



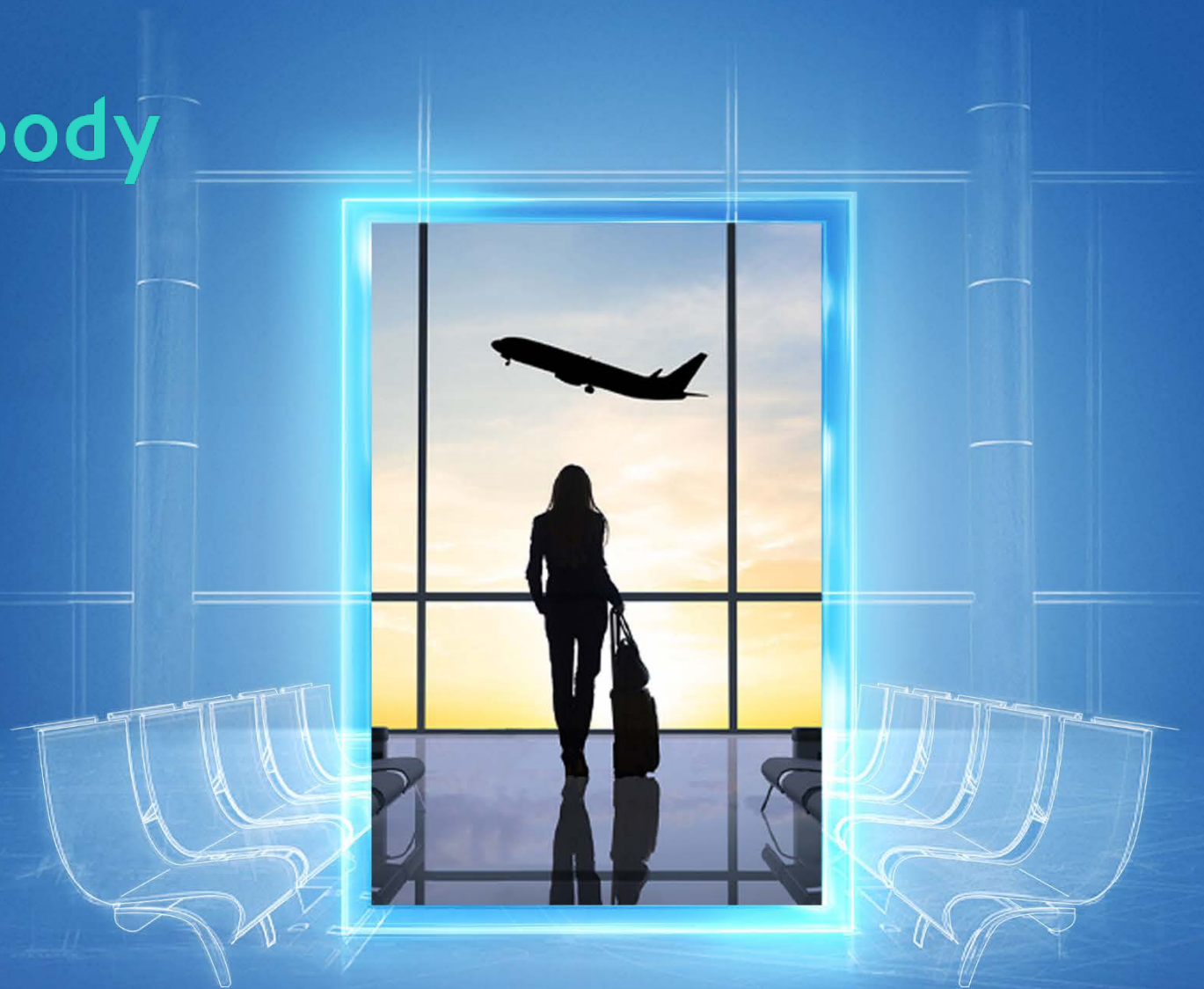
A&L Goodbody

Navigating the tax and legal landscape through lessor distress

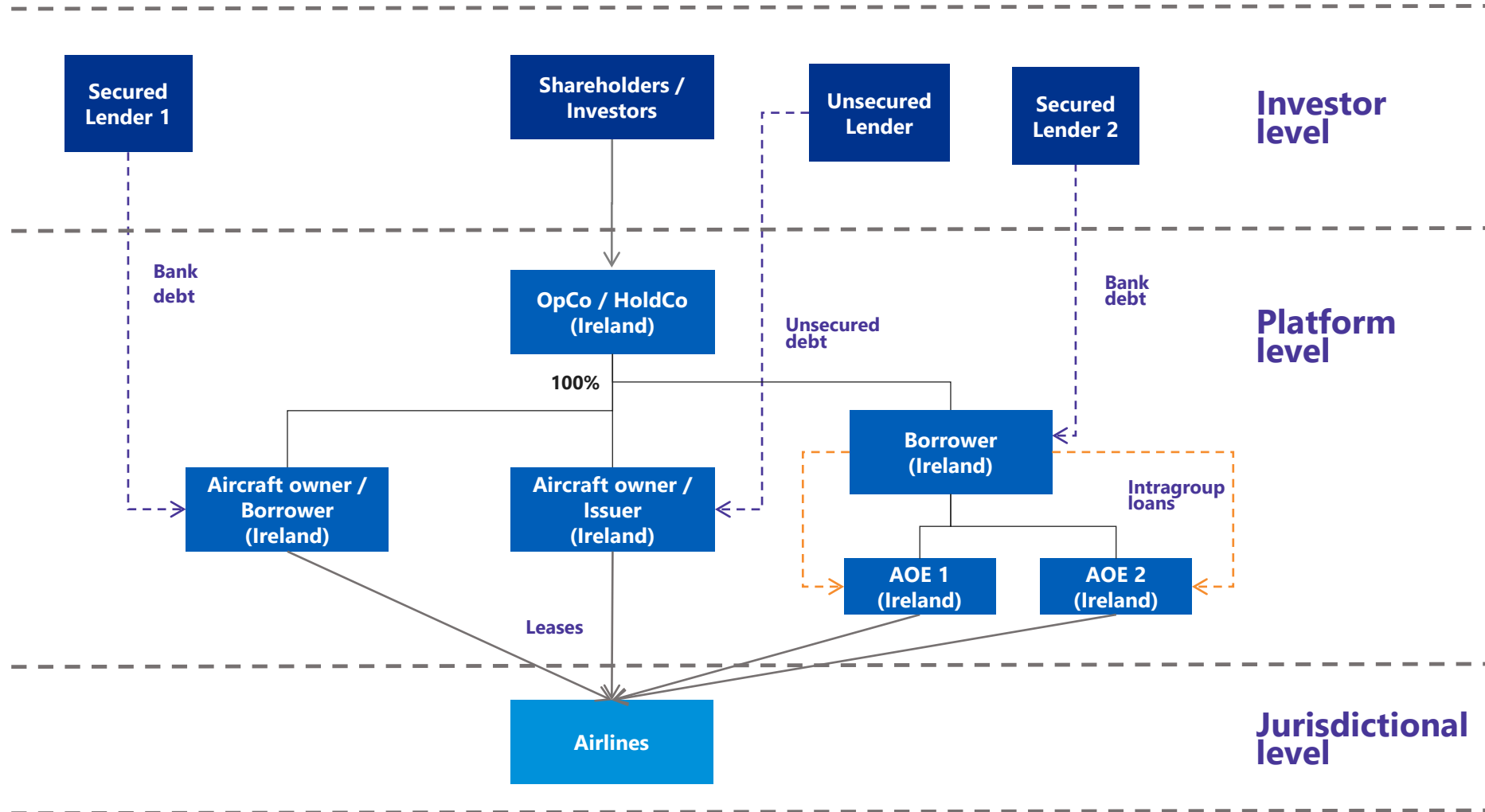
Joe O'Mara, KPMG

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Typical lessor platform structure



Options in distress



Consensual Agreement

- + Inexpensive
- + Quick
- + Confidential
- Short term
- No breathing space
- Voting requirements

Scheme of Arrangement

- + Quick
- + Binding on all creditors
- Voting blocs
- CTC question

CIGA (UK)*

- + Short moratorium
- + No numerosity requirement
- Sufficient connection
- CTC question

Examinership

- + Cost efficient
- + Alternative to Ch. 11
- + Low voting threshold
- Must be Irish company or COMI

Chapter 11

- + Automatic stay
- + Affirm / Reject DIP
- + § 363 sales
- Super expensive
- Erodes value

Restructuring plan – Tax considerations

Debt payment freeze

Interim / DIP financing

Changes in ownership

Erosion of value

Investor tax issues

Group re-organisation

Debt forgiveness

Cessation to trade

Professional costs

Platform tax issues

VAT on asset transfers & compliance

Tax rulings

Continued treaty access

Documentary taxes, duties and other compliance

Jurisdictional tax issues

Restructuring plan – Legal implications

Equity injection

DIP financing

Class composition

Intercreditor rights

Investor level issues

Restrictive covenants

Treasury company

INED / Reporting

Fees, margins & professional costs

Operating level issues

Lease transfer conditions

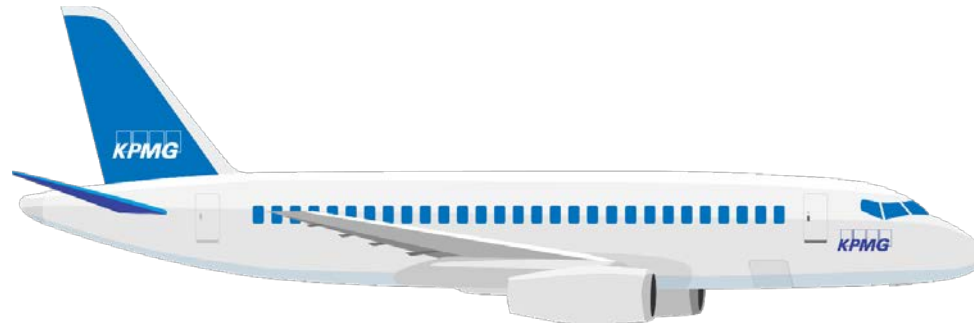
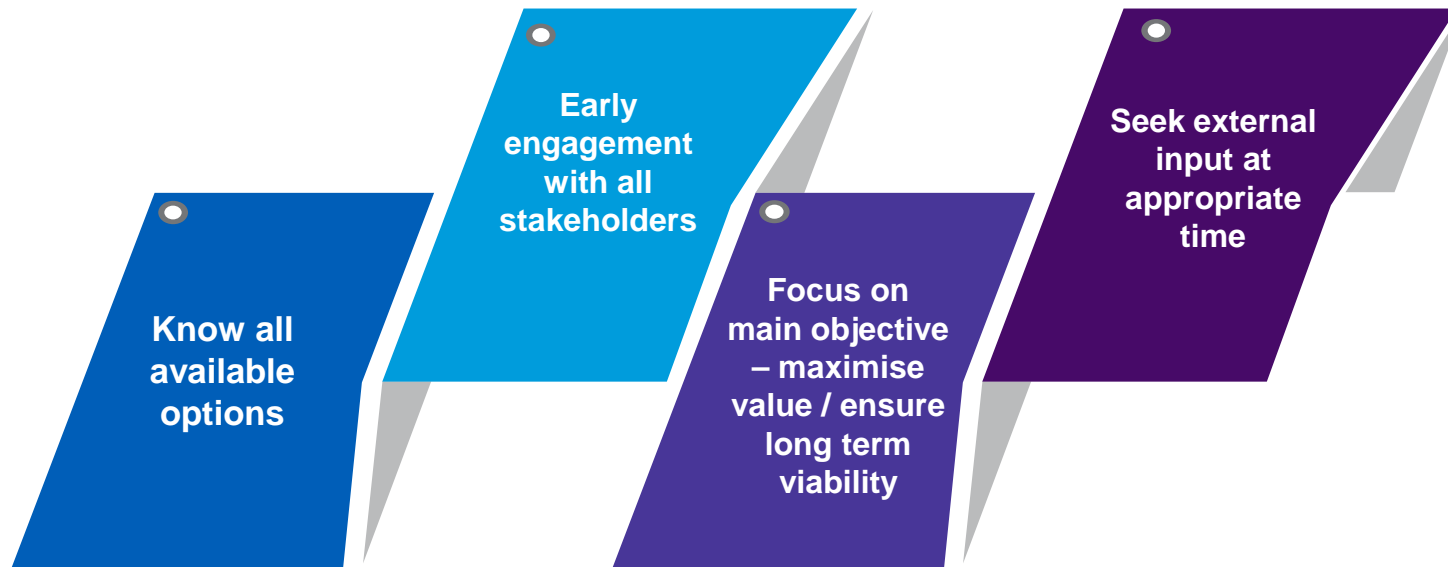
New security

Insurance

OEM commitments

AOE level issues

Closing comments





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