



## Daily COVID-19 Bulletin

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April 7, 2020

To Our Clients and Colleagues:

Gibson Dunn’s lawyers regularly counsel clients on issues raised by the COVID-19 pandemic, and we are working with many of our clients on their response to COVID-19. The following is a round-up of today’s client alerts on this topic prepared by the Gibson Dunn team. Our lawyers are available to assist with any questions you may have regarding developments related to the outbreak. As always, for additional information, please feel free to contact the Gibson Dunn lawyer with whom you usually work, or any member of the firm's **[Coronavirus \(COVID-19\) Response Team](#)**.

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### UNITED STATES

## A World Without Sports—What Happens Now?

On March 11, 2020, the massive and worldwide business of professional sports began to shut down because of the COVID-19 pandemic. First it was the National Basketball Association shutting down “until further notice.” The next day it was the Professional Golf Association Tour and Formula 1, and by month’s-end, March Madness, Major League Baseball, the Premier League, Champions League, the 2020 Tokyo Olympic Games, the National Hockey League, and every other prominent sporting event was suspended, postponed, or canceled. That has sent ripples through the entire inter-connected business of sport.

[Read more](#)

## Delaware Governor Issues Limited Relief for Public Company Shareholder Meetings Impacted by COVID-19

Yesterday, the Governor of the State of Delaware issued an executive order (the "Order") that provides two limited forms of relief for publicly traded companies hosting shareholder meetings during the coronavirus (COVID-19) pandemic. The Order's first relief provision applies to publicly traded companies that, as of April 6, 2020, have already sent shareholders a notice of an upcoming physical shareholder meeting.

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## Key Governance Action Items in Response to COVID-19

As public companies wrestle with the continuing and evolving impact of COVID-19, there are several key corporate governance matters that public companies and their boards of directors should consider in the short term. For example, boards should consider whether to take action now to adopt emergency bylaws and/or appoint executive committees in order to ensure the continued ability of the board to operate in the months ahead.

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## ASIA

### COVID-19: Key Issues for Private Credit and Special Situation Investors in Asia-Pacific

Each economic downturn creates opportunities and challenges in the credit markets for private credit and special situation investors, and this is especially true in the Asia-Pacific region today as it was impacted by the COVID-19 virus much sooner than the rest of the world.

The opportunity arises from the fact that lending in Asia-Pacific has historically been driven, to a large extent, by banks and, as borrowers' revenues plunge, a significant number of them will have to look to private credit to refinance their existing amortising bank debt. The ability of private credit investors to deliver greater flexibility than typically seen with financings from banks, with bespoke solutions including non-amortising, PIK or pay-if-you-can financings, will be a huge differentiator. Additionally, the amount of defaulted debt in the market is likely to increase dramatically, providing opportunities for investors to make

returns through a variety of strategies including loan-to-own, debt-for-equity swaps, negotiated distressed sales (no formal insolvency process), negotiated sales through a pre-packaged insolvency procedure and purchases out of an insolvency process.

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## GERMANY

### COVID-19: Civil Litigation in Germany

The current COVID-19 crisis affects many aspects of life, and does not spare the civil justice system. While we have not yet heard of any court that has entirely shut down, we note that many have reduced oral hearings to an absolute minimum. It cannot yet be predicted when a normal state of affairs will come back. There are, however, ways to tackle some of the obstacles brought about by COVID-19, at least to a certain extent.

[Read more](#)

### COVID-19: Short Term Reduction of Personnel Costs under German Labor Law

The COVID-19 crisis is in full progress. Most companies are extremely burdened by the crisis and looking for easements. This newsletter shall give you an overview of various possibilities to reduce personnel costs in the short term under German law. Next to a hiring freeze, which many companies have already implemented by now, using accrued overtime and vacation entitlement is the easiest and least intrusive option to respond to the situation. However, these measures do not directly reduce personnel costs.

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