creditors.

Can a restructuring proceeding release claims against non-debtor parties (e.g. guarantees granted by parent entities, claims against directors of the debtor), and, if so, in what circumstances?

The restructuring proceeding can release claims against non-debtor parties where the Company would otherwise have the power to do so. Release may be given either through a scheme of arrangement or by agreement of the liquidator or provisional liquidator on behalf of the company. Claims of third parties against non-debtor parties cannot be released in the insolvency process.

Is it common for creditor committees to be formed in restructuring proceedings and what powers or responsibilities to they have? Are they permitted to retain advisers and, if so, how are they funded?

A committee of inspection may be formed consisting of creditors or contributories (members) of the company. Subject to the sanction of the court, members of the committee of inspection are appointed by resolution of the creditors or the contributories, typically at the first meeting of creditors or contributories. The committee of inspection may sanction, in lieu of a court sanction, the liquidator:

- bringing or defending actions;
- carrying on the business of the company;
- appointing an attorney;
- paying any classes of creditors in full;
- making any compromise or arrangement with the company's creditors; and
- otherwise compromising calls and liabilities. They may also fix the remuneration to be paid to the liquidator.

Members of a committee of inspection are not paid except for reimbursement of their reasonable expenses, including the reasonable costs of advisors.

## Existing contracts and assets / business sales

How are existing contracts treated in restructuring and insolvency processes? Are the parties obliged to continue to perform their obligations? Will termination, retention of title and set-off provisions in these contracts remain enforceable? Is there any ability for either party to disclaim the contract?

In general, contracts which do not by their terms conclude upon the happening of an event of insolvency will continue in force following a winding up order and may be performed and enforced by the company in provisional or permanent liquidation. The rules with regard to termination, retention of title and set-off are not codified in statute and the enforceability of any particular arrangement will turn upon the terms of the arrangement and circumstances of the insolvency. In addition, there are special provisions which apply to insurance contracts and segregated accounts companies which may affect the operation of these principles. The liquidator of a company may with the leave of the Court disclaim any onerous property belonging to the company. This includes real property and contracts. Any person who is caused loss by the operation of the disclaimer is deemed to be a creditor of the company to the amount of the loss and may prove the amount as a debt in the winding up.

What conditions apply to the sale of assets / the entire business in a restructuring or insolvency process? Does the purchaser acquire the assets "free and clear" of claims and liabilities? Can security be released without creditor consent? Is credit bidding permitted? Are pre-packaged sales possible?

Property in which security has been granted cannot be sold by the Company in liquidation, does not form part of the liquidation estate and the security cannot be released without the secured creditors consent. Pre-packaged sales in the traditional sense are not possible for this reason. Otherwise the liquidator may dispose of any assets of the company with sanction of the Court or the Committee of Inspection and may also achieve a transfer of the undertaking of the company in liquidation or provisional liquidation through a scheme of arrangement.

## Liabilities of directors and others

What duties and liabilities should directors and officers be mindful of when managing a distressed debtor? What are the consequences of breach of duty? Is there any scope for other parties (e.g. director, partner, shareholder, lender) to incur liability for the debts of an insolvent debtor?

Following the commencement of winding-up proceedings, a director may be held personally liable for the company's obligations (in such amounts as the court considers just or appropriate) if it is shown that the director:

- was knowingly a party to the carrying on of the company with the intent to defraud creditors;

- misapplied, retained or became liable or accountable for any money or property of the company; or
- is guilty of any misfeasance or breach of trust in relation to the company.

In certain circumstances, a director may also be personally liable for certain categories of the company's obligations, such as unpaid taxes or pension contributions.

A director may be held civilly or criminally liable pursuant to the liquidation of the company, including:

- failing to provide the liquidator with full and frank disclosure;
- fraudulently removing or concealing the assets of the company;
- falsifying the accounts or affairs of the company;
- fraudulently inducing a person to provide credit to the company; or
- dealing with the assets of company with the intent to defraud the creditors.

Do restructuring or insolvency proceedings have the effect of releasing directors and other stakeholders from liability for previous actions and decisions?

No. See answers to question 14 above.

## Foreign debtors and recognition issues

Will a local court recognise concurrent foreign restructuring or insolvency proceedings over a local debtor? What is the process and test for achieving such recognition? Has the UNCITRAL Model Law on Cross Border Insolvency or the UNCITRAL Model Law on Recognition and Enforcement of Insolvency-Related Judgments been adopted or is it under consideration in your country?

Foreign liquidators may apply for recognition in Bermuda pursuant to Bermuda's common law and the principles of comity. There are no statutory mechanisms for the recognition of foreign insolvency proceedings or for cross-border cooperation in insolvency or restructurings and Bermuda has not adopted the UNCITRAL Model Law on Cross-Border Insolvency. However, there are numerous examples in case law of the Bermuda court exercising its common law powers to recognise foreign insolvency and restructuring proceedings and to cooperate with courts of foreign jurisdictions, particularly in circumstances where (i) the relevant company is incorporated in Bermuda; (ii) the subject company has assets located in the jurisdiction; (iii) the liquidators seek assistance that would be available to them both under the law of the foreign jurisdiction and under Bermuda law; and (iv) such recognition and cooperation are not contrary to Bermuda public policy.

### Can debtors incorporated elsewhere enter into restructuring or insolvency proceedings in the jurisdiction?

Only where the Company has a permit to conduct business in Bermuda under the Companies Act 1981. Otherwise there is no power to place a foreign company into liquidation in Bermuda.

### Corporate groups

#### How are groups of companies treated on the restructuring or insolvency of one or more members of that group? Is there scope for cooperation between office holders?

Proceedings for the insolvencies and re-organisations of a group of companies may occur concurrently for practical efficiency but remain legally separate proceedings. In the absence of a scheme of arrangement or other consensual arrangement between the group of companies and their creditors, the assets of the companies are generally not pooled for distribution.

### Opinion

#### Is it a debtor or creditor friendly jurisdiction?

Bermuda is generally viewed as a creditor friendly jurisdiction by reason of the fact that there is no debtor in possession mechanism to prevent enforcement of security in insolvency proceedings. In addition, the powers of the Supreme Court to use provisional liquidation for the purpose of restructuring remains limited to circumstances in which the creditors as a whole support the company's restructuring efforts.

#### Do sociopolitical factors give additional influence to certain stakeholders in restructurings or insolvencies in the jurisdiction (e.g. pressure around employees or pensions)? What role does the state play in relation to a distressed business (e.g. availability of state support)?

The state plays no role in the insolvency of companies in Bermuda. The only possible exception to this is that the Bermuda Monetary Authority may commence the insolvency of a Bermuda company where it is in breach of Bermuda regulatory statutes.

#### What are the greatest barriers to efficient and effective restructurings and insolvencies in the jurisdiction? Are there any proposals for reform to counter any such barriers?

The jurisdiction has a long track record of efficient restructuring and insolvencies of large and complex companies over several decades. The primary barrier to efficient and effective restructuring is typically ensuring that stakeholders are aware of the options available to them under Bermuda law at an early stage.

### About Carey Olsen

Carey Olsen is a leading offshore law firm advising on the laws of Bermuda, the British Virgin Islands, the Cayman Islands, Guernsey and Jersey from a network of nine international offices.

We provide legal services in relation to all aspects of corporate and finance, trusts and private wealth, investment funds, insolvency, restructuring and dispute resolution.

Our clients include global financial institutions, investment funds, private equity and real estate houses, multinational corporations, public organisations, sovereign wealth funds, high net worth individuals, family offices, directors, trustees and private clients.

We work with leading onshore legal advisers on international transactions and cases involving our jurisdictions.

In the face of opportunities and challenges, our clients know that the advice and guidance they receive from us will be based on a complete understanding of their goals and objectives combined with consistently high levels of client service, technical excellence and commercial insight.

### Our Restructuring and Insolvency practice

Our restructuring and insolvency lawyers apply their knowledge of insolvency, corporate and banking law, regulatory guidance and litigation to the full spectrum of cross-border restructuring, recovery and insolvency matters involving our offshore jurisdictions.

We work in partnership with the world's leading insolvency practitioners, onshore law firms, accountancy and forensic practices, advising the whole spectrum of stakeholders, including liquidators, receivers, creditors, investors, directors and professional service providers. Our institutional client base includes private equity, venture capital, banking, real estate, financial services, corporate and private trusts and investment managers.

Our lawyers have been involved in a very significant number of the major formal insolvency proceedings in recent years in the jurisdictions in which we practice, and have played a key role in the development of the law in many key areas. They have a practical and deep technical understanding of the issues that can arise in restructuring situations, whether around merger, acquisition, reorganisation, workout or recapitalisation activities. They focus their advice on furthering our clients' commercial aims; typically preserving the assets of a business or the value of an investment, and building a viable restructuring transaction, exit strategy or litigation plan.

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*The Legal 500 & The In-House Lawyer*

*Comparative Legal Guide  
Bermuda: Restructuring & Insolvency  
(3rd edition)*

*This country-specific Q&A provides an overview to restructuring and insolvency laws and regulations that may occur in Bermuda.*

*This Q&A is part of the global guide to Restructuring & Insolvency (3rd edition).*



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**PLEASE NOTE**

Carey Olsen Bermuda Limited is a limited liability company incorporated in Bermuda and approved and recognised under the Bermuda Bar (Professional Companies) Rules 2009. The use of the title "Partner" is merely to denote seniority. Services are provided on the basis of our current terms of business, which can be viewed at: [www.careyolsen.com/terms-business](http://www.careyolsen.com/terms-business).

This briefing is only intended to provide a very general overview of the matters to which it relates. It is not intended as legal advice and should not be relied on as such. © Carey Olsen Bermuda Limited 2020

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