



## FOR IMMEDIATE RELEASE

***INSOLVENCY LEGISLATION: Can  
businesses impacted by COVID 19 be restructured & rescued....  
DBJ-JVCAPITAL & CARAIA Series of Webinars***

**KINGSTON, July 7** –: “It is fundamental to investors that insolvency legislation be in place and that we have these safety nets as part of a mature economy,” said attorney Howard Mitchell, Immediate Past President of the PSOJ, at JVCAPITAL’s fifth Alternative Investments webinar on Tuesday.

Mitchell told the online audience that the Jamaican business community needs to begin removing the culture of shame associated with failure. “We can learn from the Finsac era and the harshness with which we judged businesses that failed then. We still haven’t gotten rid of the trauma of Finsac.” “In these uncertain times, I encourage financial institutions to build public awareness and sensitization about insolvency and bankruptcy,” said Mitchell.

Other business and legal experts on the panel were: Justice Ferdinand Smith, Supervisor at Office of the Supervisor of Insolvency, Myers Fletcher & Gordon partner, Hilary Reid, and Barnaby Gowrie, Partner at Walkers Law, Cayman. Dennis Chung, CEO of Supreme Ventures Services Ltd, moderated the discussion on the viability of restructuring and rescuing one’s business in a post-pandemic economy.

Justice Ferdinand Smith, Supervisor at Office of the Supervisor of Insolvency explained: “The Insolvency Act is meant to assist persons who have honestly tried to rescue their business but are having a hard time. The Act is aimed at restructuring and for the business to have a new beginning.”

Explaining the role of insolvency legislation in rescuing Jamaican debtors, Hilary Reid, Partner at Myers Fletcher & Gordon, said it allows them a chance to attempt a turnaround. She noted also that “The Act provides scope for debtors to be able to say to their creditors: ‘If you give me additional financing and we get the court’s blessing in relation to that, you could get security over my assets that is above any existing security that I have given.’”

Barnaby Gowrie, Partner at Walkers, Cayman, who, like Justice Smith, joined via webchat, underscored the importance of restructuring an insolvent business. “Restructuring is really a vital tool that needs to be considered when looking at viable businesses that want to come through the other side of this storm,” he said. “If you can allow a business to restructure outside of a liquidation, the likelihood of that business succeeding is increased, jobs are preserved, and creditors are going to get a higher return.”

“Apple was on the verge of bankruptcy in 1997 and has become one of the biggest companies in the world today,” said Dennis Chung, in listing recent bankruptcies like Hertz, Neiman Marcus and JC Penny.

**JVCAPITAL**, a Unit of the **Development Bank of Jamaica**, hosts its 7-part series, **Building the Economy: with funding through Alternative Investments**, in collaboration with the Caribbean Alternative Investment Association (**CARAIA**) every Tuesday through July 21.

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