# Getting a grip on cross-border insolvencies

Melissa Lau, Jirsch Sutherland Partner

Corporate and personal insolvencies will rebound in the latter part of 2022 after record lows over the past two-and-a-half years. That's one of the key takeaways from the recent GRIP (Global Restructuring and Insolvency Professionals) Asia-Pacific network conference. The conference was the first-ever since the inaugural members – all independent firms – of GRIP Asia-Pacific were announced 12 months ago, with attendees from Singapore, Malaysia, Thailand, India and Australia.

"It was fascinating to hear about the insolvency landscape in these different jurisdictions. Many member firms are experiencing massive change and have faced years of disruptions in their work as a result of the pandemic and geo-political environment. The current landscapes in many parts of the region and, indeed, the world certainly mirror what's happening in Australia," says Melissa Lau, Jirsch Sutherland Partner and Head of the Asia Desk.

Adds Jirsch Sutherland Partner Andrew Spring, "There was a general consensus from attendees that government reactions to the pandemic had curbed global insolvencies but that as each jurisdiction began to move out of the government support cycle, it was likely to result in a rise in insolvency numbers. As the world continues to recover, it's more likely that clients with cross-border businesses in financial distress will need access to specialised restructuring advice. The ability to understand each other's legislative parameters and partner networks will be a significant point of difference for GRIP members.

Andrew Spring, Jirsch Sutherland Partner

“Our membership of GRIP and this recent conference continues to demonstrate just how similar business operations are across the globe. While there are significant cultural and legislative differences, it seems that most communities and governments are driving towards similar outcomes. For global insolvency, it’s about creating a fair balance between the rights of debtors, creditors and shareholders, by providing clear frameworks for operational transactions to build confidence in the local economy.  All insolvency appointments attempt to uphold these frameworks through assessing the actions of those involved in the business, and also recycle underperforming assets into businesses that can help them fulfill their potential.”

## Sharing of knowledge

GRIP Asia-Pacific provides opportunities for facilitating knowledge sharing of the insolvency and restructuring regimes in different jurisdictions and for members to assist in cross-border matters. As Lau explains, “We’re all professionals in our fields and are like-minded with similar values. It makes working with each other very easy.”

“GRIP helps us to understand other jurisdictions’ local laws and regulations, enable cultural

exchange among the members, and establish relationships with similar aims – that is, work together as business partners to provide clients with true multidisciplinary advice across multiple geographies," Lau says. "We are already seeing good levels of collaboration among member firms. For example, Jirsch Sutherland worked with our Indian counterparts on preference payments claim settlement negotiation, we were able to refer a debt recovery matter to LCWP in Malaysia, and an Australian creditor who was embroiled in a UK restructuring process was able to use the services of our UK member to reach out to the local insolvency practitioner to seek some answers on the process and timing. This information enabled timely decisions to be made about the Australian entity.

"And while GRIP's focus is on restructuring and insolvency, the diversity of service offerings among GRIP members means we can connect clients with trusted advisers in other jurisdictions for the services they need. It certainly helps enhance client relationships and trust."