

Group Restructuring Advisory Paper

EFWON GROUP

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Dear Mr Maximov,

In this advisory paper we have analysed the issues faced by Efwon Group in the present time and are providing a proposed strategy for its restructuring to the extent required in order to facilitate the sale of a stake in Efwon Group to the Malaysian state-owned company KuasaNas. It is understood that this will secure the funding required for the continuing success of the Efwon team in the F1 championships in the coming years, which will in turn secure some return on your investment in this team.

1. Factual basis of this Advisory Paper

Having studied in great detail the information and materials provided on your investment in Efwon Group, we have identified certain ambiguities. On this basis we would like to clarify that this advisory paper has been developed on the factual basis outlined below:

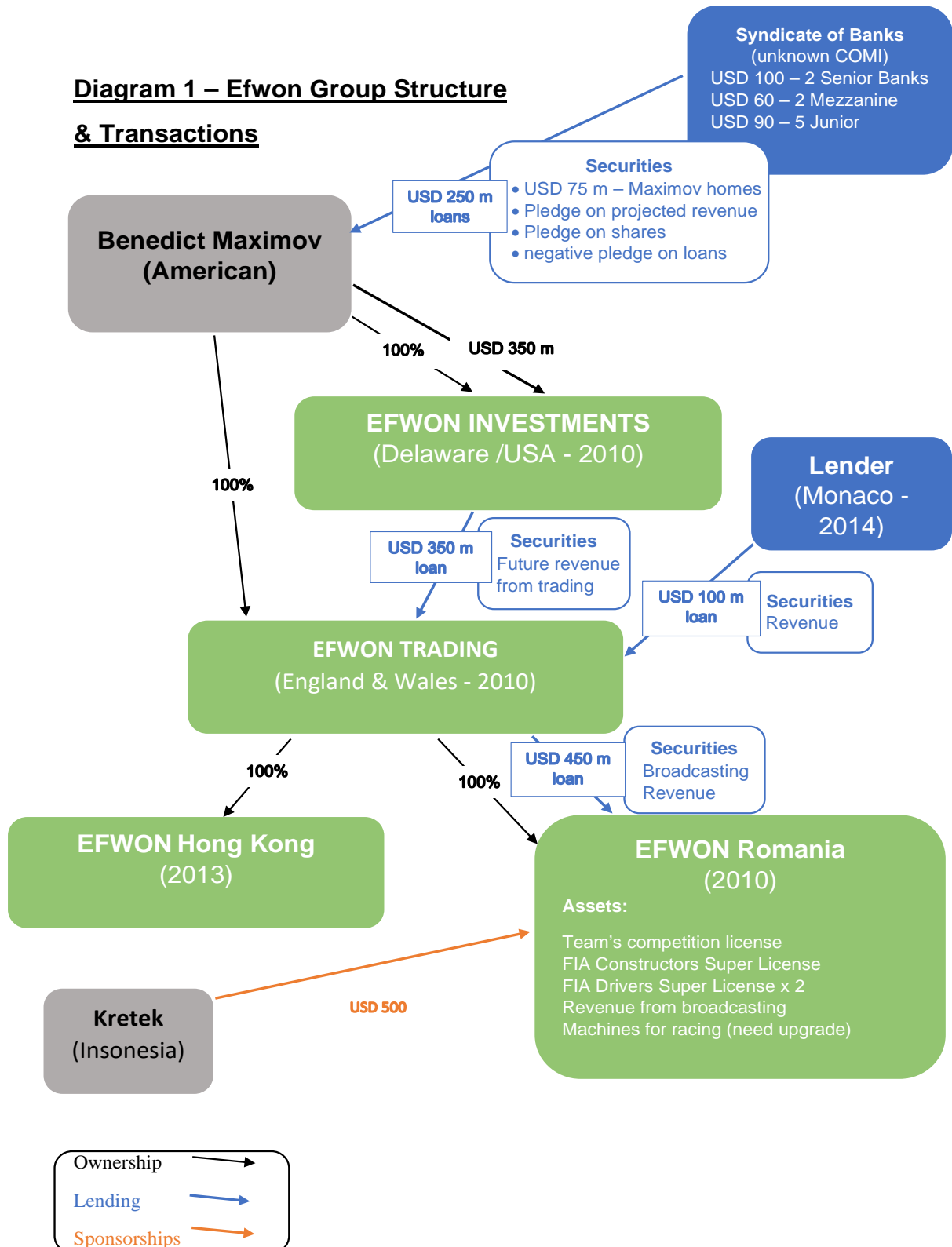
- i. Efwon Investments is a company incorporated in 2010 with registered office and centre of main interest in Delaware, USA. Although it is not stated explicitly in the materials provided who owns the shares of this company and neither can this be verified since there is no public registry on the shareholders of private Delaware corporations¹, it is assumed that all of the stock of this company is owned by you since you were able to provide this as security to get a loan.
- ii. The lending in the amount of USD 250 million was provided to you personally as you have provided security on your personal assets, that is (a) encumbrances over a number of your houses across the world with collective value of about USD 75 million; (b) a pledge on the projected revenue from your investment in Efwon Group (c) a pledge over the shares of Efwon Investments mentioned earlier, and a negative pledge for the entire value of the loan. The entire amount of this syndicated loan with an interest of LIBOR +2% shall be due and payable to the Syndicate of banks next year, that is in 2020. The place of incorporation and centre of main interest of the 9 financial creditors that form this Syndicate of banks is unknown.
- iii. the total amount of the syndicated loan, that is USD 250 million, plus a further amount of USD 100 million of your own funds was initially deposited in Efwon Investments.
- iv. Efwon Trading is a company incorporated also in 2010 with registered office and centre of main interest in England and Wales, UK for the purpose of setting up a F1 competing team in Europe. Although it is not stated explicitly in the materials provided who owns

¹ <https://www.delawareinc.com/blog/owning-stock-as-shareholder-in-corporation/>

the shares of this company, it is assumed that it is wholly owned by you personally since it is established that you have set up this company. Nevertheless, such an assumption on the shareholder of Efwon Trading poses little difference or any risk to the proposed restructuring plan as explained further below.

- v. The total amount of USD 350 million was remitted by way of loan from Efwon Investments to Efwon Trading and was secured on the future revenue of the latter from its activities.
- vi. Efwon Trading set up Efwon Romania in 2010 as a wholly owned subsidiary that was to acquire an already established competing team licensed by FIA, including several of its machines ready for racing and the contracts of its two licensed racing drivers (the **"Team"**).
- vii. Efwon Trading lent to Efwon Romania USD 150 million, to buy the Team and for the projected budget of the first year of racing, 2011. This loan was secured on the broadcasting revenue of Efwon Romania from the team's participation in the F1 competition.
- viii. For the projected budget of 2012 Efwon Trading advanced a further USD 100 million to Efwon Romania and the same amount again in 2013. Although not explicitly clarified in the materials provided, it is understood that these advances were also secured on the broadcasting revenue of Efwon Romania from the team's participation in the F1 competition.
- ix. In 2013, Efwon Trading set up Efwon Hong Kong which was a wholly owned subsidiary incorporated in Hong Kong for the purpose of locating and contracting potential sponsors for the Team.
- x. In the same year, Efwon Hong Kong concluded a 5-year-agreement with Kretek, an Indonesian company, for exclusive sponsorship of the Team for the years 2015 to 2019, both inclusive, in the amount of USD 100 million per annum. Although not explicitly stated in the materials, it is understood that the annual sponsorship was provided straight from Kretek to Efwon Romania so as to avoid further complication to the Efwon Group intra-company transactions, since this was in the manner of a sponsorship.
- xi. Efwon Trading then secured the Team's required budget for 2014 of USD 100 million from Monaco lender, but it came at a high interest rate and with a security on its revenue.
- xii. Efwon Trading then advanced these USD 100 million to Efwon Romania. Although not explicitly clarified in the materials provided, it is understood that this advancement was also secured on the broadcasting revenue of Efwon Romania from the team's participation in the F1 competition.

This flow of investments in the Team, as well as the Efwon Group Structure, the intra-company transactions and the transactions with external lenders on the factual basis established above are best illustrated in **Diagram 1** below. In Diagram 1 ownership of the companies and any investment in them is indicated with black arrows and numbers, the lending provided is indicated in blue and the sponsorships in orange.



2. Financial performance of Efwon Romania

From the material provided it can be calculated that the Team's annual budget from 2011 to 2018 was slightly exceeding USD100 million. Namely it is established that from 2011 to 2014 Efwon Trading was providing this amount to Efwon Romania, while from 2015 to 2019 Kretek committed to provide this annual amount as sponsorship.

At the same time it is established that Efwon Romania had to re-invest annually in the team a further amount of about USD 30 million. In particular, it is mentioned in the material provided that "(...) the return from Efwon Romania in the first year was a disappointing USD 30 million, much of which had to be re-invested in the company." and that "(...) the revenue was much healthier (the next year) at USD 60 million, out of which some was re-invested and some used to begin the upstream flow of repayments to Efwon Trading and the latter in turn to Efwon Investments".

Following on these and the fact that between 2015 and 2017 the Team's performance and ranking in the F1 championship improved considerably, it is understood that Efwon Romania's revenue from broadcasting has also increased, as well as presumably the annual instalments for the repayment of the financial facility provided earlier by Efwon Trading.

On this basis **Table 1** below illustrates Efwon Romania's Historical budget.

Table 1 - EFWON Romania's Historical Budget

	Investor	Investment Amount (\$M)	Revenue (\$M)	Loan Repayment (\$M)
2011	Efwon Trading	100	30	0
2012	Efwon Trading	100	60	0
2013	Efwon Trading	100	60 ≤	30
2014	Ewon Trading	100	60 ≤	30
2015	Kretek	100	70 ≤	40
2016	Kretek	100	70 ≤	40
2017	Kretek	100	70 ≤	40
2018	Kretek	100	70 ≤	40
2019	Kretek	100	70 ≤	-

Similarly, repayment of the financial facilities provided by Efwon Trading and the remaining balance have been calculated by approximation as per **Table 2**² below:

Table 2

Statement of financial facilities provided by Efwon Trading

	Financial Facility (\$000)	Interest (\$000)	Instalment (\$000)	Balance (\$000)
2010	\$350,000.00	\$10,230.50	\$0.00	\$360,230.50
2011		\$10,014.41	\$0.00	\$370,244.91
2012		\$11,588.67	\$30,000.00	\$351,833.57
2013		\$9,992.07	\$30,000.00	\$331,825.65
2014	\$100,000.00	\$8,561.10	\$30,000.00	\$410,386.75
2015		\$10,793.17	\$40,000.00	\$381,179.92
2016		\$12,083.40	\$40,000.00	\$353,263.32
2017		\$13,035.42	\$40,000.00	\$326,298.74
2018		\$13,410.88	\$40,000.00	\$299,709.62
2019		\$14,985.48	\$0.00	\$314,695.10

Assumptions on the calculations above
<p>1. The USD LIBOR rate was assumed at 12 month maturity as indicated in https://www.global-rates.com/en/interest-rates/libor/american-dollar/usd-libor-interest-rate-12-months.aspx.</p> <p>2. The annual instalment amount was assumed at \$30 million since it is provided that <i>"the Efwon Romania in the first year was a disappointing \$30 million, much of which had to be re-invested in the company"</i>, while from the next year onwards the revenue was increasing from \$60 million onwards.</p>

To this extent it is clear that Efwon Romania currently owes over USD 300 million to secured lender Efwon Trading and is about to default on its next repayment instalment due to the freezing injunctions in lieu of the insolvency petition against Ewon Romania.

3. Milestones to Efwon Group Restructuring

As mentioned at the very beginning of this advisory paper, the goal is to come up with a proposed strategy for the effective restructuring of Efwon Group to the extent required in order to facilitate moving the Team in Malaysia and selling a stake of it to the Malaysian state-owned company KuasaNas. To succeed in this, it is required to come up with some

² The USD LIBOR rate was assumed at 12 month maturity as indicated in <https://www.global-rates.com/en/interest-rates/libor/american-dollar/usd-libor-interest-rate-12-months.aspx>.

strategy to achieve the following milestones that should form the basis of any restructuring plan of Efwon Group:

- i. Set up a company in Malaysia, Efwon Malaysia, as a wholly owned subsidiary of Efwon Investments.
- ii. Initiate insolvency proceedings of Efwon Trading as soon as it defaults on its obligations to Efwon Investments.
- iii. Initiate or get control of any existing insolvency proceedings of Efwon Romania through Efwon Trading.
- iv. Proceed to a valuation of all the business and assets of Efwon Romania to facilitate its sale and transfer to the interested party, that is Efwon Malaysia.
- v. Use any revenue from the sale, as well as any other income of Efwon Romania at the time to repay Efwon Romania's creditors in priority, that is prioritizing repayment of the financial facilities of Efwon Trading that are secured.
- vi. Proceed to the dissolution of Efwon Romania.
- vii. Distribute all the funds of Efwon Trading to its creditors in priority.
- viii. Proceed to the dissolution of Efwon Trading.
- ix. Sell 51% of Efwon Malaysia to KuasaNas.

These milestones derive from the condition that the Team should move to Malaysia and transfer all of its operations and licences there in order to get the required funding to continue its racing activities. Therefore, neither Efwon Romania nor Efwon Trading, that were both established for the sole purpose of investing in a competing team based in Europe, are required henceforth as legal entities in the Efwon Group.

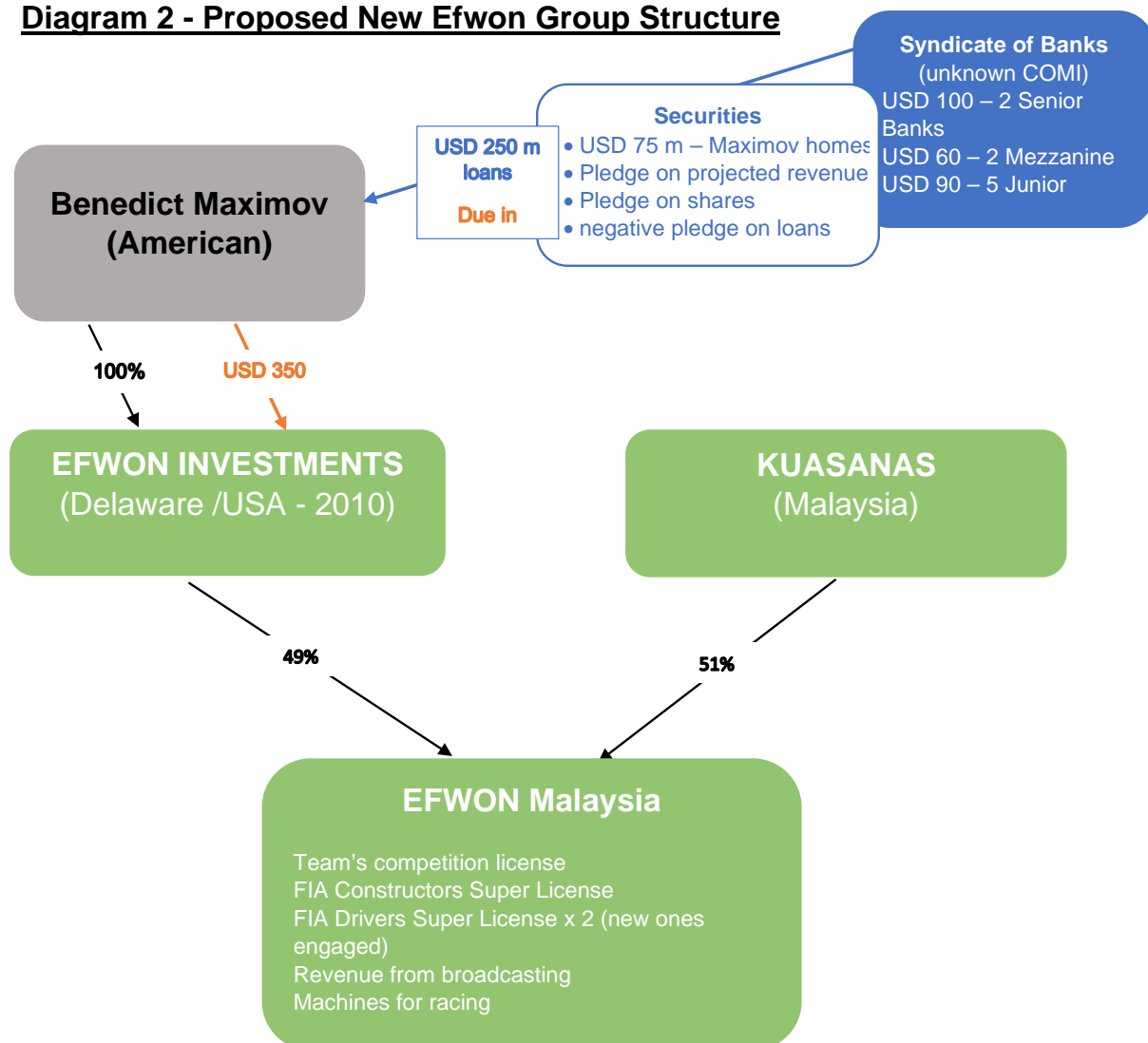
At the same time, this outline of a proposed restructuring of the Efwon Group suggests in effect sale of the business and assets of Efwon Romania to a company wholly owned by its ultimate beneficial owner, that's also a secured creditor through the intermediary company Efwon Trading. Considering, however, that a great percentage of the funds from the sale of the business and assets of Efwon Romania will flow back in essence to Efwon Investments against its secured loans and that Efwon Investments will have further income from the sale of 51% of Efwon Malaysia to KuasaNas onwards; Efwon Investments will in fact be fully reimbursed for the amount spent to buy the business and assets of Efwon Romania.

This is usually the idea in pre-pack arrangements implemented most of the times through out-of-court proceedings. Considering though the cross-border transactions of Efwon Group in particular and the impediments created by the insolvency petition and respective freezing

injunctions against Efwon Romania, implementation of any restructuring plan will inevitably involve in this case the opening of one or more formal insolvency proceedings that enjoy recognition in different jurisdictions. This is being further analysed in each of the restructuring plan options outlined in the following section that look into the legal implications, the impediments and the mechanics for a successful restructuring plan.

Before moving on to these, it is important to have some picture of the target; **Diagram 2** below illustrates the new Efwon Group Structure upon successful completion of the milestones of the restructuring plan set above:

Diagram 2 - Proposed New Efwon Group Structure



4. Restructuring through cross-border recognition of insolvency proceedings

Following from the milestones set above on the liquidation and dissolution of Efwon Romania and Efwon Trading, whose main creditor, of which you also have control of, is Efwon Investments based in Delaware, the relevant jurisdictions for the opening of insolvency proceedings to implement Efwon Group restructuring are England & Wales, the USA and Romania.

As illustrated in **Table 3** below, all of these countries have adopted the UNCITRAL Model Law on Cross Border Insolvency (henceforth “**UNCITRAL Model Law**”) which provides for recognition of foreign insolvency proceedings and relief³, the cooperation of foreign courts in this⁴ and the coordination of concurrent insolvency proceedings in different jurisdictions⁵. At the same time the European Recast Insolvency Directive 2015/848 ⁶ (henceforth “**the EIR**”) has direct application in the UK and Romania and provides likewise for the opening of main and ancillary proceedings of the same entity in different jurisdictions and on applicable law in such cases⁷, the recognition of foreign insolvency proceedings⁸ and the liquidation of group of companies over different jurisdictions⁹. Further, it is noted that while UK and the USA are common law jurisdictions, Romania has civil law.

Table 3 – Relevant jurisdictions

	USA	UK	Romania
Common Law	Yes	Yes	No
UNCITRAL Model Law	2005 – Chapter 15	2006 – The Cross-Border Insolvency Regulation	2002 – Romanian International Insolvency Law
EIR 848/2015	No	Yes	Yes
Other National Law	<ul style="list-style-type: none"> • Chapter 11 	<ul style="list-style-type: none"> • Insolvency Act 1986 • The Insolvency (England & Wales) Rules 2016 	<ul style="list-style-type: none"> • Law 85/2014 on insolvency and insolvency prevention procedures • The Code of Civil Procedure

³ UNCITRAL Model Law on Cross Border Insolvency of 1997, Chapter III.

⁴ Ibid. Chapter IV.

⁵ Ibid. Chapter V.

⁶ Regulation (EU) 2015/848 of the European Parliament and the Council of 20 May 2015 on insolvency proceedings (recast).

⁷ Ibid. Article 3, Chapter I and Chapter III.

⁸ Ibid. Chapter II.

⁹ Ibid. Chapter IV.

Identifying just these three main jurisdictions to consider opening of insolvency proceedings, does not mean in any way that the Monaco lender will be disregarded in the proceedings of Efwon Trading. Opening proceedings in Monaco though is not considered as, on the one hand, none of the group companies that we are looking to liquidate has any assets or activities there that you will be looking to secure and, on the other hand, generally it is not a preferred jurisdiction since it has not adopted either UNCITRAL Model Law or the EIR that are applicable in UK and Romania, that is the jurisdictions that the two companies we are looking to liquidate are based.

At this point it is important to note that all of the Options analysed below are based on the assumption that by this time the drivers of the Team have succeeded in their claims, obtained an order for the insolvency of Efwon Romania and the respective freezing injunctions over the company's assets and income. Otherwise, the sale of the business and assets of Efwon Romania to a newly established Efwon Malaysia could be effected by the company straight away, as will the sale of the 51% of Efwon Malyasia to KuasaNas, without any complications, while the liquidation of Efwon Romania and Efwon Trading would be effected after having concluded all of their transactions and payments to creditors for procedural reasons only.

And although there are provisions in the Romanian Law no. 85/2014 on insolvency and insolvency prevention procedures for a secured creditor, such as Efwon Trading in this case, to lift the automatic stay of proceedings that's effected on the opening of insolvency proceedings of the company, it is unlikely that it could succeed to the extent of selling the business and assets of Efwon Romania, since Efwon Trading's collateral is merely the income of Efwon Romania from broadcasting¹⁰.

Further it should be noted that from the materials provided we do not have sufficient information to proceed to some valuation of the business and assets of Efwon Romania so as to determine whether their value exceed the company's liabilities, so as to determine its insolvent status; or whether their value exceed the secured debts of the company, so as to determine whether there may be any funds left for distribution to any unsecured creditors.

i. Option A – Recognition and coordination of insolvency proceedings through the EIR.

¹⁰ Romanian Law no. 85/2014 on insolvency and insolvency prevention procedures, Articles 75 and 78.

Since Efwon Trading is registered in England and Wales it is most reasonable to launch insolvency proceedings for this company in the UK on grounds that it's unable to pay its debts since it's in default of its 2019 instalment due to Efwon Investments, caused by the freezing injunctions over Efwon Romania's assets and income. Besides the British Insolvency Act of 1986 offers a variety of insolvency proceedings to suit any creditor. Namely the company can be wound up by the Court¹¹, or voluntarily with or without the Court supervision¹², opt for a voluntary arrangement¹³ or appoint a receiver¹⁴.

In the case of Efwon Trading it is suggested to initiate a creditors' voluntary liquidation, which is the fastest way to liquidate an insolvent company¹⁵ as it does not leave much room for objections or Court delays in hearings like a Court initiated winding up may do¹⁶. Hence the company itself will initiate this procedure by passing a resolution for its voluntary winding up and nominating a liquidator who will undertake the winding up procedure, subject to approval of this person by the creditors¹⁷; this won't be an issue in this case of course since the majority in value of debt of Efwon Trading is owed to Efwon Investments.

Then right after his appointment the liquidator will propose to the company and its creditors a voluntary arrangement¹⁸ in satisfaction of its debts (the "**scheme of arrangement**"). This Scheme of Arrangement will be in essence the group restructuring plan, covering all of the milestones set in the previous section, as well as the details and mechanisms to achieve these in the following manner¹⁹:

- i. apply for confirmation of the creditors' voluntary winding up and this scheme of arrangement, once approved, by the Court²⁰, to ensure that the proceedings will fall under the application of the EIR²¹. In this manner the insolvency proceedings of Efwon Trading will enjoy automatic recognition in Romania²² and so will the appointment of its liquidator²³.

¹¹ Insolvency Act of 1986, §122.

¹² Ibid. §91, 97, 98.

¹³ Ibid. §1.

¹⁴ Ibid. §32 and 33.

¹⁵ Ibid. §97 & 98.

¹⁶ Ibid. § 122, 123, 124, 125.

¹⁷ Ibid. § 100.

¹⁸ Ibid. §1.

¹⁹ The Insolvency (England & Wales) Rules of 2016, R. 2.3.

²⁰ Insolvency Act of 1986 § 112.

²¹ Regulation (EU) 2015/848 of the European Parliament and the Council of 20 May 2015 on insolvency proceedings (recast), Article 2 and Annex A "Insolvency proceedings referred to in point (4) of Article 2".

²² Ibid. Articles 19(1) and 20 (1).

²³ Ibid. Article 21 and 22.

- ii. Efwon Trading's liquidator shall request by the court the coordination of Efwon Trading's and Efwon Romania's insolvency proceedings and his appointment as group coordinator as per Article 61 of the EIR in order to effect this scheme of arrangement for the Efwon Group restructuring²⁴, and establish simultaneously cooperation and communication with the insolvency practitioner of Efwon Romania to this effect²⁵.
- iii. If required by that time, the Efwon Trading liquidator will apply to the Romanian Courts as per Article 60 (1) of the EIR in order to stay any measure related to the realisation of the assets of Efwon Romania that may have already been initiated by the latter's liquidator²⁶.
- iv. Proceed to a valuation of all the business and assets of Efwon Romania to facilitate its sale and transfer to the interested party, that is the newly established by Efwon Investments, Efwon Malaysia.
- v. Use any revenue from the sale, as well as any other income of Efwon Romania at the time to repay Efwon Romania's creditors in priority, that is prioritizing repayment of the financial facilities of Efwon Trading that is the only secured creditor of Efwon Romania.
- vi. Proceed to the dissolution of Efwon Romania.
- vii. Distribute all the funds of Efwon Trading to its creditors in priority, that is Efwon Investments and the Monaco lender equally as they are both secured creditors of the company.
- viii. Proceed to the dissolution of Efwon Trading.

Considering that the majority in value of debt of Efwon Trading lies with Efwon Investments and that this scheme does not prejudice the rights of any of its creditors²⁷, there won't be any difficulties in approving this scheme of arrangement and implementing it onwards²⁸.

As to the timing of implementing the Efwon Group restructuring, it is advisable to proceed the soonest possible and set as a target to conclude this within two months. This is so to ensure that the Team's trainings won't be disrupted for too long and that it won't miss out on the next racing season starting in early March this year. This is the reason that we have chosen the creditors' voluntary winding up for Efwon Trading over a winding-up through insolvency

²⁴ Ibid. Article 61 (1) (2) (3).

²⁵ Ibid. Article 56 (1), 56 (2) (c).

²⁶ Ibid. Article 60 (1) (b).

²⁷ Ibid. Article 63.

²⁸ The Insolvency (England & Wales) Rules 2016, RR. 2.28 and 2.38 on holding the creditors' meeting and approving a scheme of arrangement.

petition to the UK Courts by Efwon Investments as its creditor, that would require also providing statutory notices on the payable debt, process serving to all other stakeholders, hearing any frivolous objections and so on.

ii. Option B - Recognition and coordination of insolvency proceedings through the UNCITRAL Model Law

As an alternative to recognition and coordination of the insolvency proceedings of Efwon Trading and Efwon Romania by recourse to the EIR outlined in Option A above, the same restructuring plan could be implemented by recourse to the UNCITRAL Model Law. In this scenario, the liquidation of Efwon Trading will still be initiated in the UK, yet its recognition in Romania will be sought by application of the UNCITRAL Model Law in Romania, as adopted in Romania in 2002 by the International Insolvency Law²⁹.

UNCITRAL Model Law also provides explicitly for the recognition of foreign insolvency proceedings, only this time a respective application to the Court is required to be filed by the foreign representative, that is the insolvency practitioner appointed to undertake the liquidation of the company³⁰ and there are certain requirements to be met for its recognition by the Court³¹. Therefore, in the case of Efwon Group, there is always some risk in that the Court in Romania may refuse to recognise the insolvency proceedings of Efwon Trading up front.

The UNCITRAL Model Law provides also for the coordination between two or more insolvency proceedings; only such coordination of proceedings is restricted to proceedings related to the same debtor and not different companies within the same group of companies³², as with the EIR.

iii. Option C – the Chapter 11

A more favourable option for groups of companies is of course the US Bankruptcy Code - Chapter 11, which in fact provides for the reorganization of the debtor. It is more of a debtor friendly insolvency proceeding, in that the debtor can initiate the proceedings and remain in possession, yet the Court will appoint a trustee at the request of any interested party if there

²⁹ International Insolvency Law of 2002.

³⁰ UNCITRAL Model Law on Cross Border Insolvency of 1997, Article 15.

³¹ Ibid, Article 17.

³² Ibid. Articles 28 to 30.

are suspicions of fraud, dishonesty or mismanagement or such an appointment is in the interests of the creditors³³.

Overall Chapter 11 is a very flexible tool in the hands of any business with activities or assets in the USA, as it can facilitate post commencement financing, sale of the business as a going concern, revise capital structure and accommodate almost any form of reorganization.

Also, it is easy for a company to establish jurisdiction in the USA in order to file for Chapter 11 relief, since it merely requires to prove that the company has “any property” in the US. In the case of Efwon Group, however, neither Efwon Trading nor Efwon Romania have any property or any activities in the US. Therefore, such proceedings could only be initiated as concerns Efwon Investments that’s based in Delaware. It should be noted though, that Efwon Investments does not appear to have any loans from the information in the materials provided, as the initial funds of USD 350 million were provided to Efwon Investments by its sole shareholder, that is you Mr Maximov, and not lent to it. Nevertheless, being insolvent is not a prerequisite for an entity to file for relief under Chapter 11, which can be used by any business as tool for its reorganization in fact.

Furthermore, Efwon Investments appears to be a mere creditor of Efwon Trading and a sister company in that they share the same sole shareholder, yet the two companies do not appear to be directly related. Therefore, Efwon Investments cannot effect a restructuring in Efwon Trading and Efwon Romania, simply by initiating its own restructuring.

Another concern on this Option, in the case of Efwon Group, is whether any restructuring plan approved through Chapter 11 can be recognised and implemented in Efwon Trading in UK and Efwon Trading in Romania. Although it aspires to have extraterritoriality, in that it applies to the company’s assets and operations worldwide, in effect Chapter 11 is just another national legislation that can only be enforced abroad through recognition of the insolvency proceedings by the foreign court. Therefore, any restructuring plan adopted through Chapter 11 could only be enforced against the assets of Efwon Romania by application of the UNCITRAL Model Law and possible recognition of the insolvency proceedings by the Romanian Courts as outlined in Option B above.

³³ Chapter 11, §1104.

5. Our Advice

To this extent our advice for the restructuring of Efwon Group would be Option A, that is through recourse to the EIR, for the following main reasons:

- Recognition of insolvency proceedings and some of the powers of the insolvency practitioner in place are recognised automatically in other EU Member States, thus avoiding any risk in the Romanian Court dismissing an application to this extent by the insolvency practitioner entrusted with the liquidation of Efwon Trading.
- It facilitates group restructurings through the coordination of proceedings among different companies of the same group.
- The Recast EIR is European Union legislation which is directly applicable to all Member States and it supersedes any national legislation. This may come of assistance in fact if any creditor of Efwon Romania attempts to use any provisions of national insolvency legislation to get control of the insolvency proceedings or certain assets of the company. Even UNCITRAL Model law is in fact adopted through national legislation, therefore, such legislation cannot be employed against the provisions of the EIR Recast that is European legislation.
- In any case, the most crucial benefit of having the main insolvency proceedings in UK is that, depending on the jurisdiction where assets or creditors are found and its applicable law, one can claim recognition of the decision through common law³⁴ or through the UNCITRAL Model Law or the EIR Recast 848/2015. Therefore, it is in general a preferable jurisdiction for the opening of insolvency proceedings of multinational corporations.

As a closing remark it should be noted that it is still unclear at the moment when and on what terms will the UK leave the European Union, in which case recognition and enforceability of the Efwon Trading liquidation in Romania will be subject to its national legislation, since Romania will not be bound any more by the EIR to recognise insolvency proceedings initiated by the British Courts. In the event that BREXIT proceeds in a matter of months and in any case before this Efwon Group restructuring plan goes ahead, it is advised as an alternative to proceed with Option B outlined above and implementation of this restructuring and recognition of the proceedings via the provisions of UNCITRAL Model Law.

³⁴ Through the so called ‘principle of universality’ as it has been established in common in the cases of *Cambridge Gas Transportation Corporation v Official Committee of Unsecured Creditors of Navigator Holdings Plc* [2007] 1 AC 508 and *In Re African Farms Ltd* ³⁴[1906] TS 373.