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In This Issue:

SG Emerging as Asia's Restructuring Hub

By Dhevine Chandrapala, Kieran Sharma, Ibrahim Babiker

Singapore has seen developments as a restructuring hub in Asia, offering a robust legal framework and a pragmatic judiciary supporting complex, cross-border corporate restructurings. Recent decisions which have shaped Singapore's restructuring jurisprudence include the first pre-pack scheme to be sanctioned by the Singapore International Commercial Court (SICC) in *No Va Land* (NVL), the recognition of an Indonesian PKPU in Singapore in *PT Garuda* and recently, the first successful cross-class cram down (CCCD) in *GP Global APAC*.

Looking ahead, Singapore is considering reforms to its CCCD regime which could potentially enhance its appeal as a restructuring forum.

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Ongoing Woes Prompt Oi's Pivot

By Christopher Patalinghug

Few cases illustrate the interplay between national laws and global financial distress like that of Oi S.A., one of Brazil's largest telecommunications companies. Oi's foreign representative, Rodrigo Caldas de Toledo Aguiar, has asked the United States Bankruptcy Court for the Southern District of New York to terminate the ongoing Chapter 15 recognition proceedings and dismiss them outright so the company may seek to restructure in Chapter 11. This novel request underscores Oi's bid to escape the limitations of Brazilian bankruptcy law and unlock the full potential of a U.S. Chapter 11 restructuring.

Oi has endured two judicial reorganizations (*recuperação judicial*, or RJ) under Brazil's Federal Law No. 11.101 since 2016. The first, confirmed in 2018, cut the telecom giant's debt from R$65 billion (about US$11.86 billion) to R$35 billion (US$6.39 billion) by 2022, with a 2020 amendment providing further relief. Yet, industry headwinds—declining demand for legacy services, regulatory burdens,

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Processes in Singapore

Singapore's restructuring regime includes two court-supervised processes: (i) a scheme of arrangement, and (ii) judicial management. The legislative regime for a scheme of arrangement is largely consistent with Part 26 of the Companies Act 2006. Judicial management is a form of insolvency protection that allows the court to appoint a judicial manager to temporarily take control of a company, to rehabilitate the business or achieve a better outcome for creditors than liquidation.

Pre-pack Schemes in Singapore

NVL's restructuring was the first cross-border pre-pack scheme to have been sanctioned by the SICC. Under the scheme, NVL extended the maturity of US$300 million bonds following a default amid financial distress in Vietnam's real estate sector.

Unlike other jurisdictions, the SICC can sanction a scheme without first convening a meeting of creditors to vote, subject to requirements concerning fairness, adequacy of information given to creditors and compliance with other procedural safeguards. The SICC's ability to sanction a scheme without convening of a creditor meeting meant the scheme was sanctioned only 15 days after case commencement – considerably quicker than the typical timeframe for schemes in other jurisdictions.

CCCD in Singapore Schemes

Although Singapore has had CCCD as part of its framework since 2017, it had not been tested prior to this year. Relative to other jurisdictions with CCCD, Singapore has a higher voting threshold — as illustrated by the table below.

Compared to a UK Restructuring Plan which does not have a numerosity requirement and its thresholds of: (a) at least one class of creditors who would receive payment/have a genuine economic interest in the company in "the relevant alternative" voting for the plan; and (b) that none of the dissenting class would be any worse off under the plan than they would be in the event of the "relevant alternative" are more easily discernible than the 'fair and equitable' test in Singapore.

GP Global APAC and Future Reforms

The approval of *GP Global APAC's* restructuring in April 2025 was the first successful application of the CCCD mechanism since the tool was introduced.

GP Global APAC's scheme comes when Singapore's Ministry of Law is considering reforms to make the CCCD process more accessible, notably, by: (a) removing the numerosity requirement, so only the 75% in value threshold is needed, and (b) extending cram-down to shareholders — thus reflecting economic realities and preventing minority shareholder hold-outs.

The Ministry published a consultation paper in March 2025, with the timing for such proposed reforms becoming law presently unclear. Other proposed reforms

	Singapore Scheme	UK Restructuring Plan	US Chapter 11
Voting thresholds for approval	A majority in number of creditors representing 75% in value, and who were present and voting	75% in value of a class of creditors present and voting	At least two-thirds in value and more than half in number of creditors voting in each class
CCCD conditions	1. Court is satisfied that the scheme does not discriminate unfairly between 2 or more classes of creditors; and 2. Court considers the scheme is fair and equitable to each dissenting class.	1. No member of the dissenting class would be any worse off under the plan than under the 'relevant alternative'; and 2. At least one class that would receive a payment or would have a genuine economic interest in the company in the event of the relevant alternative has voted for the plan.	1. "Fair and equitable" treatment of creditors is required – the plan must not discriminate unfairly against dissenting classes of creditors. The absolute priority rule applies.

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include: (i) strengthening the judicial management regime, (ii) refining the framework and tools for efficient debt restructurings and (iii) adopting the UNCITRAL Model Laws on Enterprise Group Insolvency and Recognition and Enforcement of Insolvency-Related Judgments.

Should the proposals for CCCD be adopted, and the ecosystem around valuation further develop (which is critical for CCCD), it will be more attractive for debtors to use Singapore's CCCD and the jurisdiction will further develop as a restructuring jurisdiction for South East-Asia.

Other Notable Developments

On January 18, 2024, the SICC handed down its first insolvency-related judgment, recognizing the Indonesian PKPU restructuring of PT Garuda Indonesia as a foreign main proceeding in Singapore, under the UNCITRAL Model Law on Cross-Border Insolvency. In doing so, the Singapore court adopted the US approach to recognition, by allowing for broader enforcement of foreign insolvency judgments.

Article 6 of Singapore's insolvency legislation adopts the Model Law and empowers a court to refuse to take action under the legislation if it would be contrary to the public policy of Singapore. Creditors objected to the recognition application on grounds of alleged breaches of public policy and due process, arguing that recognition of the PKPU proceeding would be contrary to the public policy of Singapore under Article 6. Creditors argued the PKPU proceeding and voting on the Composition Plan (i) were conducted without equitable treatment of creditors (in particular, involving dissimilar treatment amongst unsecured creditors who voted as a single class) and (ii) was conducted without adequate disclosure of information. The SICC held that these objections were factually and legally unsustainable — the facts did not raise any concerns regarding due process rights and creditors' arguments were in substance directed at the content of substantive Indonesian insolvency laws and the merits of the sanctioning of the Composition Plan by the Indonesian court. The SICC emphasized that the threshold for denying recognition on public policy grounds under Article 6 is the same as under the Model Law, despite Article 6 not importing a requirement for recognition to be "manifestly" contrary to public policy.

The decision provides useful guidance as to the scope and application of the public policy exception to the recognition of foreign judgments in Singapore and comfort to foreign debtors seeking to implement cross-border restructurings using Singapore processes.

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