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## **Intra-group financing and enterprise group insolvency: problems, principles and solutions**

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# Intra-Group Financing and Enterprise Group Insolvency

*Problems, principles and solutions*

I. KOKORIN

What do Lehman Brothers, Nortel Networks and Oi Brazil have in common, apart from the fact that they were or remain large multinational enterprise groups that faced insolvency at some point? They are characterised by the integrated nature of their business, facilitated through elaborate networks of intercompany financial arrangements. Some of these arrangements ‘perforate’ limited liability (e.g. cross-guarantees), while others closely tie the fates of separate group members (e.g. intra-group loans, centralised cash management, intercompany cross-defaults). Consequently, the idea of legal separateness, which underpins modern insolvency law, hardly reflects present-day economic realities. This book examines prevalent intra-group financial transactions and explores their influence on and treatment in insolvency within groups of companies. It highlights inherent problems, discusses underlying legal principles, and offers targeted solutions. These solutions are based on a comprehensive analysis of contemporary commercial practices and the legal tools offered by three prominent restructuring jurisdictions: the UK, the USA, and the Netherlands.

The book will be of interest to (i) academics and students studying insolvency law and corporate finance, as it discusses theory and principles of insolvency law, financial transactions and bank resolution, (ii) judges, practicing lawyers and insolvency practitioners, as it describes modern restructuring practices and recent case law from three important restructuring hubs, and (iii) policymakers, as it offers suggestions on how law can be further developed and improved.

*This is a volume in the series of the Meijers Research Institute and Graduate School of the Leiden Law School of Leiden University. This study is part of the Law School’s research programme ‘Coherent Privaatrecht’.*