

Dublin reaffirms its credentials as a key EU restructuring venue

Overview

The recent approval by the Irish High Court of a scheme of arrangement that restructured US\$1.65bn of liabilities of Ballantyne Re plc (**Ballantyne**) confirms Dublin as one of the most effective restructuring venues in the EU. The detailed decision of Justice Barniville ([available here](#)) offers significant precedential value and is a clear endorsement that Irish schemes can be used to implement complex cross border restructurings. The Irish statute governing schemes is very similar to that of England and Wales.

Essence of the Ballantyne scheme:

Despite a challenge by a minority creditor, the Irish High Court promptly approved a scheme which:

- allowed a disbursement of Ballantyne's assets to senior creditors in full and final settlement of c. \$1.65bn of claims against Ballantyne
- released third party guarantee obligations
- allowed Ballantyne to novate its reinsurance obligations to a third party reinsurer as part of a broader restructuring enabled by the scheme
- included payment of a lock-up fee to senior creditors voting in favour of the scheme
- required recognition of the scheme in the US via the Chapter 15 process
- facilitated the solvent winding up of Ballantyne

Timeline – key dates:

The High Court case-managed the Irish scheme process that concluded in less than six weeks:

- **29 April 2019:** High Court hearing to convene creditor meetings and launch scheme
- **22 May 2019:** creditor meetings held
- **5 June 2019:** contested sanction hearing before Justice Barniville
- **6 June 2019:** 56 page judgment sanctioning the scheme delivered by the judge

- **11 June 2019:** Chapter 15 hearing granting recognition of the Irish scheme in the US

The broader restructuring was fully implemented on **17 June 2019**.

Conclusion:

The speed and manner in which the Irish High Court dealt with a complex scheme implementing a \$1.65bn cross border restructuring further cements Dublin as a key EU restructuring venue.

A&L Goodbody acted along with Weil, Gotshal & Manges and FTI Consulting for Ambac Assurance UK Limited, one of the main stakeholders in this restructuring and the key promoter of the scheme.

Key contacts



David Baxter
Partner, Head of Restructuring & Insolvency
+353 1 649 2514
dbaxter@algoodbody.com



Stephen Ahern
Associate, Restructuring & Insolvency
+353 1 649 2310
sahern@algoodbody.com

Disclaimer: A&L Goodbody 2019. The contents of this document are limited to general information and not detailed analysis of law or legal advice and are not intended to address specific legal queries arising in any particular set of circumstances.