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The offshore agenda

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Guernsey: innovating pre-packs

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The term 'innovative' is perhaps overused but a recent case in Guernsey deserves such description. Guernsey has a well-established insolvency regime under which administration orders can be obtained with many similarities to court-based solutions in other jurisdictions.

The country took a leap forward recently, though, in the case of *Esquire Realty Holdings Limited*. This was the first occasion where the Guernsey courts had to consider an application for a company to be placed into administration with an intended pre-packaged sale by the administrators of the company's assets immediately thereafter.

Unlike England, there is no statutory framework in Guernsey for 'pre packs', but its insolvency laws are flexible enough to provide for the same effect.

The company was at the head of one of the UK's largest providers of healthcare services to the elderly and vulnerable. The order coupled with a rare privacy 'gag' ensured that the prospect of disruption to care services and the 'real risk' of distress being caused to residents and families was minimised.

The case exemplifies the dynamic approach the Guernsey courts take in applying a flexible statutory regime in a commercial context. It is a groundbreaking example of a robust and effective insolvency solution in a context of extreme commercial and, indeed, human, sensitivity.