Financial Restructuring

A practical overview of **navigating financial distress in the UAE**: creditor negotiations, restructuring, bankruptcy protection, and liquidation.

CORE AREAS

EARLY ASSESSMENT

Financial distress should be assessed before enforcement begins. Warning signs may include unpaid suppliers, delayed salaries, bounced payments, tax arrears, rent defaults, bank pressure, and creditor claims.

CREDITOR NEGOTIATIONS

Many financial disputes can be resolved through settlement agreements, payment plans, standstill arrangements, debt restructuring, or asset sales. Clear documentation is essential to avoid later enforcement or repeat disputes.

COURT RESTRUCTURING

Federal Decree-Law No. 51 of 2023 provides formal procedures for financial restructuring and bankruptcy matters. These processes are designed to support viable businesses while balancing creditor rights.

LIQUIDATION

If restructuring is not possible, liquidation may be required. This may involve asset realization, creditor claims, employee dues, tax matters, license cancellation, and formal closure of the business.

KEY CONCEPTS

DIRECTOR & MANAGER RISK

Directors and managers should act carefully when a company is in financial distress. Preferential payments, asset transfers, concealment of records, or continued trading without a realistic repayment plan may create legal exposure.

RESTRUCTURING TOOLS

- Payment plans and settlement agreements.
- Standstill or moratorium arrangements.
- Court-supervised restructuring.
- Liquidation proceedings where recovery is no longer viable.

Can your business find a way forward?

Our team can guide you through creditor negotiations, debt restructuring, insolvency proceedings, and liquidation.

BOOK A CONSULTATION ↗

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