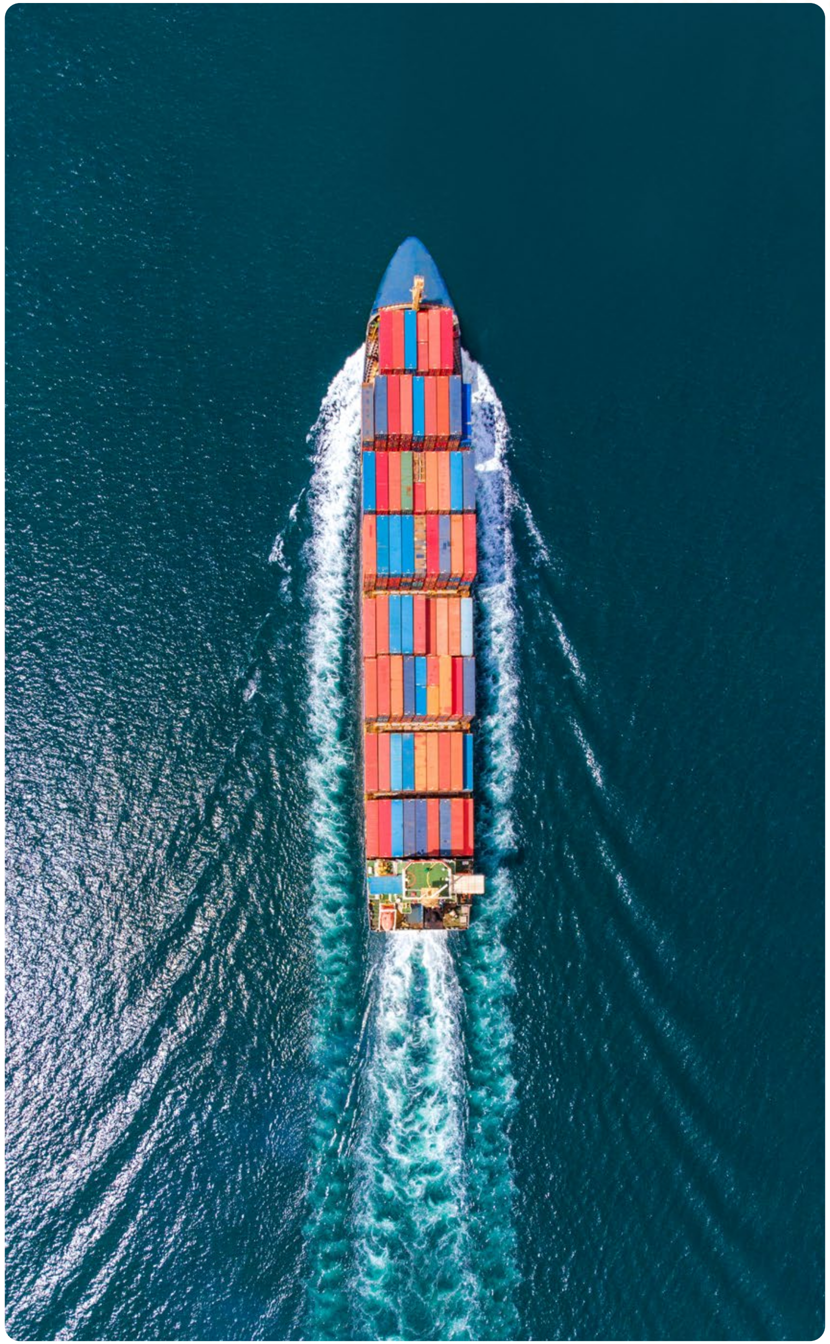

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Market Intelligence

SHIPPING
2023

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Bermuda

Jeremy Leese is a director of MJM Limited and head of the corporate and finance department. Jeremy's practice focuses on corporate finance, mergers and acquisitions, ship and asset finance, banking, capital markets, project finance, international real estate finance and corporate reorganisations, as well as regulatory and legislative compliance.

Following qualification with a magic circle firm in the UK, Jeremy practised corporate law there for four years before a move in 1999 to a leading offshore law firm and working in their Bermuda, Hong Kong, Jersey and British Virgin Islands offices. He returned to Bermuda with MJM 11 years ago. Jeremy contributes to numerous publications and has spoken at seminars in Bermuda and overseas. He is ranked by *Chambers, The Legal 500* and *IFLR1000*.

Brian Holdipp is counsel to the corporate and finance department at MJM Limited. His practice encompasses many areas of general corporate and commercial law, with expertise in securities, M&A, corporate restructurings, corporate redomiciliations and cross-border financing (with a specialism in ship finance). He also advises on partnership and regulatory law, being at the forefront of advising on compliance with Bermuda's economic substance legislation. Brian has practised in Bermuda and in the Singapore office of another leading offshore law firm, and has also acted as legal consultant to the Bermuda Monetary Authority. Brian is ranked by *Chambers, The Legal 500* and *IFLR1000*, is a regular contributor to legal guides and has participated as a key panel speaker at an international shipping conference put on by a widely respected industry publication.

1 What is the current state of the shipping industry in your country?

For over 50 years, the shipping industry in Bermuda has played a key role in placing the island on the international business map. Today, Bermuda is a thriving centre for international ship financing and registration. Over the years, many of the world's leading ship owners, managers and related professionals and financiers have developed close relationships with Bermuda; this collaboration has resulted in creation of financial structures that are tailored to the specific requirements of the shipping industry.

There have been two major developments in Bermuda over the years in relation to shipping – first, Bermuda has been used increasingly as the base for the shipping industry in terms of incorporation and management, as well as for registration; and secondly, restructuring of shipping groups (from a corporate and financial perspective) has utilised Bermuda as the jurisdiction of choice.

There are several reasons why Bermuda is a leading centre and a jurisdiction of choice for the shipping industry:

- a sophisticated and stable regulatory framework;
- excellent shipping industry expertise;
- an advanced IT and communications infrastructure;
- the legal system is derived from English common law, allowing a final appeal to be made to the House of Lords, sitting as the Privy Council;
- good banking, computer, legal and accounting services;
- an efficient and well-run shipping registry that can operate on a 24-hour basis to accommodate clients, making Bermuda a very user-friendly jurisdiction for the shipping industry;


Jeremy Leese Brian Holdipp

- low port state control detention figures, as Bermuda ships are considered low-risk vessels and, accordingly, are inspected less frequently than others;
- Bermuda government is committed to the adaptability of Bermuda's laws so that the requirements and demands of international clients are always met;
- no income tax or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax is applicable to a Bermuda exempted company; and
- no exchange controls.

The Bermuda Shipping and Maritime Authority (BSMA) maintains a high-quality international ship registry that takes pride in the high standard of its fleet and works to provide support and value to its customers. The Authority is certified to ISO:9000:2015 standard.

> "Thus far in 2023, we have seen green shoots in the capital markets evidenced by the initial public offerings of Bermuda-incorporated shipping companies in Oslo and in New York, respectively."

The Bermuda ship registry accepts vessels on the main register, those registered on the demise register with the underlying registry in another jurisdiction and the ship flying the Bermuda flag (demise 'in') and those registered on the demise register with the underlying registry in Bermuda and the ship flying the flag of another state (demise 'out'). The demise register can be a valuable option for owners as it allows separation between the register of title and encumbrances, and the flag jurisdiction, which can be beneficial for commercial reasons.

The flag of Bermuda has numerous benefits:

- Bermuda is a well-established international flag of high standing with prolonged membership of the Paris and Tokyo MOU Whitelists as well as the United States Qualship 21 programme, which reduces the likelihood of a vessel being inspected in these jurisdictions;
- the Bermuda Ship Registry is a member of the Red Ensign Group of ship registries, the world's ninth-largest registry grouping, so vessels enjoy protection of UK and allied navies and ship owners can seek the support of British embassies and consulates;
- Bermuda has a strong and clear legal system based on English maritime law and has comprehensive maritime legislation, and mortgages are registered with a clear position on priority of mortgages;
- Bermuda registers vessels of any type, age or size provided that they meet the required standards, the registered owner is not required to be incorporated in Bermuda and a streamlined service is provided with fast turnaround available at all times;
- our registry aims to ensure that our fee structure and rates remain competitive;
- statutory surveys can be delegated to classification societies, with audits and inspections carried out by the registry's own experienced surveyors worldwide, thereby ensuring consistency, high standards, continued safety and a rapid response globally;
- the BSMA's in-house expertise across time zones enables it to give timely response to technical queries 24/7, with their focus on assisting the efficient, economic and compliant operation of ships, aware of the commercial and operational requirements of the ship owner; and
- the BSMA's expert surveyors are available 24/7 to assist with port state control matters to avoid delay.

2 What are the prevailing shipping market trends affecting your country? What has been the impact of the covid-19 pandemic?

The maritime industry as a whole was affected in different ways by the covid-19 pandemic. Some of those companies whose services were required to transport goods around the world found themselves busier than ever. Others, like the cruise ship companies, saw their businesses decimated as the tourism industry collapsed and cruises were cancelled en masse, only now starting to show any signs of getting back to normal, but with huge losses to recover.

In Bermuda, we have many listed shipping companies, mostly of Norwegian origin, and, in retrospect, they seem to have weathered the significant disruption caused by the covid-19 pandemic in reasonable shape. Those with cash reserves held onto the funds, and those less well financed sought the extension of credit terms from the banks or tapped into the capital markets to raise funds to bolster their reserves to help to protect against what they may have feared would be an extended economic downturn. There has been an uptick in M&A activity as the strong have eyed up a bargain and looked to pick off the weak. Unfortunately, one or two have slipped into insolvency, unable to negotiate a rescue deal or hold out for long enough for the recovery that is now underway.

Cruise ships, of which a number are registered in Bermuda, suffered greatly due to the pandemic, with many rushing to the financiers to renegotiate financial arrangements and seek debt holidays to enable them to survive the pandemic period and look towards this year's return to something like their normal schedule. With liquidity issues caused by a global pandemic, rather than any failure to operate the business in an appropriate manner, most financial institutions have proven to be amenable to reasonable requests for refinancing, extensions and holidays, and we are now seeing signs of shipping companies benefiting from a revitalised economy in a number of ways.

In the years preceding the global pandemic, the shipping market in Bermuda was characterised by the number of new listings of Bermuda-incorporated shipping and shipping-related companies on the Norway Over-the-Counter market and on Oslo Axess (now known as Euronext Expand Oslo) or the Oslo Stock Exchange. We are now seeing a return to new listings, evidence of confidence returning to the markets. In 2022, we saw the first listings of Bermuda-incorporated shipping companies on Euronext Growth Oslo (formerly Merkur


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Market) a multilateral trading facility recognised as an efficient way for small and medium-sized companies to raise capital, Euronext Growth Oslo was recently appointed as an appointed stock exchange under the Companies Act 1981.

Companies listed on an appointed stock exchange avoid having to comply with requirements of the Companies Act that would lead to duplication of regulation. They also benefit from exchange control general permissions granted by the Bermuda Monetary Authority for the issue and subsequent transfer of any equity securities listed on an 'appointed stock exchange' from or to a non-resident of Bermuda, for so long as any equity securities of such company remain so listed. Combined, these advantages contribute greatly to the ease with which business can be done.

Thus far in 2023, we have seen green shoots in the capital markets evidenced by the initial public offerings of Bermuda-incorporated shipping companies in Oslo and in New York, respectively.

"Last summer, the Bermuda Registrar announced its intention to increase the number of desk-based reviews and onsite inspections of entities regarding their compliance with the economic substance requirements."

The pathway from Hamilton, Bermuda to Oslo, Norway's capital and financial hub, is a well-trodden one, as evidenced by more than a baker's dozen new listings in the past seven years, and it is good to see we continue to have new clients taking this route, which bodes well for Bermuda as a jurisdiction of choice for shipping groups from an incorporation and a financing perspective.

Investors are comfortable with Bermuda because it offers a tax-neutral, business-friendly environment with a strong regulatory framework that protects investor and creditor rights. Bermuda companies are proven vehicles for accessing high-quality capital efficiently. A newly incorporated Bermuda shipping company looking for capital turns to Norway as an obvious source to raise funds quickly. Undergoing private placement transactions while at the same time agreeing to list the shares on the N-OTC market is a fast-track way to access fresh capital. Bermuda shipping companies commonly use the N-OTC as a stepping stone to a full listing on Euronext Growth Oslo (as of late), Euronext Expand or the Oslo Stock Exchange.

Over the years, strong working relationships have been forged with Norwegian law firms and financial institutions, which helps to ensure a smooth pathway to accessing capital in Oslo. Also, we have a wealth of experience with New York initial public offerings should a NYSE or Nasdaq listing beckon. There are a number of Bermuda shipping and shipping-related companies that maintain New York listings and there is an expectation that we will see more doing so, as the global economy continues to bounce back.

As a by-product of the Ukrainian conflict, we have also seen some of the coun- tries of Western Europe seeking to move to alternative sources of gas to that they previously obtained from Russia. This has provided an unexpected boost to LNG companies, with floating storage and regasification units (FSRUs) in high demand by, for example, Germany. While it is hard to predict how long the sanctions imposed on Russia will last, it could well be that there is not an immediate, or even full, return to Russian gas once they are lifted. This could result in an extended, or even permanent, uptick in business for LNG companies, even more so once one considers the pressure to generally move away from coal and oil.

3 Are there any recent domestic or international political or legislative developments that may have an impact on your country's shipping market?

This year, another round of filings of economic substance declarations were made with the Bermuda Registrar of Companies (the Bermuda Registrar). Shipping is one of the 'relevant activities' within the scope of the economic substance requirements. Accordingly, entities that carry out the relevant activity of shipping must file an economic substance declaration annually, with information provided in relation to the previous financial year, no later than six months after the last day of each relevant financial period. The declaration must

QUESTIONS

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demonstrate compliance with the economic substance requirements. These filings are required in response to legislation enacted in Bermuda to address concerns of the European Union that the jurisdiction should not facilitate offshore structures or arrangements aimed at attracting profits that do not reflect real economic activity in the jurisdiction.

The Bermuda Registrar has revised the guidance notes comprising general principles to clarify that an entity will not be deemed by the Bermuda Registrar to be resident for tax purposes in a jurisdiction if that jurisdiction does not have a corporate tax regime and/or residency for tax purposes in such jurisdiction does not result in the entity being subject to the equivalent economic substance requirements in that jurisdiction. Such jurisdictions may include Anguilla, Bahamas, Bahrain, Barbados, British Virgin Islands, Cayman Islands, Turks and Caicos Islands and the United Arab Emirates.

The assessments by the Bermuda Registrar of the economic substance declarations are ongoing and, in some cases, completed. It is anticipated that as the assessments are completed and the results are made known, this will yield a clearer understanding to shipping entities of the key metrics applied by the Registrar to determine the adequacy of their on-island presence and, accordingly, their compliance with the economic substance requirements. Last year, the Bermuda Registrar for the first time sent warning notices to companies that were determined to have failed to meet the economic substance requirements in accordance with the legislation, proposing to impose civil penalties of US$10,000 (first offence) and of US$100,000 (second offence) for non-compliance in previous relevant financial periods. The legislation provides that an entity that receives a warning notice has the right to make written representations as to why the civil penalty should not be imposed and the Bermuda Registrar must decide, within three months, whether to impose a penalty. At the time of writing, decision notices from the Bermuda Registrar are pending as to whether or not he has decided to impose the penalty and if so, the amount of the penalty and the reasons for his decision.

Last summer, the Bermuda Registrar announced its intention to increase the number of desk-based reviews and onsite inspections of entities regarding their compliance with the economic substance requirements. The Bermuda Registrar initiated this compliance review process by sending entities requests for information to drill down further on responses provided in Declaration Forms filed in respect of previous years and conducting onsite inspection of the entity's corporate and other records in respect of its economic substance obligations. Very recently, the Bermuda Registrar has begun to issue Decision Notices to entities assessed as non-compliant, indicating the Bermuda Registrar's decision to levy civil penalties (starting at US$7,500). What is clear is that the Bermuda Registrar has significantly stepped up its efforts to enforce compliance with the economic substance requirements in Bermuda. What remains to be seen is how the appeal process will play out in the courts.

> "Lenders have been actively transitioning existing financing away from LIBOR. Banks have moved towards granting new US dollar loans referencing SOFR and redocumenting existing loans to reference SOFR instead of LIBOR."

We are keeping a careful eye on the accord supporting the outlines of a new global tax system, and a commitment to a minimum corporate tax rate of 15 per cent issued by the finance ministers of the Group of Seven countries (G7). The G7 accord complements the work around coordinating tax negotiations that has been done for years by the Organization for Economic Cooperation and Development (OECD) in regard to curbing tax base erosion, for example, and including a global corporate minimum tax. The Bermuda government has formed an international tax working group to consider, and to deliver, by the summer of 2023, recommendations for the manner of implementation of the global minimum tax (GMT) initiative in Bermuda, taking into account the diversity and complexity of the country's international business sector. The GMT will represent a fundamental change in the way that Bermuda does business and the way that Bermuda's government raises revenue but it is the government's stated intention to take no step that would jeopardise Bermuda's competitiveness. Bermuda will continue to maintain its standards for strong regulation, transparency and international cooperation.

4 What are the key regulatory and compliance issues for your country's shipping market? What's coming up in the near future?

We are seeing the Poseidon Principles being regularly referenced in ship financing documentation. The aim of this global framework, agreed to, and published by, 12 leading banks who jointly represent approximately 20 per cent of the global ship finance portfolio, is to improve the role of maritime finance in addressing global environmental issues. Signatories to the Poseidon Principles are some of the leading maritime financial institutions that have agreed to annually report the overall climate alignment of their respective shipping portfolios and supporting information each year. 'Climate alignment', according to the Poseidon Principles, is the degree to which a vessel's (or portfolio's) carbon intensity is in line with the International Maritime Organization (IMO)'s decarbonisation trajectory for the respective ship type and size class.

The Poseidon Principles are incorporated into credit agreements through a covenant whereby owners agree to provide lenders with any information they require to comply with the Poseidon Principles. The Poseidon Principles provision has made its way into loan agreements as a result of maritime lending institutions taking on a larger role in developing solutions for the global environmental issues identified by the IMO.

In practical terms, the provision regarding Poseidon Principles is not particularly burdensome for borrowers, who are generally required through other provisions in their loan agreements to report information regarding vessel operations, IMO compliance and emissions as lenders may reasonably require, but it signals a commitment on all parties to shape a more environmentally responsible shipping industry.

In a similar vein, more than a decade in the making, the IMO 2020 rule mandating lower sulphur emissions from the shipping industry came into effect on 1 January 2020. These regulations have been the subject of much concern and predictions of vast disruptions and impacts to shippers, customers and producers of diesel fuel since they were first proposed by a United Nations sub-committee, and were subsequently adopted in 2016 by the IMO. Despite those predictions, however, the final implementation of the new rules has resulted in few real disruptions, as extensive planning and preparation has ended up ensuring proper performance in the marketplace.

While most shippers seem to have chosen to use the lower-sulphur fuel option, rather than to install scrubbers on their vessels, the availability of multiple options for the regulated community to achieve compliance has proven to be helpful in avoiding disruptions in the marketplace.

IMO 2020 deals with the reduction of sulphur only, and that further rule changes governing carbon emissions are under consideration, with changes coming to mandate carbon reductions, and that is the next wave of what we will see influencing the cleanliness of marine fuel.

On the ship finance side of things, the discontinuance of LIBOR is scheduled for the end of June 2023. Indeed, it has been recommended for quite a while that no new loan products referencing LIBOR, which expire after the end of 2021, should be issued. Shipping being a capital-intensive industry and historically heavily dependent on LIBOR-based bank debt, this has had a major impact. This change will have broad implications, affecting loan agreements, bond agreements, leasing arrangements, derivative products and many more existing transactions, as lenders have been actively transitioning existing financing away from LIBOR. Banks have moved towards granting new US dollar loans referencing SOFR and re-documenting existing loans to reference SOFR instead of LIBOR.


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Compounding in arrears is the most common way in which SOFR has been applied, but there are some issues in doing so. It is not possible at the start of the interest period to calculate the interest payment that will be due at the end of the interest period, which has obvious implications for the borrower in terms of managing cash flows. As a consequence, discussions continue around the possibility of constructing term rates from overnight SOFR, which would work in a similar way to LIBOR-based loans. Term SOFR, as it is known, has seen some usage for business loans, particularly for multi-lender loans, mid-market loans and trade finance, but different regulators have differing approaches to the use of Term SOFR.

Therefore, there remains no settled methodology acceptable to the market as a whole as of yet, although it is clear that anybody with existing financing tied to LIBOR should look to change. Investors, banks and companies active in the shipping sector have been examining their books for transactions that still use LIBOR. Many of these deals will have been documented before the replacement of LIBOR was contemplated. Taking loan agreements as an example,

> "More diverse and creative forms of ship finance will be used to replace the traditional ship finance banks, while ethical and 'green' financing is here to stay."

if the parties cannot agree to an amendment to a loan agreement to allow for a revised mechanism for rate setting, the market disruption provisions will usually apply. This clause often provides that an interpolated LIBOR is used that, if not available, is replaced by reference bank rates or a bank's cost of funds. Many banks are now reluctant to act as reference banks and have a strong preference not to reveal their cost of funds. This leaves room for negotiation for borrowers. Given some of the challenges facing the shipping industry over the past few years, a number of hedge funds have taken positions in loan agreements and also are examining their position and voting power in individual loan agreements to assess their ability to play their position to their advantage.

We are seeing a number of amendment agreements for loan agreements, with consents potentially required from borrowers, guarantors, export credit agencies, risk insurers and, in some cases, charterers. This will all take time.

As efforts continue to replace LIBOR, loan documentation must be carefully reviewed and all participants should keep up to date with the latest market developments in this area, being prepared for the impending negotiation, consent and amendment exercise. Given the enormity of the change that affects all elements of their business, shipping company owners will do well to know their voting power, consent rights and potential fallback position, to be prepared.

We have also seen a growth of interest in ESG criteria within the shipping industry, with many lenders keeping a watchful eye on the way borrowers' businesses operate. This has contributed to the rapid development of environmental undertakings in loans. For instance, it is becoming common for borrowers to be required to undertake that ships are recycled in an environmentally responsible fashion (known as green recycling) and to provide lenders with data on carbon dioxide emissions for each financed vessel.

In addition, we have witnessed an increasing interest in sustainability-linked pricing in loans, with lenders exploring the possibility of offering borrowers lower margins in return for meeting certain sustainability improvement criteria. With such financial benefits on offer, coupled with the chance to develop their businesses to meet ESG standards, which are becoming the norm in many industries and markets, it is not surprising that borrowers are keen to adapt their business models.

We foresee that, via more detailed and thorough regulations and principles, environmental considerations will become a key part of lending and a major consideration for financial institutions, which could well lead to shipping companies being required to adopt more strict internal policies and ensure compliance with such policies. Shipping companies that do not do so risk being at a competitive disadvantage in terms of getting access to the best financing terms compared with those that do.

5 What are the shipping industry's current sources of finance? How do you predict they will develop, and what are the advantages and challenges to financing a vessel in your country?

Historically, particularly with regard to the Europe-based shipping companies, the traditional source of finance was their local banks. While some of those banks are still operating in the shipping space, many of those that remain are doing so in much smaller volume and with increased restrictions and harsher covenants. Others have pulled out entirely, deeming the shipping sector too volatile for their tastes.

What we are seeing coming in to replace them is a blend of various sources of finance. Private equity is prepared to invest on the right terms, even entering into joint ventures for certain projects. Chinese leasing companies are visible in entering into sale and leaseback transactions and those who have gone public have increased their access to fund raising on the capital markets. Others have looked to borrow from non-traditional banking institutions keen to enter the market or expand their customer base into new jurisdictions.

It seems that the recovery of the global economy is, as anticipated, rather volatile and fragile and that, in this recovery period, many banks will remain focused on their own loan-related issues. Loan requests are expected to increase as the global economy, international trade and the dry bulk market now start to recover. It is hoped that even more equity market investors start to return, as both the economy, and the shipping sector in particular, bounces back, although the capital markets seem destined to reflect the global uncertainty of the world we now live in for a while longer yet. Therefore, while it is probably too early to signal a return to business as normal, those companies that have managed to emerge from the past two years in decent shape can look to the future with a renewed sense of optimism. Financing may now start to become more readily available once more from a variety of traditional, and sometimes non-traditional, sources.

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6 Have there been any recent significant domestic or foreign court decisions or arbitration awards that impact on your country's shipping market?

We cannot recall any one specific judgment delivered recently that has made a significant impact on Bermuda's shipping market. Most of the shipping documentation involving Bermuda incorporated shipping companies that may be challenged in the courts tends to grant jurisdiction over disputes to the English courts, or sometimes courts in New York or Oslo.

7 What is the outlook for your country's shipping market? Which sectors are likely to grow, and which not?

We have seen an increase in shipping companies going public and looking to the capital markets for funds this year. However, economic recovery still remains tentative and uncertain for now, so there is unlikely to be a flood of new money coming into the shipping space, although those who are experienced in this field, and see an opportunity to steal a march on their more conservative competition, may be prepared to test the water again. More refinancing and restructuring transactions could still be around the corner, as some ship owners continue to struggle to meet the repayment demands of loans entered into before the pandemic, when their businesses were in a much better shape. We may even see further recourse to Chapter 11 proceedings, in the hope of using it to agree a negotiated restructuring once all other options have been explored. Some consolidation in the market cannot be ruled out, as those companies that are undervalued in a weak market may find predators keen to swoop or strong companies look to band together to put even greater pressure on their weaker competitors – for example, the proposed Frontline and Euronav merger on which the authors worked, which was eventually aborted at the eleventh hour.

More diverse and creative forms of ship finance will be used to replace the traditional ship finance banks, while ethical and 'green' financing is here to stay. The IMO will, no doubt, continue on its path towards demanding cleaner marine fuel and the digital transformation of the shipping industry, including the use of blockchain platforms for sale and purchase of goods and logistics and automated crewless ships controlled from an onshore command centre, gathers pace.

Here in Bermuda, with the ongoing assessments of economic substance submissions and with desktop and on-site reviews by the Bermuda Registrar to assess compliance with economic substance requirements having taken place over the course of the last year, it will be interesting to see which of the shipping companies seek to bolster, if necessary, their on-island presence to ensure compliance going forward.

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Read more from this firm on Lexology

The Inside Track

What are the particular skills that clients are looking for in an effective shipping lawyer?

A stand-out Bermuda lawyer must have a solid grounding in shipping-related capital markets and bank finance and must be extremely responsive, cognitively dexterous, forward-thinking, capable of advising on local law requirements at short notice and, importantly, flexible, given the time differences that are inherent in our firm's international shipping finance practice and the critical importance of market timing to our clients.

What are the key considerations for clients and their lawyers when arranging finance for a shipping transaction?

Most, if not all, of the key considerations would originate in the jurisdiction of the lenders, which, in our experience, has most often been that of the major Nordic banks that traditionally extend financing to the shipping industry. Mortgages, transfers and discharges of registered mortgages, can be made in prescribed form for registration. Mortgages rank in priority according to the date and time at which they are produced and accepted for registration and not according to the date of the mortgage deeds themselves.

What are the most interesting and challenging cases you have dealt with in the past year?

We acted as local counsel to Frontline on its proposed (but subsequently aborted) US$4.2 billion merger with Euronav.

Brian Holdipp led on this transaction, supported by Jeremy Leese.

The merger of Frontline and Euronav would have created a company with a fleet of 69 VLCC and 57 Suezmax vessels, and 20 LR2/Aframax vessels, with a market cap of US$4.2 billion based on market values as of April 2022. A definitive business combination agreement was entered into by the parties in July 2022. The proposed combination was to take the form of a tender offer by Frontline for all outstanding shares in Euronav in a stock-for-stock combination.

The offer was conditional on Frontline owning at least 50 per cent +1 share in Euronav post the tender offer, the relocation of Frontline from Bermuda to Cyprus, absence of material change, and regulatory approvals. The tender offer was expected to be launched after Frontline relocated from Bermuda to Cyprus, with the merged company to be listed on Euronext Brussels, OSE and NYSE.

Frontline was discontinued from Bermuda into Cyprus on 30 December 2022. On 10 January 2023, Frontline terminated the business combination agreement.

This was a multi-jurisdictional transaction, due to the listing of the companies on stock exchanges in Oslo and New York (Frontline) and Belgium (Euronav), involving industry leading publicly listed shipping companies that moved at a relatively fast pace from its inception early in the year, making it quite a lengthy, intense transaction.