

Cross-Border Restructurings: Cayman Islands Court Reinforces Commitment to Court-to-Court Communications

The Cayman Islands Grand Court (the "Court") has a long history in ensuring that it will cooperate and assist in facilitating cross-border insolvency and restructuring matters. This will be the case where the Cayman Islands plays a smaller role in the overall global picture, going at least as far back as the BCCI liquidations, or where the Cayman Islands is front and centre in driving the process, such as the very recent Ocean Rig restructuring.

Building on this long history, is the restructuring of the Chilean-based airline, LATAM, which includes a US Chapter 11, Cayman Islands restructuring provisional liquidation and Chilean proceedings. The Court has, for the first time we are aware, approved a direct court-to-court communication protocol.

The approval reinforces that the Court will ensure that it assists other courts in facilitating a global solution to company rescue.

The Court approved prior judicial comment that *"it is our duty and our pleasure to do all we can to assist the [foreign court], just as the [Cayman Islands court] would expect the [foreign] court to help us in like circumstances"*.

Prior to approval of the LATAM protocol, questions had been raised in some quarters whether there

was a jurisdictional basis for the Court to communicate directly with foreign courts. The Court confirmed that any debate in this area had been put to bed given the formal adoption by the Cayman Islands, in a 2018 practice direction, of the Judicial Network Guidelines for Communication and Cooperation between Courts in Cross-Border Insolvency Matters.

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