Key Considerations for Businesses Planning a Reorganisation or Share Restructure

Preparing some key information before speaking to a solicitor can help your advisers understand your objectives, identify potential complications and determine the most appropriate way to structure the proposed changes.

Your Objectives
Be clear about what you want the reorganisation or share restructure to achieve. This could include preparing for investment, simplifying a group structure, changing ownership, separating business activities or planning for succession.

Your Current Business Structure
Have an up-to-date overview of the companies, shareholders and group entities involved. A simple group structure chart and details of current shareholdings can help your solicitor understand the existing arrangements quickly.

Future Ownership and Shareholder Rights
Consider who should own the business following the restructure and whether different shareholders will require different voting, dividend or capital rights. This will help determine whether new share classes or updated shareholder arrangements are needed.

Tax and Accounting Advice
Consider whether you have already taken tax or accounting advice on the proposed changes. Corporate reorganisations can have significant tax implications, so legal and tax advisers will often need to work together.

Existing Corporate Documents
Gather copies of the company's articles of association, shareholders' agreements and relevant statutory records. These documents may contain provisions that affect how the proposed changes can be implemented.

Finance and Security Arrangements

Identify any loans, finance facilities, guarantees or security involving the companies affected. Lender consent may be required before certain changes to ownership or group structure can take place.

Key Contracts and Third-Party Consents

Consider whether important contracts contain change of control provisions or restrictions on transferring shares, assets or business activities. Identifying any required consents early can help avoid delays.

Valuations and Funding

Think about whether any shares or business interests need to be valued and how any payments will be funded. This may be particularly relevant where shares are being bought back or transferred between shareholders.

Timing and Wider Transactions

Let your solicitor know about any important deadlines or related transactions. A reorganisation may need to be completed before an investment, refinancing, acquisition, sale or succession event.

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