****

**SUMMATIVE (FORMAL) ASSESSMENT: MODULE 5A**

**BERMUDA**

This is the **summative (formal) assessment for Module 5A** of this course and must be submitted by all candidates who **selected this module as one of their elective modules**.

**The mark awarded for this assessment will determine your final mark for Module 5A**. In order to pass this module, you need to obtain a mark of 50% or more for this assessment.

**INSTRUCTIONS FOR COMPLETION AND SUBMISSION OF ASSESSMENT**

**Please read the following instructions very carefully before submitting / uploading your assessment on the Foundation Certificate web pages.**

1. You must use this document for the answering of the assessment for this module. The answers to each question must be completed using this document with the answers populated under each question.

2. All assessments must be submitted electronically in **Microsoft Word format**, using a standard A4 size page and an 11-point Arial font. This document has been set up with these parameters – **please do not change the document settings in any way**. **DO NOT** submit your assessment in PDF format as it will be returned to you unmarked.

3. No limit has been set for the length of your answers to the questions. However, please be guided by the mark allocation for each question. More often than not, one fact / statement will earn one mark (unless it is obvious from the question that this is not the case).

4. You must save this document using the following format: **[studentID.assessment5A]**. An example would be something along the following lines: 202223-336.assessment5A. **Please also include the filename as a footer to each page of the assessment** (this has been pre-populated for you, merely replace the words “studentID” with the student number allocated to you). Do not include your name or any other identifying words in your file name. **Assessments that do not comply with this instruction will be returned to candidates unmarked**.

5. Before you will be allowed to upload / submit your assessment via the portal on the Foundation Certificate web pages, you will be required to confirm / certify that you are the person who completed the assessment and that the work submitted is your own, original work. Please see the part of the Course Handbook that deals with plagiarism and dishonesty in the submission of assessments. **Please note that copying and pasting from the Guidance Text into your answer is prohibited and constitutes plagiarism. You must write the answers to the questions in your own words**.

6.The final submission date for this assessment is **31 July 2024**. The assessment submission portal will close at **23:00 (11 pm) BST (GMT +1) on 31 July 2024**. No submissions can be made after the portal has closed and no further uploading of documents will be allowed, no matter the circumstances.

7. Prior to being populated with your answers, this assessment consists of **10 pages**.

**ANSWER ALL THE QUESTIONS**

**QUESTION 1 (multiple-choice questions) [10 marks in total]**

Questions 1.1. – 1.10. are multiple-choice questions designed to assess your ability to think critically about the subject. Please read each question carefully before reading the answer options. Be aware that some questions may seem to have more than one right answer, but you are to look for the one that makes the most sense and is the most correct. When you have a clear idea of the question, find your answer and mark your selection on the answer sheet by highlighting the relevant paragraph **in yellow**. Select only **ONE** answer. Candidates who select more than one answer will receive no mark for that specific question.

**Question 1.1**

What is a **segregated account representative** of an insolvent Segregated Accounts Company required to do under section 10 of the Segregated Accounts Companies Act 2000?

1. Resign immediately.
2. File a Suspicious Transaction Report forthwith.
3. Make a written report to the Registrar of Companies within 30 days of reaching the view that there is a reasonable likelihood of a segregated account or the general account becoming insolvent.
4. Notify the directors, creditors and account owners within 28 days.

**Question 1.2**

Where do secured creditors **rank** in a liquidation?

1. Behind unsecured creditors.
2. Behind preferential creditors.
3. Behind the costs and expenses of liquidation.
4. In priority to all other creditors, since they can enforce their security outside of the liquidation.

**Question 1.3**

**In what order** are the following paid in a compulsory liquidation under Bermuda law?

1. Preferential creditors.
2. Unsecured creditors.
3. Costs and expenses of the liquidation procedure.
4. Floating charge holders.

Choose the **correct answer**:

1. Order (i), (ii), (iii) and (iv).
2. Order (iii), (iv), (i) and (ii).
3. Order (iii), (i), (iv) and (ii).
4. Order (i), (iii), (iv) and (ii).

**Question 1.4**

**Who may appoint** a provisional liquidator over a Bermuda company?

1. A secured creditor.
2. A contributory.
3. The company itself (whether acting by its directors or its shareholders).
4. The Supreme Court of Bermuda.

**Question 1.5**

When is a Bermuda company deemed to be **unable to pay its debts** under section 161 and section 162 of the Companies Act 1981?

1. Only when it is balance sheet insolvent.
2. Only when it is cash flow insolvent.
3. When it is balance sheet insolvent and cash flow insolvent.
4. When it is either balance sheet insolvent, or cash flow insolvent, or a valid statutory demand has not been satisfied within a period of three weeks after service on the company’s registered office, or if a judgment in favour of a creditor remains unsatisfied.

**Question 1.6**

How **many insurance policyholders** are required to present a petition for the winding-up of an insolvent insurance company under section 34 of the Insurance Act 1978?

1. At least five.
2. One is sufficient.
3. At least 10 or more owning policies of an aggregate value of not less than BMD 50,000.
4. At least 10.

**Question 1.7**

What types of transactions are **reviewable** in the event of an insolvent liquidation?

1. Only fraudulent conveyances.
2. Only floating charges.
3. Only post-petition dispositions.
4. All of the above.

**Question 1.8**

What is the **clawback period** for fraudulent preferences under section 237 of the Companies Act 1981?

1. Two years.
2. One month.
3. Twelve months.
4. Six months.

**Question 1.9**

**What percentage** of unsecured creditors must vote in favour of a creditors’ scheme of arrangement for it to be approved?

1. Over 50% in value.
2. 50% or more in value.
3. Over 75% in value.
4. A majority of each class of creditors present and voting, representing 75% or more in value.

**Question 1.10**

Summary proceedings against a company’s directors for **breach of duty** (or misfeasance) may be brought by a liquidator under the following provision of the Companies Act 1981:

1. Section 237 of the Companies Act 1981.
2. Section 238 of the Companies Act 1981.
3. Section 247 of the Companies Act 1981.
4. Section 158 of the Companies Act 1981.

**QUESTION 2 (direct questions) [10 marks in total]**

**Question 2.1 [maximum 2 marks]**

When can rights of set-off be exercised after the commencement of a liquidation of a Bermuda company?

Rights of set-off can be exercised by a creditor that has mutual credits, mutual debts or other mutual dealings. In other words, it a creditor both owes money and is owed money by the debtor, they are set-off such that only the net balance is owed. However, the debts giving rise to the set=off must have been incurred prior to the liquidation commencement and must be determined liabilities. They also cannot have arisen by way of a fraudulent preference or fraudulent conveyance and they must involve the exact same parties. Also, the person claiming set-off must not have been given notice of an act of insolvency committed by the debtor prior to the giving of any credit.

**Question 2.2 [maximum 4 marks]**

Describe three possible ways of taking security over assets under Bermuda law.

There are multiple ways of taking security over assets under Bermuda law. Below are three examples:

1. A legal mortgage can be obtained wherein legal title of the debtor’s property is transferred to the creditor as security. In such instance, the debtor remains in possession of the property but only regains legal title upon full payment of the debt and reconveyance by the creditor. This is for real property only.
2. An equitable mortgage occurs when the debtor retains legal title and possession of the property but transfers the beneficial interest to a creditor. In this instance, the mortgage does not take priority over a third party who purchases the property in good faith and for value, without knowledge of the creditor’s interest. Equitable mortgages may be taken against real property and can also be taken against intangible property.
3. A fixed charge is where the creditor does not obtain legal or beneficial ownership, but the document allows the creditor to take possession of the property with the right to sell it, if the debtor defaults on the loan. If the creditor exercises its power of sale, the proceeds are applied first towards payment of the debt owed with the balance returned to the debtor. Also, the debtor may not sell or otherwise encumber property subject to a fixed charge without consent of the lender. A fixed charge can be against real property and can also be taken against intangible property

**Question 2.3 [maximum 4 marks]**

In what circumstances may be a provisional liquidator be appointed?

A provisional liquidator may be appointed after a windup petition has been filed and before a windup order has been made when there is a good prima facie case that a wind up order will occur and in the Court’s discretion. Often this is done when there is a risk of dissipation of assets or when independent supervision/control is warranted.

It also may occur in what is called a “soft touch” provisional liquidation. This occurs usually when a company has filed a petition for winding up, whereupon the provisional liquidator can apply for a statutory stay of proceedings against the company while a work-out process ensues, either informally or through a scheme of arrangement. Under this scenario, the board of directors retains control over the company with the supervision of the “soft touch” provisional liquidator.

**QUESTION 3 (essay-type question) [15 marks]**

**Question 3.1 [maximum 7 marks]**

Write a brief essay on the circumstances in which a foreign court judgment will not be registered or enforced in Bermuda. Also consider and address the question as to whether a foreign court-sanctioned scheme of arrangement might be registered or enforced in Bermuda.

A foreign court judgment has no direct legal enforcement in Bermuda. However, a foreign judgment can be recognized and become enforceable if it complies with various statutory or common law rules. For the UK or certain other Commonwealth countries, the Judgments (Reciprocal Enforcement) Act 1958 allows registration and enforcement of foreign judgments. However, even if a judgment falls within the 1958 Act, it must be set aside if the Court finds one of the following:

1. The judgment was not covered by the Judgments (Reciprocal Enforcement) Act 1958 or was registered in contravention of this Act;
2. The foreign court had no jurisdiction to enter the judgment;
3. The defendant did not receive notice of the proceedings in the foreign court in sufficient time to defend and he did not appear;
4. The judgment was obtained by fraud; or
5. The rights under the judgment are not owned by the person who applied for registration.

Also, the Court can set aside a judgment if the Court finds that the judgment conflicts with a prior judgment issued by a Court having jurisdiction.

As to foreign jurisdictions which are not registrable under the 1958 Act (ie other than UK and certain Commonwealth countries) can only be enforced by a separate action at common law. In this case, the foreign judgment will not be recognized when:

1. The judgment is not final in the foreign court;
2. The Court issuing judgment did not have jurisdiction over the debtor;
3. The judgment was obtained by fraud;
4. The judgment is concerning taxes, fines or penalties;
5. Enforcement is contrary to Bermuda public policy; or
6. The rules of natural justice have not been followed.

As to registration or enforcement of a foreign court scheme of arrangement, the law as yet is uncertain. There have been several cases where Bermuda exempt companies are in compulsory liquidation in two jurisdictions at the same time. And although Bermuda has not enacted the UNCITRAL Model Law on Cross-Border Insolvency, the Court has indicated a willingness to consider such issues such as the Centre of Main Interests and choice of forum. There have also been a number of successful applications by Bermuda liquidators for recognition under the US Chapter 15 (which is the US’ version of the Model Law). There have also been a number of cases that have involved parallel schemes of arrangement, particularly between Bermuda, the UK, Hong Kong and/or Singapore. However, it remains uncertain whether a foreign scheme of arrangement can be recognized and enforced in Bermuda, without a parallel proceeding in Bermuda. The Supreme Court has indicated some willingness to allow recognition and enforcement, but these have been unopposed matters.

**Question 3.2 [maximum 8 marks]**

Write a brief essay on the basis upon which foreign liquidators are granted recognition and assistance in Bermuda. Also consider the circumstances in which foreign liquidators might not be granted recognition and assistance.

Many of Bermuda’s companies conduct business activities in foreign jurisdictions. As such, Bermuda companies are often subject to wind-up orders not only in Bermuda, but also in the courts of the foreign jurisdictions were they conduct business. In this instance, there would be two compulsory liquidations occurring simultaneously. And again, as stated above, Bermuda has not adopted the UNCITRAL Model Law on Cross-Border Insolvency, the Court’s do appear willing to allow a foreign liquidator to be granted “primary” status, when that jurisdiction is the forum with the closest connection to the issues in question. Both liquidators (foreign and local) will also be required to cooperate with each other in conducting the parallel proceedings.

In general, the Bermuda Court is likely to recognize foreign liquidators and to assist to the fullest extent possible (1) where there is a sufficient connection between the foreign court’s jurisdiction and the company such that it is appropriate to have a foreign liquidator; or (2) where the foreign liquidator needs to be involved in the Bermuda litigation/arbitration proceedings and/or there are documents, assets or liabilities of the foreign company in Bermuda. A foreign liquidator might not be granted recognition and assistance when from an incongruous country under public policy grounds. For instance, if granting recognition would result in unfairness or prejudice to local Bermudians, recognition is unlikely to be granted. Similarly, the Court will not assist a foreign liquidator in doing something they could not do under the laws of their jurisdiction or if the recognition is deemed unnecessary (See Stephen John Hunt v Transworld Payment Solutions UK Ltd – UK liquidator not recognized where litigation was already pending in England and Wales and other information gathering options were available). Essentially, the decision to recognize a foreign liquidator is determined based on the facts of each case.

**QUESTION 4 (fact-based application-type question) [15 marks]**

Mudatea Limited (the Company) was incorporated in 2020 as an exempt Bermuda company; as the parent company in a group of companies with a direct subsidiary incorporated in the British Virgin Islands; with indirect trading subsidiaries incorporated in the People’s Republic of China (PRC); and with offices and a substantial business presence in Hong Kong. The Company’s trading operations in the PRC involves tea shops and other retail businesses associated with tea and hot drinks.

The Company issued a number of bonds to creditors based in the United States (US) with the face value of USD 500 million, with a view to raising additional capital (by way of debt funding) to fund the expansion of its business activities in the PRC (which had previously been funded with the benefit of shareholders’ capital contributions).

It was subsequently disclosed that the Company had fraudulently misrepresented its financial performance in the offering documents associated with the bonds, with the consequence that the US bondholders were entitled to demand immediate repayment by the Company of the sum of USD 500 million, even though that money had already been transferred to the Company’s indirect subsidiaries in the PRC, and was incapable of being returned due to local currency control restrictions and associated Chinese legal issues.

The US bondholders served a statutory demand on the Company in Bermuda, demanding repayment of the sum of USD 500 million within 21 days.

The Company’s directors decided, however, that it was in the best interests of Mudatea Limited and its shareholders to not satisfy the statutory demand but to ignore it for the time being, having regard also to the Chinese legal position, and with a view to trading through the Company’s financial difficulties.

The Company’s directors subsequently borrowed an additional USD 50 million from its bank, Berbank, which loan is secured by way of a floating charge against all of the Company’s shares and the assets of its subsidiaries. Out of the USD 50 million received from Berbank, Mudatea Limited’s directors immediately paid themselves a bonus of USD 20 million and they also paid a dividend to the Company’s shareholders in the sum of USD 30 million.

The US bondholders only found out about these transactions two weeks later, through a report received from a disgruntled former employee of Mudatea Limited.

**Using the facts above, answer the questions that follow**:

**Question 4.1 [maximum 7 marks]**

What actions could the US bondholders take in order to try to recover some or all of the sum of USD 500 million from the Company or other parties? Please consider (a) the jurisdictions in which they could take such action, bearing in mind the potential need for enforcement; (b) the defendants against whom they could take such action; (c) the pros and cons of litigation as opposed to insolvency proceedings; and (d) the causes of action that may be available against the various potential defendants.

The US Bondholders would likely want to consider commencing parallel proceedings in Bermuda, Hong Kong and the U.S. Possibly PRC also if that is an available option.

Status as Secured Creditor

It is unclear whether the bondholders could, in some instance, be classified as secured creditors, based on the bonds issued to them. As such, they would be free to pursue their collateral without regard to any insolvency proceedings. However, it appears here that the funds underlying the bonds are no longer in Bermuda, but rather in PRC. As such, unless some direct relief can occur in PRC, the bondholders would likely need to pursue their claims as unsecured creditors in order to get effective relief.

Action Against the Company

The bondholders have jurisdiction to commence a compulsory liquidation proceeding in the Superior Court of Bermuda under Section 161 of the Companies Act 1981. A compulsory liquidation can be brought by a creditor. Several grounds for a compulsory liquidation, aka winding up, appear evident from our facts: the company appears to have engaged in a prohibited business activity, is unable to pay it debts, and the Court would likely be of the opinion that it is just and equitable for the company to be wound up under the facts presented (See Section 161). In particular, since the bondholders presented a statutory demand on the Company, which was unsatisfied for three weeks thereafter, the Company would be deemed unable to pay its debts (See Section 162). And, given the likely findings of prohibited business activity (see Action Against Directors below), the other prongs above are also satisfied.

A compulsory liquidation in Bermuda is creditor friendly, with unsecured creditors of high dollar value having a lot of influence. A provisional liquidator can be appointed on an emergency basis where there is a risk of dissipation of assets or the need for supervision/control. Given the transfers and actions of the directors under our facts, a provisional liquidator is likely here. Also, the powers of the liquidator are generally exercisable only with the approval of a “Committee of Inspection”, which is comprised of representative creditors of the Company (See Sections 175-176).

The US Bondholders could also bring parallel proceedings in Hong Kong, where the Company has offices and “a substantial presence” and hopefully some assets. Bermuda exempt companies are countries in which they operate. Hong Kong, especially, is a frequent parallel proceeding with Bermuda. (See Titan Petrochemicals Group [2014] Bda LR 90). The Courts would then decide which court should be granted primary status and which would be ancillary status. Bermuda has not enacted the Uncitral Model Law on Cross Border Insolvency but the Court frequently takes into account the same factors as to the centre of main interests (COMI) (which likely is Hong Kong in this case given the offices and substantial presence there) as well as the location with the closest connection to the case issues (in this case, that would be Hong Kong where the offices are, US where the bondholders reside or PRC where the bond funds have been transferred).

In addition, the US Bondholders could bring a proceeding in the US and initiate an application for recognition under Chapter 15 of the US Code (the US version of the Model Law on Cross Border Insolvency). Although there is no statutory equivalent to Chapter 15 in Bermuda, there have been a number of successful applications by Bermuda liquidators for recognition in the US under Chapter 15 and assumedly also vice versa for a US liquidator if the creditors bring an involuntary proceeding in the US. See Cambridge Gas Transportation Corp b Navigator Holdings [2007] 1 AC 508. There is uncertainty, however, whether a foreign proceeding would be recognized without a parallel proceeding in Bermuda. See C&J Energy Services Ltd [2017] Bda LR 22. However, the Bermuda Court is likely to recognize a foreign court winding up order (or equivalent) to the fullest extent possible when there is a “sufficient connection” of the foreign court making it the appropriate forum or the “most convenient” jurisdiction. It will also likely allow foreign liquidators and cooperate with foreign proceedings if (1) there are assets, liabilities or documents within Bermuda; (2) the company has conducted business in Bermuda; (3) the company has directors, officers, managers or agents in Bermuda; and/or (4) the company needs to be involved in litigation in Bermuda. It is unclear under our facts where the directors reside but clearly the company has conducted business in Bermuda, so this prong should be satisfied.

Actions Against Directors

As stated above, it is unclear from our facts where the directors reside. However, if we assume they reside in Bermuda, a number of actions would appear appropriate.

 Fraudulent Conveyances

If a compulsory liquidation proceeding is initiated in Bermuda, creditors can bring an application to have a transfer set aside under Sections 36A to 36G of the Conveyancing Act 1983. The creditor must prove that the dominant intention of the transaction was to cause the transferred asset to be beyond reach of the creditors and that the transfer was for less than fair value (or no value). The creditor must have been owed money either as of the date of the transfer or within two years after the date of the transfer.

The $20m bonus and possibly also the $30 m dividend would likely be deemed as received in exchange for inadequate consideration given the company’s knowledge of the statutory demand of the US Bondholders and the Company’s insolvent financial condition.

 Fraudulent Preferences

These two transfers could also be deemed a fraudulent preference under Section 237 of the Companies Act if the creditors present the petition for compulsory wind up within six months of the payments made. Under this section, the transfer would be invalidated if the dominant intention was to prefer the directors over other creditors (the bondholders) at a time when the company was unable to pay its debts as they came due. As to this last requirement, the failure to satisfy the statutory demand by the bondholders would be sufficient proof of the inability to pay debts as they came due.

 Fraudulent Trading

Given that the directors opted to continue operating despite the demand of repayment by the bondholders, it is possible that they could also be found liable under Section 246 of the Companies Act 1981 for fraudulent trading. This section requires that the director knowingly caused or allowed the company to continue operating with intent to defraud the creditors. This includes operating the business when it is known to be insolvent. If found liable under this section, the directors can be held liable for all debts of the company, as the Court may direct.

 Breach of Fiduciary Duty and Failure to Exercise Reasonable Skill and Care

Directors also owe duties under Section 97 of the Companies Act 1981 and as a matter of common law, to act in the best interests of the company’s creditors when a company is in the zone of insolvency. Accordingly, the directors could be liable under this section because their actions were not in the best interests of the creditors and they failed to exercise due care and good faith. This can also result in personal liability of the directors.

 Misfeasance and Breach of Trust

Section 247 of the Companies Act 1981 prohibits misapplication or retention of money or property of the company or acting in breach of trust in relation to the company. This section also allows for personal liability of the directors

 Unlawful Return of Capital

Lastly, Section 54 of the Companies Act 1981 prohibits a dividend to shareholders if there are reasonable grounds to believe that the company will be rendered insolvent as a result of the dividend. Under these sections, the directors would likely have to return the dividends paid to shareholders.

Action Against Berbank

An action could also be instituted to invalidate the floating lien of Berbank pursuant to Section 239 of the Companies Act. A floating lien created within 12 months of the commencement of the windup is invalid unless the company proves that it was insolvent immediately after granting the lien. However, Berbank would be entitled to a floating lien in the amount that it loaned the company, in our facts that being $50m. So this action might not make economic sense to bring.

**Question 4.2 [maximum 8 marks]**

To what extent would it be open to Mudatea Limited to try to take steps to restructure its debt obligations, and how and where could it do so? Consider whether it would be more appropriate to take steps before the Hong Kong courts, the Bermuda courts, or both and, if so, why? Also consider whether it would make any difference if the debt restructuring involved a “debt-for-equity” swap, (that is, if the US bondholders would be issued new shares in the Company in exchange for cancellation of their debt, with existing shareholders’ shares in the Company being cancelled).

Mudatea Ltd could initate a voluntary liquidation in Bermuda coupled with appointment of a “soft touch” provisional liquidator, with the aim of implementing a restructuring. Section 161 of the Companies Act 1981 allows a company to commence a wind up where the company, by resolution, has agreed to be wound up and/or when a company is unable to pay it debts, either of which would be satisfied here. Also, liquidators in a Bermuda windup have discretion to enter into consensual compromises and/or schemes of arrangement. However, restructuring plans in Bermuda must have a credible prospect of success (See HSBC v New Ocean Energy Holdings Ltd [2022] CA Bda 16 Civ) and Bermuda is creditor friendly. Moreover, a number of liquidator powers can only be exercised with approval of the “Committee of Inspection”; a group comprised of representative creditors of the company.

Although theoretically possible for Mudatea to create a scheme of arrangement, it would be difficult to be successful in this endeavor because a binding scheme of arrangement would require the approval, at a meeting set up for voting in favor of the scheme, of a majority of the US Bondholders present and voting who hold at least 75% by value of that class. Therefore, unless the scheme is on such terms as would be approved by the US Bondholders, it will not come to fruition.

In the event a scheme is not successful, the only option would be an informal “work out” with the US Bondholders. Complicating this further, there is no ability to cram down the minority of the US Bondholders other than through a formal scheme. So, although a provision liquidator could prevent liquidation being commenced by the US Bondholders while a scheme or work out is pending by virtue of the statutory stay, ultimately the winding up would be difficult to accomplish.

The saving grace here is that, in a compulsory liquidation, there would likely be a $50m floating charge of Berbank (See Q 4.1 above) and this would be paid at the first level of priority (and without the applicability of any statutory stay). Thus, if there are minimal assets over and above the $50m that are left in the company, the US Bondholders might be very willing to give up their litigation rights and agree to a scheme of arrangement.

A debt for equity swap with the US Bondholders could increase the likelihood of success if there is a company that is able to be reorganized. A scheme can reorganize the company’s capital and is often used in Bermuda to implement a debt for equity swap. However, the debt for equity swap would likely still be subject to the 75% in value voting requirements, because the US Bondholders would remain creditors until the scheme was effectuated.

Given all of the above, it would seem that a proceeding in Hong Kong may have a better chance of success. Under our facts, Hong Kong would likely be determined as the Center of Main Interests (COMI), given that Mudatea’s offices and a substantial business presence reside there. Hong Kong has also adopted Uncitral’s Model Law on Cross-Border Insolvency and may be less creditor friendly than Bermuda. Hong Kong also might have a better chance at recovering any funds that are in PRC.

Mudatea could initiate parallel proceedings in Bermuda and Hong Kong, a combination that often occurs in Bermuda. Provisional liquidators appointed for restructuring purposes can be granted recognition in Hong Kong (See Re Hsin Chong Group Holdings [2019] HKCFI 805). However, given the multitude of litigation options against directors in Bermuda, it would not seem beneficial to the directors to open the Bermuda proceedings. Unclear from the materials whether Hong Kong is a more friendly forum for directors.

**\* End of Assessment \***