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VIVOCORP REESTRUCTURA PASIVOS Y ACTIVOS MEDIANTE CAMBIO DE CONTROL Y EMISIÓN DE DEUDA

Chile’s VivoCorp changes ownership through restructuring

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Carey has helped Chilean shopping centre operator VivoCorp undergo a corporate reorganisation, in which the company transferred its ownership to new stakeholders and completed a bond swap.

The same team of Carey lawyers advised Inversiones Terra, the holding company that controls VivoCorp.

Both VivoCorp and Inversiones Terra are owned by Chilean holding company CorpGroup, which filed for Chapter 11 restructuring in June. The two subsidiaries and CorpGroup itself have faced financial difficulties recently – primarily due to the covid-19 pandemic, protests that took place in Chile in 2019 and an alleged technical default in the covenants of VivoCorp’s debt.

In the reorganisation, VivoCorp amended its ownership structure which saw CorpGroup transfer all of its shares in VivoCorp to a fund operated by Chilean investor Asset AGF. The equity transfer was made via holding company Inversiones Terra. As a result, the shopping centre operator changed its name to Vivo.

As part of the agreement, Inversiones Terra also repaid existing debt to a group of lenders by transferring shares held in VivoCorp to the borrowers. The banks relied on Barros & Errázuriz Abogados.

The holding company has now rebranded to Nueva Terra.

As part of CorpGroup’s wider restructuring, VivoCorp and Inversiones Terra also restructured other assets and liabilities. This included a US$201 million bond exchange by VivoCorp. To carry out the debt swap, VivoCorp issued new bonds across three series.

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VivoCorp’s existing noteholders enlisted Bofill Mir Abogados for the bond exchange, which closed on 23 August.

The judicial reorganisation enables the repayment of the company's short, medium and long-term debt, while also ensuring the completion of Vivo’s shopping centre projects, including the Vivo Outlet in the southern Chilean city of Chillán.

VivoCorp first filed its judicial reorganisation back in October 2021, whilst the plan was approved in December last year.

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