



SUMMATIVE (FORMAL) ASSESSMENT: MODULE 7E

UNITED ARAB EMIRATES

This is the **summative (formal) assessment** for **Module 7E** 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 7E. 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.assessment7E]**. An example would be something along the following lines: 202122-336.assessment7E. **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 2022**. The assessment submission portal will close at **23:00 (11 pm) BST (GMT +1) on 31 July 2022**. 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 **8 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

The **most significant barrier**, historically, to the development of a culture of distressed business rescue in the UAE has been:

- (a) The failure of the responsible authorities to enact laws which would encourage a business rescue culture.
- (b) The low rate of business failure in the UAE.
- (c) **The owners of failed businesses are liable as a matter of criminal law for the failure of their business.**
- (d) There could be criminal law consequences for business owners arising from the security agreements which a business might have with its creditors.

Question 1.2

What is the **principal difference** between the “mainland” UAE Bankruptcy Law and the insolvency laws of the two financial centres (the DIFC and the ADGM)?

- (a) The insolvency laws of the financial centres govern the insolvency of financial service businesses only, while the Bankruptcy Law governs the insolvency all other businesses.
- (b) The insolvency laws of the financial centres have no application and cannot be enforced in the UAE “mainland” (that is, outside of the financial centres), while the Bankruptcy Law is the only applicable law governing insolvency in the UAE “mainland”.
- (c) The Bankruptcy Law drew on the experiences of a number of jurisdictions, while the insolvency laws of the financial centres are based on the insolvency laws of one other country.
- (d) **The Bankruptcy Law incorporates substantial elements of Islamic law, while the insolvency laws of the financial centres are based on the common law.**

Question 1.3

Which statement **correctly describes** the relationship between the Courts of the DIFC and the Courts elsewhere in the UAE?

- (a) The judgments and orders of the Courts of the DIFC are not enforceable outside of the DIFC.

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(b) The judgments and orders of the Courts of the DIFC are enforceable elsewhere in Dubai only through the Dubai Courts.

(c) The judgments and orders of the Courts of the DIFC are enforceable elsewhere in Dubai only after recognition for enforcement by the Joint Judicial Committee.

(d) The judgments and orders of the Courts of the DIFC are not capable of enforcement outside of Dubai.

Question 1.4

As regards security in Mainland UAE a secured creditor's rights, both in relation to real and personal property security, are not substantially affected by any formal insolvency process; the secured creditor can generally enforce its rights notwithstanding the debtor's insolvency. Is this statement **True or False**?

(a) True.

(b) False.

Question 1.5

Which statement **is correct** in relation to the operation of security interests for both real and personal property in the DIFC?

(a) The law regulating security interests in land and personal property in the DIFC is based on Australian law.

(b) A mortgagee of land in the DIFC requires a court order to allow it to repossess land subject to a mortgage.

(c) The regulating security interests in land and personal property in the DIFC is based on English common law.

(d) There are separate registers in which security interests in both land and personal property in the DIFC can be registered.

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Question 1.6

Which of the following statements is **incorrect** in relation to creditor rights following the Court's decision to commence preventive composition under the UAE Bankruptcy Law up until the approval of the scheme?

(a) All legal claims and proceedings and any judicial enforcement procedures against the debtor are suspended, unless otherwise decided by the Court.

(b) The commencement of preventive composition procedures will also suspend any criminal proceedings brought in relation to a dishonoured cheque, including against the signatory of the cheque.

(c) Creditors may not bring or pursue claims against persons jointly liable with the debtor or any guarantors of the debtor's debts.

(d) Secured creditors may enforce their securities provided they have obtained Court permission to do so.

Question 1.7

Which of the following **is not** a consequence or possible outcome of the commencement of Preventive Composition?

- (a) Interest on debts owed by the debtor stops accruing on the date of commencement of Preventive Composition.
- (b) The debtor can borrow further money during the period of preventive composition, with the Court's permission.
- (c) The debtor is not allowed to change its ownership in any way.
- (d) The Court can order the rescission of effective contract to which the debtor is a party.

Question 1.8

Which of the following **is not** a basis for an application to the Court for the commencement of bankruptcy proceedings under the UAE Bankruptcy Law?

- (a) If a secured creditor, having security over all or substantially all of the assets of a debtor, takes steps to enforce its security.
- (b) If a creditor (or a group of creditors) has given notice to a debtor requiring the debtor to pay a debt of AED 100,000, and the debtor has failed to discharge the debt within 30 business days of that notification.
- (c) Following the annulment or rescission of Preventive Composition by the Court.
- (d) If a debtor is in default of its payment obligations for 30 consecutive business days.

Question 1.9

Rehabilitation is a new DIFC insolvency procedure introduced by the 2019 law, which allows companies unable to pay their debts but able to reach agreement with its shareholders and creditors to agree to a plan referred to as a Rehabilitation Plan to achieve a court sanctioned plan that binds creditors. In regard to the rehabilitation procedure, which of the following statements is **incorrect**?

- (a) In order to initiate the rehabilitation process the company is required to make an application to court submitting the rehabilitation plan and nominating the proposed rehabilitation nominee.
- (b) A moratorium comes into effect for an initial 180 days, preventing creditors from commencing or continuing legal action against the company.
- (c) The moratorium disappplies contractual provisions that would otherwise enable a contract to be terminated upon insolvency.
- (d) Any creditor materially prejudiced by the moratorium may apply to court seeking the disapplication of the moratorium in relation to a particular contract.

Question 1.10

Which of the following statements **is not** correct?

- (a) The DIFC Courts will enforce judgments and arbitration awards from other countries in accordance with the Riyadh Convention (Riyadh Arab Agreement for Judicial Co-operation).
- (b) The DIFC Courts will enforce judgments and awards from other countries if there is a memorandum of understanding with the Courts of that country which enable the DIFC Courts to do so.
- (c) The DIFC Courts will enforce arbitration awards from other countries in accordance with the New York Convention for the Recognition and Enforcement of Foreign Arbitration Awards.
- (d) The DIFC Courts will enforce judgments and arbitration awards from other countries, even if the debtor has no presence of any type in the DIFC.

QUESTION 2 (direct questions) [10 marks]

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Question 2.1 [maximum 2 marks]

What is the key point of distinction regarding the registration of real property interests, including mortgages, in the different emirates of the UAE? What is the key difference between the sale of mortgaged real property following a debtor default if that real property is in a financial free zone or if the real property is in "mainland" UAE?

Each emirate of the UAE maintains its own land registration system for real property. Although the substance of the law is generally the same, the registration and enforcement of real property interests, including mortgages, can be subject to slightly different laws in each emirate.

In the event of a debtor default in the DIFC, the creditor holding the mortgage over the debtor's land can enter into possession of the land by providing 60 days' notice to certain relevant parties and does not require a court order. However in "mainland" UAE, for the debtor to exercise the same rights, this must be done through the courts.

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Question 2.2 [maximum 4 marks]

Preventive Composition and Restructuring are both insolvency processes that an entity can adopt under the UAE Bankruptcy Law. They share a number of similarities regarding the entry into and conduct of each of the respective processes. While the processes are different, various "actors" assume similar roles in each process. For all of the processes, which actor is responsible for each of the following:

- (a) A decision on any application to commence an insolvency process;
- (b) A primary determination as to whether a debtor's proposal should be adopted;
- (c) Confirmation of the primary determination as to whether a debtor's proposal should be adopted;

(d) For supervising the implementation of the insolvency process by the debtor.

Preventive Composition

Part a), the debtor can make the decision to seek to commence preventive composition.

Part b), the primary determination is made by an expert who is appointed by the court and is responsible for providing a report on the debtor's position, which should include the expert's opinion on whether the necessary criteria has been met.

Part c), the court is responsible for considering the primary determination and deciding whether to approve the preventive composition or not.

Part d), the trustee is responsible for supervising the implementation of a preventive composition.

Restructuring

Part a), restructuring can be initiated by either the debtor or a creditor.

Part b), the primary determination is made by an expert who is appointed by the court and is responsible for assessing the debtor's financial condition.

Part c), the court is responsible for considering the primary determination and deciding whether to make an order approving the bankruptcy procedure.

Part d), the trustee is responsible for supervising the implementation of the bankruptcy procedure and the debtor's restructuring.

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- a)The Court
- b)The debtor's unsecured creditors

Question 2.3 [maximum 2 marks]

Under the UAE Bankruptcy Law, for a debtor, what is the key difference between the circumstances which could give rise to an application to commence Preventive Composition or an application to commence Bankruptcy (whether leading to Restructuring or Liquidation)?

The key difference is that Preventive Composition is a debtor-led process where only the debtor can commence the process; however, the application for a debtor's formal Bankruptcy process can be commenced by either the debtor or by a creditor (or group of creditors) if that creditor (or group of creditors) is owed more than AED 100,000 and has given notice to the debtor to satisfy the debt and the debtor has failed to discharge the debt within 30 days of the notice.

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Question 2.4 [maximum 2 marks]

What is the key difference for a creditor regarding the commencement of Preventive Composition or Bankruptcy of a debtor?

In a Preventive Composition, a creditor may apply to the court for the trustee to be replaced (pursuant to Article 21 of the Bankruptcy Law). However, in a Bankruptcy procedure, a creditor is not entitled to apply to court for the trustee to be replaced (see Article 86 of the Bankruptcy Law).

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This answer demonstrates some confusion. Creditors have no right to compel a debtor to enter Preventative Composition. They may apply to the court to initiate bankruptcy if owed more than AED 100,000

QUESTION 3 (essay-type questions) [15 marks in total]

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Question 3.1 [maximum 5 marks]

Briefly explain the historical background to the introduction of the Bankruptcy Law. Describe which entities the Bankruptcy Law applies to and how it has been received and applied in the UAE.

Until 2016, insolvency legislation in the UAE mainland was undeveloped. Up to 2016, provisions in the Law No 18 of 1993 relating to commercial transactions (the "**Commercial Transactions Law**") were available as a basic mechanism for insolvency for those engaged in commerce, but these provisions were seldom used.

Then in 2009, Dubai World, which was an investment company owned by the Dubai Government, was facing the possibility of defaulting on debts. The Dubai Government was facing the possibility of what could have been the largest government default since 2001, but Dubai World managed to address its issues with its creditors; however, the experience of the potential disaster that could have arisen from Dubai World's debt defaults highlighted the need for a sophisticated and properly functioning insolvency regime in the UAE.

The Bankruptcy Law was then introduced in 2016, and was subsequently amended in 2019 and 2020. It has repealed the bankruptcy provisions of the Commercial Transactions Law (as referred to above) and it has put in place a consolidated insolvency regime which applies only to commercial insolvencies, not to consumer insolvencies.

The Bankruptcy Law has generally been welcomed by the commercial community; however, there are no official statistics available and there have only been a handful of insolvency processes conducted under the Bankruptcy Law. It is difficult to meaningfully assess how the Bankruptcy Law will apply in practice based on current information.

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Question 3.2 [maximum 8 marks]

If a debtor company seeks to enter bankruptcy, describe the ways in which the Court is required to be actively engaged in the Restructuring in Bankruptcy Process (assume that a restructuring is possible, that there are no unusual features to the bankruptcy, there are no secured creditors and there has been no criminal conduct by any person involved in the debtor). Your answer should provide references to the legislation.

In order for a Restructuring in Bankruptcy Process to take place, an application must first be made to the court for an order to commence the Bankruptcy Procedure against the debtor company. Such an application can be made by either the debtor company or a creditor (or group of creditors).

If it is the debtor company making the application to court to commence the Bankruptcy, the debtor must produce specified documents to the court and AED 20,000 to cover the costs of the Bankruptcy procedure.

If it is a creditor (or group of creditors) making the application to court, they must be owed more than AED 100,000, must have given notice to the debtor that requiring that it settles the debt and has not had the debt discharged by the debtor within 30 business days. The creditor (or group of creditors) must submit to the court, as part of the application, supporting evidence

of the debt and a copy of the notice of demand for payment, and must pay AED 20,000 to cover the costs of the Bankruptcy procedure.

Following the making of a bankruptcy application by either the debtor or a creditor, as described above, the court is required to appoint an expert from a panel of experts to assess the debtor's financial condition. Following the duly appointed expert's initial determination, the court will then make its own determination in deciding whether or not to approve the bankruptcy application. Pursuant to Article 78 of the Bankruptcy Law, the court shall determine the bankruptcy application within five business days of the application initiating the procedures, or within five business days of the expert's report, as the case may be. Further, pursuant to Article 78(2) of the Bankruptcy Law, if the court finds that the application satisfies the necessary requirements, the court shall accept the application and commence the bankruptcy.

Upon the making of a bankruptcy order, the court will be further involved as it is required, in accordance with paragraph 1 of Article 82 of the Bankruptcy Law, to appoint a trustee from among the experts nominated pursuant to paragraph 1(E) of Article 73 of the Bankruptcy Law. Further, pursuant to paragraph 2 of Article 82 of the Bankruptcy Law, the court may on its own accord elect to appoint more than one trustee over the debtor.

The court has an ongoing active role if a restructuring is being considered for the debtor. Whilst the trustee is required to prepare a report on the debtor's business and submit the report to the court, pursuant to Article 97 of the Bankruptcy Law, the court is required to review that report within 10 business days from the date of the report's submission to the court. As part of its review, the court is responsible for confirming that the report takes account of all creditor claims. Then, pursuant to Article 98, the court shall instruct the trustee to invite the debtor and creditors whose proofs have been accepted to attend one or more hearings for consideration of the report.

It is the court that ultimately decides whether the report and proposed restructuring of the debtor should be approved. If the court is satisfied that the debtor should be restructured, then under paragraph 3 of Article 98, the court may instruct the trustee to prepare a plan for the debtor's restructuring.

Once the trustee prepares a draft restructuring plan (the "**Draft Plan**") for the debtor, it is required to submit that Draft Plan to the court. Pursuant to Article 103, the court is required to review the Draft Plan to ensure it takes the interests of all parties into consideration. Further, the court can have further influence under Article 103 as it may instruct the trustee to amend the Draft Plan as deemed necessary by the court.

It can, therefore, be seen from some of the examples listed above, that in the scenario of a Restructuring in Bankruptcy Process, the court plays a very active role throughout the whole process from the commencement.

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Question 3.3 [maximum 2 marks]

In any insolvency system that involves the forced compromising of individual creditor claims, the requirement for court involvement is to ensure that the rights of all parties, including individual creditors, are being protected. The UAE Bankruptcy Law requires a high degree of Court involvement. Briefly describe (100-150 words) whether you consider that the level of Court involvement in approving a restructuring to be appropriate. Provide reasons for your answer.

Whilst there are benefits to Court involvement in approving a restructuring, I consider that the current level of Court involvement under UAE Bankruptcy Law is somewhat excessive. For example, where the trustee is required to submit a Draft Restructuring Plan (the “**Draft Plan**”) to the court for considering the interests of all parties, it could be more practical if a Draft Plan is reviewed by the debtor’s stakeholders first, at which point the stakeholders could propose modifications to the Draft Plan. Once the trustee and debtor can reach a compromise with the requisite threshold of stakeholders, it would then be practical at this juncture to approach the court with the Draft Plan for its final approval. This would be a good example of how to make more efficient use of the Court’s time and minimise the time and costs incurred by the trustee during the process.

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

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BNE LLC operates a restaurant chain in various locations in Dubai. It was a thriving and successful business but had to cease operations temporarily due to the effects of COVID-19. It has exhausted all available funds and has no cash to pay creditors. BNE LLC owns a restaurant site which is under development, but the development is not expected to be completed for several months. The site had been purchased by one of BNE LLC’s shareholders and was transferred to BNE LLC on the basis that payment for the site would be made by BNC LLC to the shareholder in full in 2025. In the meantime, the shareholder holds a mortgage over the property for the unpaid purchase price.

Answer the questions that follow:

Question 4.1 [maximum 5 marks]

The process of Preventive Composition requires adherence to a number of time-frames. Briefly outline the necessary steps and 10 specific steps that will determine the maximum time taken between making an application (the first step) and the registration of the scheme following final approval (the tenth and final step before its implementation).

Assume that: an expert’s report is required by the Court; there are no disputes about whether a creditor is accepted or not; there are no amendments to the proposed scheme by the Court; the scheme is accepted by the creditors without the requirement for any adjournment of the creditors’ meeting; the scheme is approved by the Court following the meeting; and there are no other extensions.

Step 1: The debtor makes an application to the court for a Preventive Composition procedure.

Step 2: The court appoints an expert to prepare a report on the debtor’s financial position. The report must be delivered by no later than 20 business days from the date of the expert being instructed to prepare the report.

Step 3: Within a period not exceeding five (5) business days from the date the expert’s report is submitted, the court approves the application, the Preventive Composition commences and the court appoints a trustee over the debtor. Any creditor may object to the appointment of the trustee within five (5) business days of the date of the publication of the appointment.

Step 4: Immediately on appointment, the trustee must carry out an inventory of the debtor’s assets and must produce a report on the same and submit this report to the court.

Step 5: Within five (5) business days of the trustee’s appointment, the trustee must publish a summary of the court’s decision to commence the Preventive Composition and invite creditors to file claims, giving them 20 business days’ notice to do so. Following the passing of the

creditor deadline, the trustee must prepare a list of claimants and lodge this with the court within 10 business days.

Step 6: The preventive composition scheme must be submitted to the court within 45 days from the date of the publication of the decision initiating the scheme, as referred to at Step 4. At the request of the trustee or the debtor, the court may extend this period by up to 20 business days.

Step 7: Within 10 business days from the date of submission of the draft scheme, the court must review the draft scheme.

Step 8: If it is satisfied with the draft scheme, the court will direct the trustee to issue notices to attend a creditors' meeting to discuss the proposed scheme, and such notices must be issued within five (5) business days.

Step 9: Once the scheme is approved at the creditors' meeting, the trustee is required to put the draft scheme before the court within three (3) business days for the court to approve or reject.

Step 10: Once the Preventive Composition Scheme is approved by the court, within seven (7) business days following the date of its approval, the trustee must register the court's decision confirming the approval in the governmental corporate register and publish a summary of the scheme.

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Question 4.2 [maximum 5 marks]

BNE LLC's creditors rejected the proposed Preventive Composition scheme after a process of nearly four months. During that time, creditors, including staff, were not paid. The owners consider that without creditor support, restructuring would be impossible and liquidation is the only option available. With specific reference to the facts described above, describe the process that would be followed as part of any liquidation and, in particular, considering who could be appointed as trustee.

Following rejection of the proposed Preventive Composition scheme, the meeting of creditors is to be adjourned for seven (7) business days pursuant to Article 47 of the Bankruptcy Law. If the requisite threshold of creditor votes is not received at the adjourned meeting to approve the Preventive Composition scheme, it will be deemed rejected.

Pursuant to Article 64 of the Bankruptcy Law, following rejection of the scheme, the court would proceed to issue a judgment terminating the Preventive Composition Plan and declare bankruptcy of BNE LLC. This will terminate the appointment of BNE LLC's Preventive Composition trustee, unless the court decides that the same trustee be kept on as the trustee for the bankruptcy procedure.

If an alternative trustee is to be appointed for BNE LLC's bankruptcy procedure, such person must be either nominated by BNE LLC or a person enrolled in the table of experts appointed by the Financial Restructuring Committee. The trustee appointed can be a natural or legal person. Up to three (3) trustees may be appointed to act jointly at any one time. The trustee appointed may not be any person who meets the criteria set out in Article 64 of the Bankruptcy Law.

The court acting in the Preventive Composition plan shall continue to act as the court implementing BNE LLC's bankruptcy procedure.

There are two options available to BNE LLC following the commencement of its bankruptcy procedure:

- i. Company restructuring; or
- ii. Liquidation of its assets.

It is unlikely that BNE LLC would be able to achieve a restructuring in this instance given the fact that the majority of creditors already rejected a proposed arrangement under the Preventive Composition Plan. Further, BNE LLC's only known asset is the restaurant site, which is subject to a mortgage granted in favour of BNE LLC's shareholder, and it is stated that BNE LLC has no cash to pay creditors; therefore, there are no known assets from which a feasible restructuring plan could be proposed. Given that the court has terminated the Preventive Composition Plan and given the above information, BNE LLC would be subject to a liquidation of its assets.

All of BNE LLC's correspondence moving forward must state that it is subject to a bankruptcy order.

The duly appointed trustee must advertise their appointment within three (3) business days in accordance with Article 128 of the Bankruptcy Law. The trustee is then required to liquidate BNE LLC's assets by public auction and under the court's supervision. Although, the only known asset of BNE LLC is the mortgaged property, and so the secured creditor (BNE LLC's shareholder) may seek to enforce security to take possession of the restaurant site.

The trustee must report to the court on a monthly basis in relation to the bankruptcy and specifically on the progress of the liquidation of BNE LLC's assets

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Question 4.3 [maximum 5 marks]

BNE LLC incorporated and registered a fully-owned subsidiary company in the DIFC to operate a restaurant in the DIFC. The subsidiary is called BNE Limited and it is incorporated as a DIFC company. BNE Limited is also unable to pay its debts. What actions can BNE Limited's creditors take if they wish to see BNE Limited liquidated in the DIFC? In particular, who can take such actions and what steps would have to be taken? If BNE Limited was to be wound up, who would be responsible for it and what process would be adopted for addressing creditor claims in the winding up?

In the DIFC, BNE Limited may enter into liquidation either by voluntary liquidation or by compulsory liquidation. For a voluntary liquidation, specifically a creditors' voluntary liquidation (for insolvent companies) given that BNE Limited cannot pay its debts, BNE Limited's shareholder (being BNE LLC) must pass a resolution to wind it up.

However, from a creditor's perspective, if BNE LLC does not instigate the voluntary liquidation process and pass the shareholder's winding up resolution, the option for BNE Limited's creditors is to make an application to court for its compulsory winding up. For a creditor to make such an application, they must be owed a debt by BNE Limited of at least USD 2,000. It should be noted that other persons able to apply to court for a compulsory winding up order against BNE Limited is the company itself or its directors. Pursuant to section 84 of the DIFC Insolvency Law, the court may, if it considers it to be just and equitable to do so, make an order to wind up BNE Limited.

It will be stated in the court order winding up BNE Limited who is to be the liquidator. The liquidator may then choose to continue as liquidator or may summon a meeting of BNE Limited's creditors and contributories for the purpose of choosing a liquidator.

The liquidator may then call for creditors to prove their claims, by which each creditor must submit their claim in writing to the liquidator, detailing the claim amount and providing the necessary supporting information as evidence of the claim. The liquidator may then either admit or reject (in whole or in part) any proofs of debt submitted by creditors for the purposes of determining whether or not to make a payment to each creditor. If any creditor is dissatisfied with the decision of the liquidator's adjudication of their claim, the creditor may appeal that decision within 21 days from the date of receiving notice of the liquidator's decision.

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*** End of Assessment ***