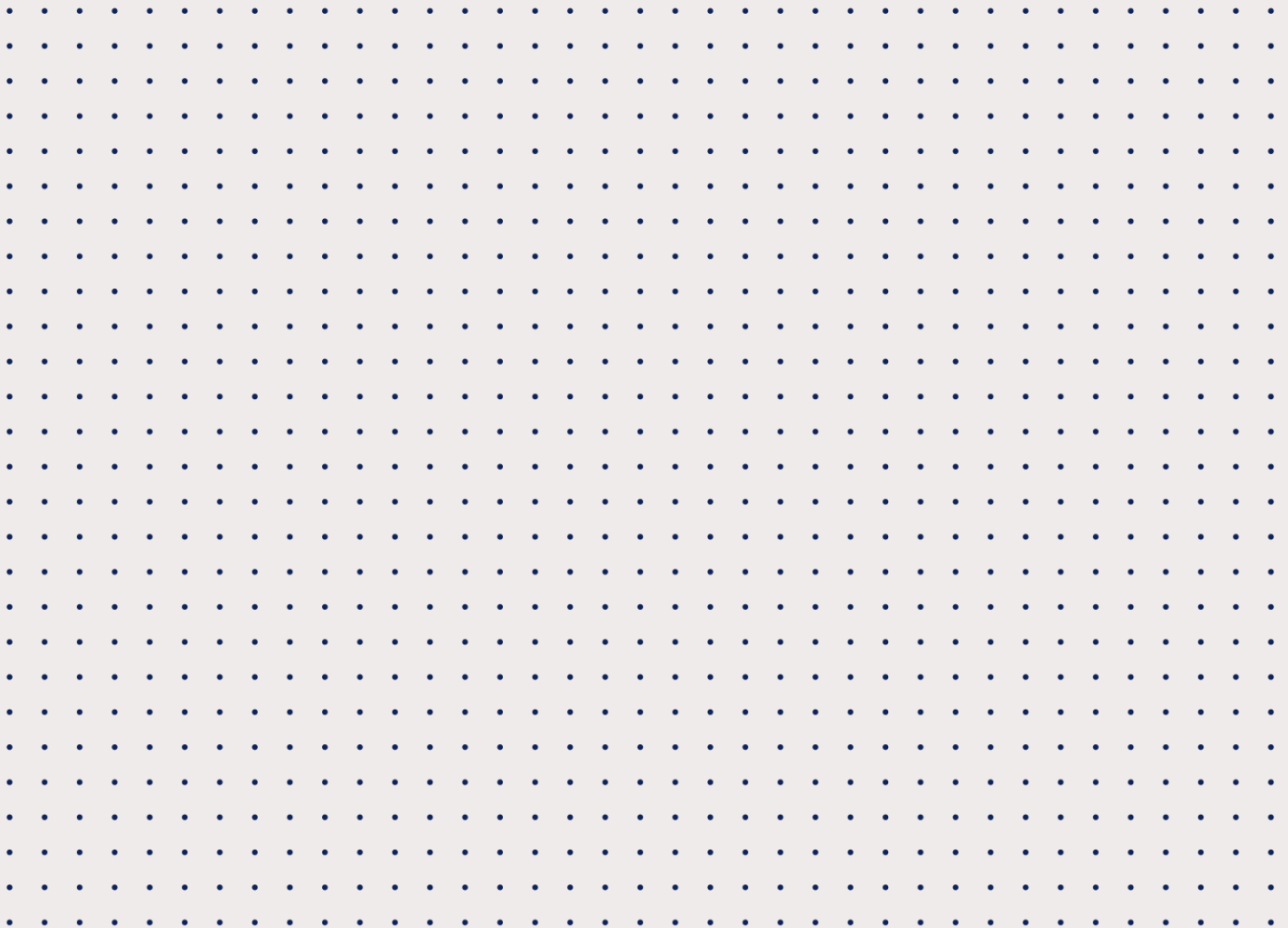


Oppenhoff

Restructuring Reorganization

Oppenhoff – your partner in the corona crisis



The COVID 19 pandemic has put the economy in a precarious state. For many companies it is a matter of cushioning the effects and securing their own existence.

Companies in crisis

In the event of liquidity problems, in addition to the classic instruments (including deferral, factoring, sale-and-lease-back), extensive government measures to strengthen liquidity have been available since the COVID 19 pandemic: short-time work compensation, the deferral of taxes and social security contributions, KfW loans, loans from federal state development banks, guarantees and, where necessary, equity capital from the Federal Government.

„extensive state measures to strengthen liquidity “

Reorganization through insolvency proceedings

Examples such as Galeria Karstadt Kaufhof and Maredo show that companies are increasingly also turning to restructuring within the scope of insolvency proceedings. Whether this takes the form of proceedings to obtain protection against creditors (the so-called “Schutzschirmverfahren”) or within the framework of regular (provisional) self-administration: in both cases, financial and operational instruments are available which can only be provided through insolvency proceedings.

„effective protection against failures of your suppliers “

Business partners in crisis

The insolvency of a supplier can easily turn into your own crisis. Companies therefore have to effectively protect themselves in advance against failures of suppliers. This can range from an agreement of notification and monitoring rights to liquidity support measures. In the event of the supplier's insolvency, it is regularly possible to maintain the supplier chain by concluding so-called continuation agreements.

„protection when your customer is in crisis“

In addition, the customer's crisis can also lead to a economic difficulties for the company: in this case, besides the possible loss of a sales channel for the company's own products, there is also a threat of financial damages due to the loss of own receivables. Here, too, both measures in the run-up to the crisis (e.g. securing one's own claims) and agreements concluded with the insolvency administrator in the course of the insolvency proceedings can be helpful.

Protection against challenges in times of the COVID 19 pandemic

In case of transactions with business partners who are in crisis, the legislator has granted suppliers extensive protection against challenges for a transitional period. The same applies to bank loans and shareholder loans granted until the end of September 2020.

„extensive protection against challenges for a transitional period “

Support in crisis

With our many years of experience, we advise international and national enterprises from all sectors in reorganization scenarios. Our team consists of advisers from all relevant areas of law.

1. Labor Law

- Short-time work; measures to reduce wage costs
- Restructuring collective agreements
- Interventions in pension commitments
- Complete / partial business closures with staff cut-backs, transfer companies

2. State-aid law

- Government participations
- EU Commission "Temporary Framework"
- Export credit guarantees
- Suretyships; federal state grants
- Implementation of support programs

3. Distressed M&A

- Acquisition of companies in crisis and from insolvency
- Sale and purchase of distressed assets (distressed claims, distressed companies)

4. Financing

- Reorganization of financing (suspension of repayments, adjustment of conditions, subsequent collateralization)
- Consequences and options for action in the event of breaches of financial covenants or other difficulties under credit relationships
- Development of additional sources of financing (e.g. factoring, leasing models, profit-participation rights, bonds, state support programs)
- Conversion of debt to equity (debt equity swaps)

5. Corporate law

- Advice with regard to alternative courses of action in case of impending insolvency
- Avoidance of liability risks for managers and supervisory board members in crisis
- Capital increases in crisis, shareholders' contributions
- Carve-out of business units
- Structuring of group financing (loans and collaterals within the group, physical and virtual cash pooling)

6. Real estate law

- Mobilization of assets through sale-and-lease-back
- Increased efficiency and cost reduction through tight property management (rental administration, outsourcing etc.)

7. Insolvency law

- Out-of-court restructuring (aversion of insolvency)
- Advice to executive bodies and shareholders prior to and in crisis
- Advice to creditors and debtors in the run-up to insolvency
- Negotiations on securing supply relationships (distressed suppliers)
- Preparation and implementation of insolvency proceedings under self-administration (proceedings to obtain protection against creditors)
- Drafting and review of insolvency plans
- Negotiation of continuation agreements with the insolvency administrator
- Enforcement of the rights of creditors and creditor groups in insolvency proceedings, representation in creditor committees

8. Tax law

- Optimized tax loss utilization in the reorganization of corporate groups
- Tax-relevant financing issues in reorganizations

9. Contract law

- Advice to companies when the business partner is in crisis
- Securing and enforcing the rights of creditors
- Contractual protection in the event of the business partner's insolvency
- Drafting of contracts in consideration of the peculiarities of the industry (e.g. automotive)

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