SQUIRE PATTON BOGGS

Protect Your Business Against Supplier or Customer Bankruptcy

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Despite the fact that the vast majority of COVID-19 restrictions have lifted, rising inflation, interest rate hikes, supply chain problems and sanctions caused by the conflict in Ukraine are posing a threat and bringing new challenges to healthy and viable businesses.

Even for those businesses that are stable, it is important to consider the impact that changing economic and political challenges are having on a business' own suppliers and customers, if it is to remain stable.

Not all suppliers or customers will thrive and, unfortunately, for some, bankruptcy will be inevitable. For example, many of the government programs adopted during the pandemic that were designed to support businesses that may have been in trouble have now ended or will end in the very near term. This could lead to a rash of bankruptcy filings across a variety of industries.

Have you considered how the bankruptcy of a supplier or your primary customer filing for bankruptcy protection may impact your business? Should you be concerned? What can or should you be doing now to reduce any potential negative impact of supply chain disruption, escalating costs or third parties with whom you do business entering into a bankruptcy process or being impacted by Russian sanctions?

To discuss the impact, we are offering a no charge one-hour session with a member of our Restructuring & Insolvency team tailored to you, to help you:

- Consider the impact of supply chain disruption on your business.
- Identify supplier or customer distress.
- Focus on what you should be thinking about to protect your business against a supplier or customer's failure.
- Consider the effect of a supplier/customer's bankruptcy on day-to-day operations and cash flow.

We are also happy to discuss other issues that could have a direct impact on your business, including the current economic environment and likely areas of distress, directors' duties in the face of distress, and regulatory or other governmental challenges.

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