



Kobre & Kim's Claim Monetization Contacts



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Enforcing Minority Shareholder Rights in Asia: A Comparative Guide to Derivative Actions

Minority shareholders may be surprised to learn they have options when a director or other fiduciary has harmed the company, though they face complications when the corporate structure is spread around the world. Our Claim Monetization team lays out a guide on the key features of the remedies available across five jurisdictions (PRC, Hong Kong, Singapore, Cayman, United Kingdom) that minority shareholders should consider as they design and put forth a strategy.

Minority shareholders have a number of effective options when a director (or other fiduciary) has engaged in conduct that has harmed a company. This may be surprising because the default position is that shareholders typically cannot sue directors in such circumstances for loss suffered by the company.

What can be done is often complicated by the multi-jurisdictional nature of many structures: a typical structure in Asia might for example involve a Cayman Islands company listed in Hong Kong, with BVI incorporated holding structures, and the company's operations and

assets spread across several other jurisdictions.

In the table below, our Asia-based minority shareholder rights team examines derivative actions (where a shareholder brings the action in the name of the company) across five key jurisdictions. In a dispute involving multiple jurisdictions, it is often important to understand the differences so that an effective cross-border strategy can be devised.

About Kobre & Kim's Claim Monetization and Dilution Offering

Kobre & Kim is a conflict-free Am Law 200 law firm focused on disputes and investigations, often involving fraud and misconduct.

As our firm avoids ongoing client relationships with common industry participants and instead focuses on special-situation engagements, our Claim Monetization and Dilution team can offer the most aggressive, creative and independent advocacy even in cases involving numerous, overlapping institutional stakeholders' interests.

We also have significant experience in corporate governance matters, having led and defended initiatives on the formation and conduct of special investigative committees; organization of steering committees of equity holders to remove incumbent directors outside a regularly formulated election; the serving of statutory notices and pursuit of emergency actions relating to books and records access and related asset-freeze applications; applications for involuntary receiverships and liquidations; and other special strategies to place our clients in a position of strength to negotiate a satisfactory resolution.