Solved Scanner **Appendix**

## CS Professional Programme Module-I (New Syllabus)

**(Solution of December - 2014)**

## Paper - 3: Corporate Restructuring, Valuation and Insolvency

### Chapter - 1: Corporate Restructuring - Introduction and Concepts

**2014 - Dec [2A] (Or)** (iii)

**Vertical Merger:**

- Vertical Merger is one of the types of Merger.
- It is a merger which takes place upon the combination of two companies which are operating in the same industry but at different stages of production or distribution system.
- Vertical merger provides a way for total integration to those firms which are striving for owning of all phases of the production schedule together with the marketing network.

**Forward Integration:**

Forward integration may result if a company decides to take over the retailer or Customer Company.

**Backward Integration:**

If a company takes over its supplier/producers of raw material, then it may result in backward integration of its activities.

**2014 - Dec [3]** (d)

**Reverse merger** is the opportunity for the unlisted companies to become public listed company, without opting for Initial Public offer (IPO).In this process the private company acquires the majority shares of public company, with its own name.

**Strategic Alliance:** Any agreement between two or more parties to collaborate with each other, in order to achieve certain objectives while continuing to remain independent organizations is called strategic alliance.

## Chapter - 2: Mergers and Amalgamations - Legal and Procedural Aspects

**2014 - Dec [1]** (b) (i) , (ii)

**(i)** Twin Conditions for a Valid resolution to be passed for a 'compromise or arrangement' under the Companies Act, 1956 are as follows:

- The Scheme must be approved by a resolution passed with the special majority stipulated in Section 391(2), namely a majority in number representing three-fourths in value of the creditors or class of creditors or members or class of members, as the case may be, present and voting either in person or by proxy.
- Thus, 51% majority in number and 75% in value present and voting at the meeting must approve the scheme. [Section 391(2)]. For example, if at the meeting 100 persons (members in person and proxies) are present, at least 51 of them must vote in favour of the resolution and they must be holding at least 75% of the paid-up share capital carrying voting rights. In the case of creditors, those voting in favour must have the claim not less than 75% of the total amount of claim of all the creditors present and voting.
- The majority is dual, in number and in value.

**(ii)**

- No this resolution is not required to be filed with Registrar of Companies.
- This is neither an ordinary resolution nor a special resolution.
- This is an extraordinary resolution. A copy of this resolution need not be filed with the Registrar of Companies under Section 117 of Companies Act, 2013.

**2014 - Dec [2]** (b)

- E-form MGT 14 is required to be filed within 30 days in the following circumstances :
  - ⇒ Where object clause of Memorandum of Association of the transferee company is altered.
  - ⇒ Where authorised capital is increased.
  - ⇒ Where resolution under Section 62 of the Companies Act, 2013 is passed authorising the board to issue shares to the shareholder of the transferor company in exchange for the shares held by them in that company.
- Regular & compulsory notices/ information/details are required to be filed to the stock exchanges where the securities of the company are listed.

- High Court order relating to amalgamation is to be filed with ROC in Form 21.
- Filing of the Form PAS 3 with the ROC upon allotment of shares pursuant to the Scheme.
- Listed company are required to file court order to the stock exchange.
- The transferee company is required to file with the Central Government, notice of every application made to the Court under Section 391 and 394 of the Companies Act, 1956.
- To file information with the ROC within 30 days of allotment of shares.

**Chapter - 3: Economic and Competition Law Aspects of Mergers and Amalgamations**

**2014 - Dec [1]** (a)

- In the present case, two multinational companies entered into agreement in USA which is likely to have adverse effect on competition in Agri Market in India.
- Domestic companies dealing in the market raised the issue before the Competition Commission.
- Section 6 of the Combination Act prohibits any person or enterprise from entering into a combination which causes or is likely to cause an appreciable adverse effect on competition within the relevant market in India and if such a combination is formed, it shall be void.
- Section 6(2) envisages that any person or enterprise, who or which proposes to enter into any combination, shall give a notice to the Commission disclosing details of the proposed combination.
- The Commission under section 20 of the Competition Act may inquire into the appreciable adverse effect caused or likely to be caused on competition in India as a result of combination either upon its own knowledge or information (*suo moto*) or upon receipt of notice under section 6(2) relating to acquisition referred to in Section 5(a) or acquiring of control referred to in Section 5(b) or merger or amalgamation referred to in Section 5(c) of the Act.
- The Commission shall have due regard to all or any of the relevant factors for the purposes of determining whether the combination would have the effect of or is likely to have an appreciable adverse effect on competition in the relevant market.

- Where the Commission is of the opinion that the combination has or is likely to have an adverse effect on competition, it shall direct that the combination shall not take effect.

**2014 - Dec [2]** (c)

**Market Leadership:** The amalgamation can enhance value for shareholders of both companies through the amalgamated entity's access to greater number of market resources. With the addition to market share, a company can afford to control the price in a better manner with a consequent increase in profitability. The bargaining power of the firm vis-a-vis labour, suppliers and buyers is also enhanced.

In the case of the amalgamation of Reliance Petroleum Limited with Reliance Industries Limited, the main consideration had been that the amalgamation will contribute towards strengthening Reliance's existing market leadership in all its major products. It was foreseen that the amalgamated entity will be a major player in the energy and petrochemical sector, bringing together Reliance's leading positions in different product categories.

**Operating Economies:** A combination of two or more firms may result in reduction of costs due to operating economies. A combined firm may avoid overlapping of function and facilities. Various functions may be consolidated and duplicate channels may be eliminated by implementing an integrated planning and control system. The merger of Sundaram Clayton Ltd. (SCL) with TVS Suzuki Ltd. (TSL) was motivated by operating economies and by virtue of this, TSL became the second largest producer of two wheelers. TSL needed to increase its volume of production but also needed a large manufacturing base to reduce its production costs. Large amount of funds would have been required for creating additional production capacity. SCL was also required to upgrade its technology and increase its production. Both the firms' plants were closely located offering various advantages, the most versatile being the capability to share common research and development facilities.

**Diversifying the Portfolio:** Another reason for business growth and expansion due to merger is to diversify the company's dependence on a number of segments of the economy. Diversification implies growth through the combination of firms in unrelated businesses. All businesses go through cycles and if the fortunes of a company were linked to only one or a few products then in the decline stage of their product life cycles, the company would find it difficult to sustain itself. The company therefore looks for either related or unrelated diversifications and may decide to do so not internally by

setting up new projects, but externally by merging with companies of the desired product profile. Such diversification helps to widen the growth opportunities for the company and smoothen the ups and downs of their life cycles.

**Financial Benefits:** A merger or amalgamation is capable of offering various financial synergies and benefits such as eliminating financial constraints, deployment of surplus cash, enhancing debt capacity and lowering the costs of financing. Mergers and amalgamations enable external growth by exchange of shares releasing thereby, the financial constraint. Also, sometimes cash rich companies may not have enough internal opportunities to invest surplus cash. Their wealth may increase through an increase in the market value of their shares if surplus cash is used to acquire another company. A merger can bring stability of cash flows of the combined company, enhance the capacity of the new entity to service a larger amount of debt, allowing a higher interest tax shield thereby adding to the shareholders wealth. Also, in a merger since the probability of insolvency is reduced due to financial stability, the merged firm should be able to borrow at a lower rate of interest. Apart from this, a merged firm is able to realize economies of scale in floatation and transaction costs related to an issue of capital i.e. issue costs are saved when the merged firm makes a larger security issue.

**Strategic integration:** Considering the complementary nature of the businesses of the concerned companies, in terms of their commercial strengths, geographic profiles and site integration, the amalgamated entity may be able to conduct operations in the most cost effective and efficient manner. The amalgamation can also enable optimal utilization of various infrastructural and manufacturing assets, including utilities and other site facilities.

**2014 - Dec [3]** (a)

- Section 6 prohibits any person or enterprise from entering into a combination which causes or is likely to cause an appreciable adverse effect on competition within the relevant market in India and if such a combination is formed, it shall be void.
- Section 6(2) envisages that any person or enterprise, who or which proposes to enter into any combination, shall give a notice to the Commission disclosing details of the proposed combination.

**Exemptions**

- The provisions of Section 6 do not apply to share subscription or financing facility or any acquisition, by a public financial institution, foreign institutional investor, bank or venture capital fund, pursuant to any covenant of a loan agreement or investment agreement.
- This exemption appears to have been provided in the Act to facilitate raising of funds by an enterprise in the course of its normal business.

**Chapter - 4: Mergers and Amalgamations - Accounting Aspects of Amalgamations**

**2014 - Dec [1]** (c)

**An amalgamation should be considered to be an amalgamation in the nature of merger when all the following conditions are satisfied:**

(i) All the assets and liabilities of the transferor company become, after amalgamation, the assets and liabilities of the transferee company.

(ii) Shareholders holding not less than 90% of the face value of the equity shares of the transferor company (other than the equity shares already held therein, immediately before the amalgamation, by the transferee company or its subsidiaries or their nominees) become equity shareholders of the transferee company by virtue of the amalgamation.

(iii) The consideration for the amalgamation receivable by those equity shareholders of the transferor company who agree to become equity shareholders of the transferee company is discharged by the transferee company wholly by the issue of equity shares in the transferee company, except that cash may be paid in respect of any fractional shares.

(iv) The business of the transferor company is intended to be carried on, after the amalgamation, by the transferee company.

(v) No adjustment is intended to be made to the book values of the assets and liabilities of the transferor company when they are incorporated in the financial statements of the transferee company except to ensure uniformity of accounting policies.

**Chapter - 5: Financial, Stamp Duty and Taxation Aspects of Amalgamation**

**2014 - Dec [1]** (d)

*In Jaypee Cement Limited v. Jayprakash Industries Limited [2004] 2 Comp LJ 105 (All) / [2004] XXXIV CS LW* 50 the Allahabad High Court held that the combining of the authorised share capital of the transferor company with that

of the transferee company resulting in increase in the authorised share capital of the transferee company does not require the payment of registration fee or the stamp duty because there is no reason why the same fee should be paid again by the transferee company on the same authorised capital.

**Chapter - 7: Amalgamation of Banking and Government Companies**

**2014 - Dec [3]** (e)

- An order sanctioning a Scheme of Amalgamation, passed by the RBI under section 44A(4) shall be conclusive evidence that all the requirements of this section relating to amalgamation have been complied with [Section 44A(6C)].
- Amalgamation of one banking company with another banking company is governed by the provisions of Banking Regulation Act, 1949.
- The provisions of the Companies Act, 1956 are not applicable in this case.
- The RBI's power under section 44A shall not affect the power of the Central Government to provide for the amalgamation of two or more banking companies under section 396 of the Companies Act, 1956. But, in such a case, the Central Government must consult the RBI before passing any order under Section 396. [Section 44A(7)].

**Chapter - 9: Takeovers**

**2014 - Dec [2A] (Or)** (i), (ii)

**(i) Takeover Bid:**

- A takeover bid is a technique, which is adopted by a company for taking over control of the management and affairs of another company by acquiring its controlling shares.
- It is an offer to the shareholders of a target company whose shares are not closely held, to buy their shares in the company at the offered price within the stipulated period of time.
- It is addressed to the shareholders with a view to acquiring sufficient number of shares to give the offeror company, voting control of the target company.

**Factors which make a company vulnerable to takeover bids:**

- Low stock price with relation to the replacement cost of assets or their potential earning power.
- A highly liquid balance sheet with large amounts of excess cash, a valuable securities portfolio and significantly unused debt capacity;

- Good cash flow in relation to current stock prices;
- Subsidiaries and properties which could be sold off without significantly impairing cash flow; and
- Relatively small stockholdings under the control of an incumbent management.

**(ii)**
- A committee of independent directors shall be constituted by the board of directors of the target company upon receipt of the detailed public statement.
- A committee of independent directors shall provide reasoned recommendations on such open offer and the target company shall publish such recommendations.
- Such committee shall be entitled to seek external professional advice at the expense of the target company.
- Such recommendations shall be published in such form as may be specified, at least two working days before the commencement of the tendering period, in the same newspapers where the public announcement of the open offer was published.
- Copy of the same shall be sent to:
  (i) the Board;
  (ii) all the stock exchanges on which the shares of the target company are listed and the stock exchanges shall forthwith disseminate such information to the public; and
  (iii) to the manager to the open offer and where there are competing offers, to the manager to the open offer for every competing offer.

**2014 - Dec [3]** (b)

**Escrow Account:**

- Escrow Account means a bank account which is required to be opened by an acquirer who proposes to make public announcement of offer.
- The Acquirer shall open an escrow account atleast two working days prior to the date of Detailed Public Statement.

**Release of amount from Escrow Account:**

**The amount lying in escrow account can be released in the following cases only:**

1. In case of withdrawal of offer, the entire amount can be released only after certification by the managers to the open offer.

2. The amount deposited in special escrow account is transferred to special bank account opened with the Bankers to an issue; however the amount so transferred shall not exceed 90% of the cash deposit.
3. The balance 10% is released to the acquirer on the expiry of 30 days from the completion of all obligations under the offer.
4. The entire amount to the acquirer on the expiry of 30 days from the completion of all obligations under the offer where the open offer is for exchange of shares or other secured instruments.
5. In the event of forfeiture of amount, the entire amount is distributed in the following manner:
   5.1 One third of the amount to Target Company;
   5.2 One third of the escrow account to the Investor Protection and Education Fund established under SEBI (Investor Protection and Education Fund) Regulations, 2009;
   5.3 Residual one third is to be distributed to the shareholders who have tendered their shares in the offer.

**Chapter - 10: Funding of Mergers and Takeovers**

**2014 - Dec [3]** (c)

⇒ Funding of the mergers & acquisitions is a crucial exercise requiring utmost care.

⇒ Various modes i.e. owned funds (like equity & preference share capital) and borrowed funds (like debentures, loans, external commercial borrowings) are available.

⇒ Factors such as cost, dilution of control, gearing effect etc. needs to be analysed in order to evaluate the correct mode of funding.

⇒ Various modes of funding are :-

- **Equity share capital :-**
  - ⇒ It serves as one of the best source of funding for a merger or takeover.
  - ⇒ Since there is no repayment clause attached, they have an edge over the debt funds.
  - ⇒ There is no obligation to pay dividend on the shares so issued, and may be paid depending on the availability of funds & adequacy of profits.
- **Preference share capital :-**
  - ⇒ It is also a good source of funding merger since it constitutes owned funds.

⇒ However, it suffers from the drawback of repayment of capital (redeemable preference capital) and also preferential payment of dividend.

- **Debentures :**
  - ⇒ This source is suitable only when the company enjoys good financial position.
  - ⇒ This mode is a bit risky as it involves payment of interest alongwith the repayment of basic amount.
  - ⇒ Since payment of interest is a charge & not an appropriation, non repayment of the same may even make the company insolvent.
- **Loans from banks and financial Institutions.**
  - ⇒ Loans from banks or some other financial institution can be procured for a definite sum of money & for a certain time period.
  - ⇒ However, it suffers from the same drawback as debentures, involves repayment of basic amount as well as interest.

**Chapter - 11: Financial Restructuring**

**2014 - Dec [2]** (a)

- In the given case, ABC Ltd. has completed buy-back of equity shares on 30th April, 2014.
- The company desires to make further issue of equity shares on 31st August, 2014.
- According to the provisions of Companies Act, when a company completes a buy-back of its shares or other specified securities it shall not make a further issue of the same kind of shares or other securities including allotment of new shares within a period of six months except by way of a bonus issue or in the discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of Preference shares or debentures into equity shares.
- As the six months is not over from the date of completion of buy-back, it cannot proceed and allot further equity shares on 31st August, 2014.

**Chapter - 14: Valuation Introduction and Techniques**

**2014 - Dec [4]** (a)

| | **FDL** | **GCL** |
|---|---|---|
| | **(₹ 000)** | **(₹ 000)** |
| Non Current Assets | 10,000 | 9,000 |
| Current Assets | 3,500 | 3,000 |
| *Less* : Current Liabilities | (2,000) | (1,000) |
| **Net Assets** | **11,500** | **11,000** |

Total Value of Net Assets = 11,500 + 11,000 = 22,500
WWL is issuing shares of ₹ 10 each with 50 % premium (i.e. ₹ 5 Premium on each share)
No. of shares to be issued by WWL Ltd. = 22,500 / 15 = 1,500

**2014 - Dec [5]** (a)

Market based approach to valuation is an effective tool in the hands of the strategic buyer. In case the company is listed, market price method may prove to be very useful.

But market based valuation approach may not be useful in some cases. Some of them are:

- When we need to do valuation of a division of a company.
- Where the share are not listed or are thinly traded.
- In the case of a merger, where the shares of one of the companies under consideration are not listed on any stock exchange.
- In case of companies, where there is an intention to liquidate it and to realise the assets and distribute the net proceeds.
- In case of significant and unusual fluctuations in market price the market price may not be indicative of the true value of the share.
- If the period for which prices are considered also has impact on account of Bonus Shares, Rights Issue, etc., the valuer needs to adjust the market prices for such corporate events.

## Chapter - 15: Regulatory Aspects of Valuation with Reference to Corporate Strategies

**2014 - Dec [4]** (b), (c)

**(b)** If the target company's shares are frequently traded then the open offer price for acquisition of shares under the minimum open offer shall be highest of the following:

- Highest negotiated price per share under the share purchase agreement ("SPA") triggering the offer;
- Volume weighted average price of shares acquired by the acquirer during 52 weeks preceding the public announcement ("PA");
- Highest price paid for any acquisition by the acquirer during 26 weeks immediately preceding the PA;
- Volume weighted average market price for sixty trading days preceding the PA.

**(c) Procedures that are typically adopted by the valuer in the valuation report are:**

- Review of Past Financials.
- Review and Analysis of Financial Projections.
- Industry Analysis.
- SWOT Analysis.
- Comparison with similar transactions.
- Comparison with other similar listed companies.
- Discussions with Management.
- Review of principal agreements/documents etc.

**2014 - Dec [5]** (b), (c)

**(b) Slump Sale:**

- Section 2(42C) of the Income tax Act, 1961 define the term 'slump sale' as transfer of one or more undertakings as a result of the sale for a lump sum consideration without values being assigned to the individual assets and liabilities.
- The undertaking has to be transferred as a result of sale.
- The consideration for transfer is a lump sum consideration.
- This consideration should be arrived at without assigning values to individual assets and liabilities.

**Valuation of Slump Sale:**

Slump sale should be valued as the difference between 'the aggregate value of total assets of the undertaking or division' and 'the value of its liabilities as appearing in books of account'.

The 'aggregate value of total assets of the undertaking or division' is the sum total of :

1. WDV as determined u/s 43(6)(c)(i)(C) in case of depreciable assets.
2. The book value in case of other assets.

**(c)** Equity shares shall be deemed to be infrequently traded, if on the recognised stock exchange, the annualised trading turnover in such shares during the preceding six calendar months prior to month in which the recognised stock exchanges were notified of the board meeting in which the delisting proposal was considered, is less than five percent. (by number of equity shares) of the total listed equity shares of that class.

**Chapter - 16: Insolvency - Concepts and Evolution**

**2014 - Dec [6A] (Or)** (i)

**The legal challenges and complexities faced while dealing with insolvency are:**

- Identifying and locating the debtors' assets;
- 'Calling in' the assets and converting them into a monetary form;
- Identifying and reversing any voidable or preference transactions which occurred prior to the administration;
- Identifying creditors and the extent of their claims, including determining the appropriate priority order in which claims should be paid; and
- Making distributions to creditors in accordance with the appropriate priority.

**Chapter - 18: Securitization**

**2014 - Dec [6]** (a), (c)

**(a)** Section 34 provides that no civil court shall have jurisdiction to entertain any suit or proceeding in respect of any matter which a Debts Recovery Tribunal or the Appellate Tribunal is empowered by or under this Act to determine and no injunction shall be granted by any court or other authority in respect of any action taken or to be taken in pursuance of any power conferred by or under this Act or under the Recovery of Debts Due to Banks and Financial Institutions Act, 1993 (51 of 1993).

**(c)** Section 31 of the SARFAESI Act, 2002 provides for non - applicability of SARFAESI Act in certain cases.

The provisions of the Act shall not apply to:

- A lien on any goods, money or security given by or under the Indian Contract Act, 1872 or The Sale of Goods Act, 1930.
- Pledge of movables as per the Indian Contract Act, 1872.(Section 172)
- Creation of any security in any aircraft as per the Aircraft Act, 1934.
- Creation of security interest in any vessel as defined in Merchant Shipping Act, 1958.
- Any conditional sale, hire purchase or lease in which no security interest has been created.
- Any rights of unpaid seller under Section 47 of The Sale of Goods Act,1930.
- Any security interest created in agricultural land.
- In case the amount due is less than 25% of the principal amount and interest thereon.

**2014 - Dec [6A] (Or)** (ii)

Under the banking system, a bank grants a loan to its customer & show it on the asset side of the balance sheet. Lot of funds are blocked under these loans which are given. Under the process of securitisation the bank sells these loans given to a special purpose vehicle which is asset management company which inturn provides funds to the obligor (obligor is bank which has given loan) thus unlocking the locked funds in form of loan. The funds so acquired by bank from securitisation company can be further used by bank to give fresh new loans.

**Chapter - 19: Debt Recovery**

**2014 - Dec [6]** (b)

Enforcement of Security Interest and Recovery of Debts Laws (Amendment) Act, 2012 amended the Recovery of Debts due to Banks & Financial Institutions (RDBFI) Act so as to strengthen the regulatory and institutional framework related to recovery of debts due to banks and financial institutions. Some of the salient **features of the Enforcement of Security Interest and Recovery of Debt Laws (Amendment) Act, 2012 as under:**

- Included the multi-State co-operative banks in the definition of 'bank' under clause (d) of section of the said Act;
- Permitted the multi -State co-operative banks, with respect to debts due before or after the commencement of the proposed legislation, to opt either to initiate proceedings under the Multi-State Co-operative Societies Act, 2002 or to initiate the proceedings before the Debts Recovery Tribunal;
- Enabled the banks and financial institutions to enter into settlement or compromise with the borrower and also to empower the Debts Recovery Tribunal to pass an order acknowledging such settlement or compromise.

**2014 - Dec [6]** (d)

- Section 20 of the Act provides that any person aggrieved by an order made or deemed to have been made, by a Tribunal under this Act, may prefer an appeal to an Appellate Tribunal having jurisdiction in the matter.
- No appeal shall lie to the Appellate Tribunal from an order made by a Tribunal with the consent of the parties.
- Every appeal shall be filed within a period of forty-five days from the date on which a copy of the order made or deemed to have been made, by the Tribunal is received by him and it shall be in such form and accompanied by such fee as may be prescribed.

- On receipt of an appeal, the Appellate Tribunal may, after giving the parties to the appeal, an opportunity of being heard, pass such orders thereon as it thinks fit, confirming, modifying or setting aside the order appealed against.
- The Tribunal and the Appellate Tribunal shall not be bound by the procedure laid down by the Code of Civil Procedure, 1908, but shall be guided by the principles of natural justice.
- The Tribunal and the Appellate Tribunal shall have, for the purposes of discharging their functions under this Act, the same powers as are vested in a civil court under the Code of Civil Procedure, 1908, while trying a suit, in respect of the following matters, namely:
  (a) summoning and enforcing the attendance of any person and examining him on oath;
  (b) requiring the discovery and production of documents;
  (c) receiving evidence on affidavits;
  (d) issuing commissions for the examination of witnesses or documents;
  (e) reviewing its decisions;
  (f) dismissing an application for default or deciding it ex-parte;
  (g) setting aside any order of dismissal of any application for default or any order passed by it ex-parte;
  (h) any other matter which may be prescribed.

**Chapter - 21: Cross Border Insolvency**

**2014 - Dec [6A] (Or)** (iii)

**Risks of cross-border insolvency**

One of the risks that all businesses face is that of a trading partner's failure. Most domestic laws provide for the handling of an insolvent enterprise. **Typically, in the case of corporate insolvency, domestic laws will prescribe procedures for:**

- Identifying and locating the debtors' assets;
- 'Calling in' the assets and converting them into a monetary form;
- Identifying and reversing any voidable or preference transactions which occurred prior to the administration;
- Identifying creditors and the extent of their claims, including determining the appropriate priority order in which claims should be paid; and
- Making distributions to creditors in accordance with the appropriate priority.

**In a cross-border insolvency context, additional complexities that may arise include:**

- The extent to which an insolvency administrator may obtain access to assets held in a foreign country;
- The priority of payments: whether local creditors may have access to local assets before funds go to the foreign administration or whether they are to stand in line with all the foreign creditors;
- Recognition of the claims of local creditors in a foreign administration;
- Whether local priority rules (such as employee claims) receive similar treatment under a foreign administration;
- Recognition and enforcement of local securities over local assets, where a foreign administrator is appointed; and
- Application of transaction avoidance provisions.

The additional complexities surrounding cross-border insolvencies necessarily result in uncertainty, risk and ultimately costs to businesses.

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