

Press Release

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Contact: Gilbey Strub, +44 207 743 9334, gstrub@ehya.com

EHYA Welcomes UK Government Call for Consultation on Company Rescue

London, 22 April 2009 – The European High Yield Association (EHYA), an affiliate of the Securities Industry and Financial Markets Association, today welcomed the UK government’s call for a consultation on company rescue. The government’s 2009 budget directs the Insolvency Service to call for a consultation on:

- providing new super priority lending to companies in company voluntary arrangements (CVA) or administration, and
- extending the moratorium on creditor action against small companies trying to agree a CVA to medium and large companies, so giving them breathing space to try to reach agreement with creditors.

Gilbey Strub, managing director of the EHYA, said, “On the whole, these initiatives are welcome, but they are really just a step down a road going in the right direction.”

“It’s positive that the government recognizes the importance of super priority financing. It’s also a good sign that the government is broadening the range of situations in which a stay can operate, although we would encourage the government to travel a little farther down that road. The stay won’t be meaningful within the CVA unless there is a process for dealing with valuation disputes and an ability to vary the enforcement rights of secured creditors.”

“A recent EHYA/UCL roundtable on insolvency reform allowed a range of experts in the field to begin debating the issues. We would encourage the government to build on that dialogue and broaden the scope of the consultation to work toward a restructuring regime that is fit for purpose, globally competitive and saves jobs.” For a record of the EHYA/UCL roundtable proceedings prepared by the Insolvency Service, [click here](#).

“In the interim, we look forward to working with the Insolvency Service to bring our mutual expertise to bear on an important topic at a critical juncture.”

The **European High Yield Association**, an affiliate of the Securities Industry and Financial Markets Association (SIFMA), is a non-profit trade association representing participants in the European leveraged credit market, including banks, investors and professional advisors. The EHYA is an independent, self-funded forum of SIFMA. For more information, visit www.ehya.com.

The Securities Industry and Financial Markets Association brings together the shared interests of more than 600 securities firms, banks and asset managers. SIFMA's mission is to promote policies and practices that work to expand and perfect markets, foster the development of new products and services and create efficiencies for member firms, while preserving and enhancing the public's trust and confidence in the markets and the industry. SIFMA works to represent its members' interests locally and globally. It has offices in New York, Washington D.C., and London and its associated firm, the Asia Securities Industry and Financial Markets Association, is based in Hong Kong.