

## ***Fairfield Sentry Ltd.:* Extraterritorial application of the Bankruptcy Code's securities safe harbor**

October 2, 2025 | Articles & Books

Davis Polk partner and international restructuring practice head Tim Graulich, counsel Josh Sturm and associate Jonathan He authored "*In re Fairfield Sentry Ltd.:* Extraterritorial Application of the U.S. Bankruptcy Code's Securities Safe Harbor from Constructive Fraudulent Transfer Claims" in *The DIIIGEST*, a newsletter published by International Insolvency Institute. In the article, they discuss the significance of the *Fairfield* decision, which extended extraterritorial application of the U.S. securities safe harbor, shielding transactions between non-U.S. parties from some of the most potent types of U.S. fraudulent transfer liability.

The article also highlights that the *Fairfield* decision broadens section 546(e) of the U.S. Bankruptcy Code to cover common-law claims based on non-U.S. legal theories. This reflects the continued expansion of the reach of section 546(e) within the Second Circuit, whose rulings are binding authority on the Bankruptcy Court for the Southern District of New York where many non- U.S. debtors file chapter 15 petitions for recognition of non- U.S. proceedings.

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