

MENA WATCH

Reporting on the 2nd Annual Corporate Restructuring Summit



By POLINA LYADNOVA

As Gulf nations seek to recover from the global financial crisis and slump in oil prices, there is increased recognition for the need to introduce modern restructuring tools.

We outlined in our article “*Bankruptcy and Restructuring in the GCC: An Update on Recent Developments*” three GCC states, the United Arab Emirates, Bahrain and Saudi Arabia, who have implemented new laws designed to ensure effective debt restructuring and provide measures to rescue businesses in distress.

These reformed bankruptcy regimes represent a significant cultural shift for the Gulf region and challenge preconceived notions of how corporate difficulties are resolved. They are aimed at promoting an environment in which foreign investment is encouraged, where debtors are provided with greater opportunities to restructure and liquidation processes are simplified to ensure fair treatment of creditors.

The continued commitment towards amending corporate restructuring legislation was evident among the over 200 industry leaders in attendance at the 2nd Annual Corporate Restructuring Summit 2019 (CRS 2019), which was organised by Middle East Global Advisors. Participants at the

two-day summit included prominent banks, corporates, and debt restructuring specialists from across the MENA region, as well as international banks and multi-laterals.

Keynote speech opined on the success of Saudi Arabia’s reforms agenda and the importance of building an international legal environment with independent courts that prioritise company restructuring and rehabilitation. The numerous panels highlighted that while the advent of new legislation is welcomed, further reforms, which ensure adequate disclosure and investor protection and which promote advance planning for potential downturns, are required.

The panel on “*Strategies aimed at effective capital & debt management*” moderated by the Journal’s editor and Cleary’s partner, Polina Lyadnova, again highlighted the shift in the regional approaches – moving towards more proactive business management strategies aimed at future proofing the businesses and overcoming the cultural challenges.

Breaking the pre-conceptions, discussions at the summit were very candid, indicating the region's openness to change being another positive indication of the continued push to improve transparency and trust between stakeholders and provide a more sophisticated and streamlined bankruptcy and restructuring regime in the GCC region.

Further information on the Corporate Restructuring Summit, including keynote speeches, panels and presentations, can be found on www.crs19.com.



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