

CORPORATE AND COMMERCIAL

## COVID-19: Practical Considerations: Managing Uncertainty

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Guidance for organisations in Northern Ireland.



With the measures in place to deal with the COVID-19 situation, volatility and disruption continue to affect Northern Ireland business.

As a leading full-service law firm, Arthur Cox is ideally placed to mobilise multi-disciplinary teams of lawyers to provide advice and support to organisations.

The economic disruption caused by Covid-19 presents significant challenges to business globally.

Whilst sectors such as retail and hospitality are immediately feeling the effects of the economic slowdown leading to a high number of high profile redundancies and businesses entering a formal insolvency process, the vast majority of businesses will be significantly impacted in the medium to long term by this crisis.

Businesses in Northern Ireland should :

1. Check their eligibility for all available government financial support as recently announced by the Chancellor, Rishi Sunak.
2. Consider maximising available headroom within existing credit facilities and raising additional finance from debt and equity providers
3. Consult with specialist lawyers to review lending documentation to identify risk areas which could lead to a breach of terms and conditions and formulate a strategy in respect of same. When risks have been identified it is often best to engage with lenders as soon as possible to discuss potential covenant waivers and restructuring options.
4. Consult with specialist lawyers and insolvency practitioners to assess if they need to seek protection from creditors. The list of options to be considered will include the entry into standstill agreements, debt restructurings and formal insolvency procedures (some of which will provide for a moratorium on claims against the business).
5. Consult advisors with a view to commencing discussions with HMRC and other creditors to agree a way forward to deal with outstanding liabilities.

This document is a general summary of developments and is not a complete or definitive statement of the law. Specific legal advice should be obtained where appropriate.

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