



EuroResource— DEALS AND DEBT

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For the benefit of our clients and friends investing in European distressed opportunities, our European Network is sharing some current developments.

Recent Developments

The Netherlands—On 5 September 2017, the Ministry of Justice and Security of the Netherlands published its second draft of the Continuity of Enterprises Act II, which would enable debtors in the Netherlands to restructure their debts and avoid bankruptcy through the incorporation of a plan in an out-of-court process, while providing the ability to seek the court's intervention to impose the plan on dissenting creditors and shareholders. The draft bill is often colloquially referred to as the "Dutch Scheme", after its UK counterpart. While proposing the plan, the debtor is entitled to certain protections against involuntary bankruptcy petitions and other adverse creditor actions, albeit for a period of four months maximum. The Dutch Scheme is a highly flexible instrument that can be tailored to the needs of the debtor, as the formal requirements of the proceeding are limited. The Dutch Scheme also includes opportunities for creditors: While they are not entitled to propose a plan themselves, they can trigger the appointment of an "expert" that would then be exclusively authorized to propose a plan. Although framed as an out-of-court restructuring regime, the proposed legislation in many ways mirrors the US chapter 11 framework and provides major restructuring opportunities for corporations with interests in the Netherlands/European Union.

Germany—Major German insolvency law reforms designed to facilitate corporate group insolvencies will become effective on 21 April 2018. When the reforms come into force, they will supplement and complement the Recast European Union Insolvency Regulation that became effective on 26 June 2017. The new German legislation will permit corporate group insolvencies with individual proceedings, on an entity-by-entity basis, presided over by a single German insolvency court and administered by a single insolvency administrator, unless a unitary approach is impracticable. In the case of impracticability, the courts and administrators involved are obligated to cooperate for the purpose of coordinating the separate proceedings. A more detailed discussion of the reforms is available [here](#).

On 26 June 2017, a new Money Laundering Act came into force in Germany providing for the creation of a Beneficial Ownership Register (*Transparenzregister*, "BOR"), where certain beneficial ownership information is to be registered. The BOR is an official, electronic register established and maintained by or on behalf of the Federal Republic of Germany. Private legal persons (*juristische Personen des Privatrechts*), such as a GmbH or an AG, as well as partnerships registered with the commercial register (*eingetragene Personengesellschaften*) and trustees of trusts (collectively, "Obligors"), are obligated to file with the BOR specific information regarding beneficial ownership. Obligors were required to comply with this registration requirement no later than 1 October 2017. The BOR will be available for inspection as of 27 December 2017. A more detailed discussion of the new legislation is available [here](#).

The European Union—The European Commission ("Commission") recently published a legislative proposal that seeks to establish a screening framework across the European Union for foreign direct investment ("FDI") that may affect security or public order in EU Member States. In addition to laying down the framework for reviews carried out by Member States, the proposal includes the possibility for the Commission to review specific investments. Whereas nearly half of the EU Member States currently have an FDI screening mechanism in place, the rest do not. Importantly, the proposal does not require Member States to adopt or maintain a screening mechanism for FDI. Its objective is to create an enabling framework for Member States that already have or wish to put a screening mechanism in place, and to ensure that any such screening mechanism meets certain basic requirements. A more detailed discussion of the proposal can be found [here](#).

Italy—In the wake of recent foreign investments in certain Italian blue chip securities, the Italian government issued Law Decree No. 148 of 16 October 2017 ("Decree"), which introduced new sweeping disclosure requirements triggered by the acquisition of qualified

interests in Italian-listed issuers. The Decree also expanded the so-called "golden powers" that the Italian government can exercise with respect to Italian companies operating in certain strategic industries. A more detailed discussion of the Decree can be found [here](#).

On 13 October 2017, CONSOB (the Italian securities market regulator) issued a set of long-awaited Guidelines aimed at providing Italian-listed issuers operational guidance and best practices regarding the proper implementation of the principles set forth by Regulation (EU) No. 596/2014 on market abuse in connection with inside information. The Guidelines have been developed using a one-size-fits-all approach that has an "average issuer" in mind and therefore, when implemented, should be adapted on a case-by-case basis. A more detailed discussion of the Guidelines is available [here](#).

The United Kingdom—The UK government recently announced plans to introduce new legislation that will give it greater scrutiny over deals raising national security concerns and foreign takeovers of businesses trading in the United Kingdom. This delivers on the commitment made in the Queen's speech earlier in 2017, where Prime Minister Theresa May announced that she would strengthen the government's powers to scrutinize certain foreign investments and intervene where it sees fit. The government's plans are available for open consultation until 9 January 2018. A more detailed discussion of the proposals is available [here](#).

Belgium—The regulation of real-estate investment trusts ("REITs") in Belgium, which is governed by the Law of 12 May 2014 and the Royal Decree of 13 July 2014 ("REIT Regime"), has been amended by the Law of 22 October 2017 ("Amending Law"). The Amending Law makes significant changes to the REIT Regime, easing restrictions and opening new doors for both public and institutional REITs. The REIT Regime covers both public and institutional REITs. The main modifications made to the REIT Regime by the Amending Law concern REITs' authorized activities, which were previously restricted to the real estate asset class. The Amending Law opens up new horizons for REITs by lifting this limitation. This broadened scope reflects recognition of the knowledge and expertise of public REITs, combined with their long term investment horizon, which makes them particularly suitable investors in other asset classes. A more detailed discussion of the Amending Law is available [here](#).

France—The French Financial Market Authority ("AMF") recently issued a consultation paper warning investors about the risks associated with initial coin offerings ("ICOs"), including the current lack of regulation, absence of guarantee of capital invested, inadequate documentation, fraud and money laundering risks, volatility risk and the early character of the projects. French regulators are confronting the challenges associated with the emergence of ICOs and distributed ledger technology ("DLT"). The AMF defines an ICO as a fundraising transaction realized through a DLT resulting in the issuance of tokens. In its consultation paper, the AMF does not qualify ICOs or tokens under French law but analyzes how they might fall within the scope of the French regulatory framework. A more detailed discussion of the AMF's consultation paper is available [here](#).

Newsworthy

Jones Day advised GCA Altium and Liberum in connection with Footasylum plc's ("Footasylum") initial public offering ("IPO") of ordinary shares on the Alternative Investment Market of the London Stock Exchange. Footasylum is a UK-based fashion retailer focusing on the branded footwear and apparel markets. The IPO values Footasylum at £171.3 million and raised proceeds of £65 million. GCA Altium acted as nominated adviser and financial adviser, and Liberum acted as sole bookrunner.

Jones Day is advising Owens Corning in connection with the acquisition of Paroc Group, a leading European producer of mineral wool insulation for construction, from CVC Capital Partners for an enterprise value of approximately €900 million (US\$1.04 billion). In connection with the acquisition, Jones Day also advised Owens Corning on its entry into two term loan agreements with JPMorgan Chase Bank, N.A for US\$900 million. The transaction, which is subject to regulatory approvals and other customary conditions, is anticipated to close in early 2018.

Jones Day is advising Hexagon AB in connection with its acquisition of Luciad, a Belgium-based software company specializing in the visualization and analysis of real-time geospatial information. The deal was announced on 4 October 2017. The sellers are a consortium controlled by GIMV, a Belgium-based private equity and venture capital firm. Hexagon AB is a Sweden-based global provider of information technology solutions with 18,000 employees in 50 countries and net sales of approximately €3.2 billion.

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