

**C L I F F O R D
C H A N C E**



**Crown
Commercial
Service**



**RM3787 FINANCE AND COMPLEX
LEGAL SERVICES PANEL**
PROSPECTUS FOR CLIFFORD CHANCE LLP

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INTRODUCTION

TOGETHER, MICHAEL PEARSON AND ANDREW DEAN CO-HEAD CLIFFORD CHANCE'S UK GOVERNMENT TEAM, WHICH COMPRISES MARKET LEADING EXPERTS AND LEGAL PROFESSIONALS WHO ADVISE CENTRAL GOVERNMENT AND WIDER PUBLIC BODIES ON THE DELIVERY OF COMPLEX, INNOVATIVE AND STRATEGICALLY IMPORTANT WORK.



Technical



Value for Money



Working Together and Developing Capability



Seeing the Bigger Picture

Technical

Innovative legal solutions can help overcome technical challenges and enable the UK Government and public bodies to continue to provide the services they are committed to delivering. We can help whether it is responding to unexpected and urgent events (for example, market interventions, cyber-attacks or supplier insolvencies), planned and long-term initiatives (such as PFI/PF2 projects and disaggregating complex IT contracts) or assistance with the post-EU world (for example, negotiating free trade agreements or advice on WTO or GPA rules). Our global network means that we also have a deep understanding of how the private sector and other governments tackle similar challenges.

We offer a world class legal service with experts in each legal specialism under RM3787. Our expertise covers all legal areas integral to the UK Government such as administrative and public law, constitutional law, public procurement law, State aid, competition law and public international law.

Value for Money

We are committed to providing demonstrable value for money.

We will use our ever-expanding technology (e.g. auto-generate contracts in-house, or use AI to undertake fast and accurate document review) as well as our legal project management teams, legal technologists and team of paralegals in Newcastle to provide the highest quality advice and support, efficiently and effectively, every time.

These resources are available to help you plan, manage and control your own budgets and delivery plans.

Working Together and Developing Capability

We know that collaboration plays a crucial role in delivering work of this nature. Whether it is working closely with your other advisers or liaising with cross-government stakeholders, we will be an effective member of your team and find ways to upskill your staff along the way.

Seeing the Bigger Picture

We can bring to bear the experience and know-how from across our global network to ensure that you have access to international market insight from the private sector and other governments.

We look at all instructions “through the eyes of a Government Lawyer”. Our in-house “UK Government Academy” ensures that each member of the UK Government team has access both to learning on how to be an effective advisory lawyer and to lessons learned from previous UK Government and wider public sector matters.

We are committed to supporting the communities where we do business through our global community outreach and pro bono strategy. On average each of our lawyers carried out over 20 hours of pro bono work and we helped over 138,576 people in 2017/18.

We were named Law Firm of the Year at the Lawyer Awards 2019 which recognised the firm's strength across practice areas, the launch of our IGNITE tech focussed training contract, and our ongoing commitment to diversity and inclusion.

MICHAEL PEARSON
Partner



ANDREW DEAN
Director of Public Law



CORPORATE FINANCE

“Identifying and maximising value and effective responses to unexpected market events are essential to maintaining financial health and delivery of public services during uncertain and challenging financial and political environments”

Summary of experience and expertise

We have extensive experience and understanding of advising governments and the private sector on achieving a variety of objectives (e.g. efficiencies, clean growth, corporate controls and legal compliance) through cutting-edge financing techniques, ‘market-first’ deals and novel governance structures.

We advise on a full spectrum of financial products, including corporate & investment grade lending, credit transactions, derivatives and structured finance, leveraged and acquisition finance, projects and infrastructure finance (e.g. Contracts for Difference, Regulated Asset Based models and other alternative finance models), real estate finance, restructuring and insolvency, trade, commodities and export finance.

We have a deep understanding of UK Government governance requirements and considerations (e.g. Managing Public Money, Green Book, Value for Money and HM Treasury and Cabinet Office approvals).

Relevant work highlights

- **Various UK businesses** on accessing the Coronavirus Business Interruption Loan Scheme, Coronavirus Large Business Interruption Loan Scheme and Covid Corporate Financing Facility
- **Network Rail** on funding proposals from bidders, which covered a broad range of corporate finance transaction options, in connection with a multi-billion pound asset sale process
- **Transport for London** on various corporate financing and governance matters
- **Bank of England** in connection with the UK Government interventions in the financial sector in 2007, specifically in respect of Northern Rock and its eventual nationalisation
- **Network Rail** on its £30 billion loan facility from the Department for Transport, replacing its multicurrency Note Programme as well as advising on corporate restructuring and corporate governance
- **British Energy** on the UK Government’s plan to sell a 25 per cent. stake in the company. The sale was expected to raise approximately £2.2 billion with shares being sold to institutional investors through an accelerated bookbuild placing
- **EdF** on Hinkley Point C, one of the largest and most complex financings ever to take place in the UK energy market, underpinned by a Contract for Difference
- **British Business Bank** on the ENABLE Funding programme (see case study on page 5)
- **City of London Corporation** on a real estate financing matter for 100 Cheapside
- See page 16 for equity derivative transactions
- See pages 20, 26, 30 & 36 for securitisation deals.

Market leading experts



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Number of staff

57

Partners

80

Associates
(6+ years PQE)

135

Solicitors

20

Paralegals/
Trainees

Awards



- **Legal Business Awards 2020**
Corporate Team of the Year
- **The Lawyer Awards 2018**
Corporate Team of the Year
- **Legal Business Awards 2018**
Corporate Team of the Year

Case study

British Business Bank

We advised the British Business Bank – a government-owned business development bank – on the establishment of its highly innovative and complex ENABLE Funding programme. The programme aims to improve funding to smaller UK asset finance and leasing businesses. It is the first of its kind and, as of October 2018, close to £250 million has been committed.

We were involved with the programme from its initiation in January 2015. The first phase (programme establishment) completed in July 2015 and the most recent phase (addition of a fourth originator) completed in March 2017. In addition to the British Business Bank and the UK businesses funded through the programme, the transaction parties include the European Investment Fund, which provided a guarantee for parts of the programme and various other third-party service providers.

Each of the features of this programme is either unique to ENABLE or relatively uncommon in the structured funding market. We used innovative technology for efficiency and value for money at the programme establishment stage and throughout. For example, tasks previously undertaken by trainees were initially carried out using Contract Companion software. This reduces time spent proofing and definition checking documents by an estimated 55 per cent.

Key workstreams:

- **Drafting and structuring for asset finance and debt capital markets:** our brief was to structure the transaction documents so that the programme architecture and terms of the transaction were contained in a set of “programme-level” documents. We also produced a set of pro forma “series-level” documents that could be amended, providing flexibility to accommodate different requirements of new originators
- **British Business Bank’s role and financial services regulation:** British Business Bank wanted to ensure it could take an active role in promoting the programme once established. We used our regulatory expertise to structure both the transaction and British Business Bank’s role to ensure the bank would not be carrying out a regulated activity. We also used our detailed knowledge of asset finance structures to give the British Business Bank ongoing control over certain aspects of the transaction and a much more involved role than would typically be expected of a finance provider
- **Tax advice:** our tax advice involved analysis of complex and novel features of the programme structure, including the multi-originator structure, the flexibility of the funding structure and the use of an aggregator platform, coupled with the desire to ring-fence originators in certain respects
- **Regulatory advice:** we advised British Business Bank on its own regulatory position. This is unique as British Business Bank, whilst actively involved in the structuring and implementation of the Programme, is not a regulated entity
- **Legal opinions:** we liaised with British Business Bank’s legal team to ensure that legal opinion coverage was tailored to its specific needs as a government-backed organisation and to provide detailed advice on British Business Bank’s regulatory position and State aid.

RESCUE, RESTRUCTURING AND INSOLVENCY

Summary of experience and expertise

Our top tier global Restructuring and Insolvency team has advised on multiple large value domestic and cross-border situations, certain of which have involved government and wider public sector bodies, with multiple stakeholders requiring sensitive stakeholder management including sponsors, management, commercial lenders, bondholders and counterparties. The team comprises a highly experienced core group of partners and lawyers who have advised all types of stakeholders on some of the most complex and high-profile restructuring situations across the globe.

Relevant work highlights

- **Official Receiver** (part of the **Department for Business, Energy & Industrial Strategy**) and Special Managers appointed to support the Official Receiver to advise them on all aspects of the liquidation of **British Steel** and related matters
- **UKGI** regarding the potential provision of a commercial loan by the UK Government to **Flybe**, including, amongst other things, the consideration of structuring options and the preparation and review of draft term sheets
- **Oil and Gas Authority** on several discrete insolvency matters
- **Creditors** on the administration of the New Schools Cornwall Scheme
- **Co-ordinating committee of the five biggest lenders to Carillion plc** on its proposed restructuring, the injection of interim financing, its subsequent liquidation and a range of other clients affected by Carillion's insolvency
- **Co-operative Bank** on all aspects of its successful restructuring
- **Bank of England** in connection with the support provided to Northern Rock and its eventual nationalisation
- **British Energy** on the UK Government market intervention in 2002 and the subsequent corporate and financial restructuring, including the restructuring of an estimated £15 billion of nuclear liabilities
- **Southern Cross** on all aspects of its restructuring and the consensual handover of care operations following its financial difficulties
- **Shareholder Executive** (now **UKGI**) in relation to the restructuring of Jaguar Land Rover, working alongside KPMG as financial advisers
- The lenders in relation to the restructuring of the **Greater Manchester Waste PFI Project**
- **U.S. Department of Energy** in relation to the restructuring of certain renewable and alternative energy companies
- An informal co-ordination **committee of senior fund managers and the intercreditor agent** in relation to their financing of **Metronet** and the subsequent appointment of PPP Administrator's in respect of the Metronet Operating Companies. This matter involved complex negotiations with the PPP Administrators, Transport for London and the Metronet Shareholders.

Market leading experts



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Number of staff

100+ Partners	60 Associates (6+ years PQE)	150 Solicitors	10 Paralegals/ Trainees
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Awards



- **Restructuring Deal of the Year**
IFLR Europe Awards 2019
- **Restructuring Team of the Year**
IFLR Europe Awards 2018
- **Restructuring Deal of the Year**
IFLR Europe Awards 2018
- **Restructuring Deal of the Year**
IFLR Asia Awards 2018
- **Restructuring of the Year**
LatinFinance Deals of the Year 2017
- **Restructuring Team of the Year**
IFLR Middle East Awards 2017

RESCUE, RESTRUCTURING AND INSOLVENCY

Case study

British Energy – UK Government Market Intervention and subsequent restructure

We advised British Energy on wide-ranging preparations for privatisation and, ultimately, a successful IPO in 1996. By 2002, however, British Energy had fallen into financial difficulty and in September 2002 the UK Government intervened.

The UK Government agreed to provide financial assistance so long as British Energy's financial arrangements would be restructured. The restructuring involved: bondholders, distressed debt funds (which took an active interest in the turnaround and future performance wanting to protect the restructured debt), lenders with security over British Energy's project-financed Eggborough coal-fired power station (and who had limited recourse to the rest of the group), power purchase agreements and contracts for difference counterparties who had unexpectedly large exposures and were unwilling investors; and shareholders, whose equity had evaporated.

The restructuring was achieved through:

- the restructuring of £15 billion of nuclear liabilities, including:
 - UK Government assuming the sunk cost of historic spent fuel liabilities
 - the expansion of the nuclear decommissioning fund to cover other uncontracted and decommissioning liabilities with, the UK Government funding any deficit and taking any surplus (thereby substantially reducing the uncertainty of long-term nuclear liabilities)
 - regular contributions by British Energy to the expanded nuclear liability fund and a sweep of (initially) 65 per cent. of the group's adjusted free cash flow, convertible into shares in British Energy
 - revised contracts with BNFL with payments linked (within a collar) to electricity prices to mitigate the impact of high fixed costs
- a reduced and revised Eggborough facility to reflect the reduced enterprise value of the Eggborough station
- the disposal of British Energy's Canadian operation, Bruce Power, for over £250 million and its 50 per cent. interest in Amergen in the USA for approximately £168 million
- a debt for equity swap of some £1.2 billion of liabilities with a diverse group of creditors
- State aid approvals by the European Commission.

The restructuring was completed in 2005 with the relisting of the new holding company, British Energy Group plc, on the main market of the London Stock Exchange. We continued to act for the restructured group and subsequently advised British Energy Group in relation to a strategic review, auction process and ultimately £12.5 billion public takeover by Electricité de France S.A., including UK Government's stake.



FINANCIAL SERVICES, MARKET AND COMPETITION REGULATION

Summary of experience and expertise

We have extensive knowledge and experience of financial services, market and competition regulation matters globally. Our financial regulatory team advises governments and the private sector on their most important mandates relating to compliance with existing, new and forthcoming financial regulations. The team shapes new legislative and regulatory frameworks (both Chris Bates and Simon Gleeson are active contributors to the House of Lords' EU Financial Affairs Sub-Committee) and is at the forefront of new market developments working with market participants, industry bodies, government and regulators.

Our Antitrust team advises public and private sector bodies on State aid matters, including European Commission investigations and obtaining State aid clearances. We advise private sector bodies on navigating merger and takeover clearance requirements and foreign investment rules, and act on market investigations (e.g. Article 101 and 102) and other market/sector inquiries.

Relevant work highlights

- **Department of Health and Social Care (DHSC)** on competition law and State aid/subsidy control risks in relation to various COVID-19 programmes including green list arrivals; capital elements of the University of Oxford's research into COVID-19; commercial models within the Test and Trace scheme; expanding UK manufacturing of COVID-19 Test and Trace kits; and a pilot programme for mass COVID-19 testing
- **HM Treasury** on a range of issues in support of their work during the UK's exit negotiations with the EU
- **Financial Services Compensation Scheme** on a range of regulatory issues
- **UK Debt Management Office** on the implementation of MiFID2/MiFIR
- **Bank of England** on the implementation of EU regulation on packaged retail and insurance-based investment products
- **Royal Mail** on a range of EU law, competition law and State aid matters including advice on EU postal liberalization directives
- **Welsh Development Agency** in relation to State Aid issues involved in the introduction of broadband in Wales through a number of publicly supported initiatives
- **EdF** on the formal in-depth State aid investigation into the Contract for Differences and guarantee for Hinkley Point C
- **Network Rail** on a range of State aid, public procurement and competition law issues
- **Pfizer** during the Competition and Markets Authority's investigation into phenytoin sodium capsules and Pfizer's successful appeal to the Competition Appeal Tribunal
- Assisting a major UK bank with various aspects of its resolution planning, including participating in planning exercises and advice on capital and debt structures to facilitate resolution.

Market leading experts



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Number of staff

94	32	264	21
Partners	Associates (6+years PQE)	Solicitors	Paralegals/ Trainees

Awards



- **IFLR Europe Awards 2021** Financial Services Regulatory Team of the Year
- **Matter of the Year** Global Competition Review Awards 2019
- **Behavioural matter of the Year – Europe** Global Competition Review Awards 2019
- **IFLR Europe Awards 2018** Financial Services Regulatory Team of the Year
- **Lawyer of the Year and Dealmaker of the Year** Global Competition Review Awards 2018

FINANCIAL SERVICES, MARKET AND COMPETITION REGULATION

Case study

Advising RBS on its strategy for, and implementation of its response to, the UK's withdrawal from the EU (Brexit)

This is an extremely complex matter requiring market-leading legal experts, strong project and cost management, and innovative delivery that uses cutting edge tools. RBS appointed us because of our eminent Brexit expertise. This three-phase project has a number of intricate legal workstreams covering corporate finance and asset finance arrangements giving rise to a complex restructuring of RBS, which is largely publicly owned.

Key points

- **Structure:** we advised RBS on the optimal legal vehicle and booking model structure required to minimise business impact in both (a) the complex environment of UK structural reform (ring-fencing) requirements and (b) new European requirements for the imposition of a European-located intermediate holding company, in the context of broader regulatory drivers that similarly impact business booking models (such as the revised EU Markets in Financial Instruments Directive (MiFID2))
- **Viability:** we assessed the continued viability of existing transactions and businesses from an enforceability and regulatory perspective
- **Strategy:** we prepared the strategy for the complex corporate reorganisation of RBS's holding structure; the rebooking of business and transactions as RBS reorganised its operating model in accordance with the structure agreed; and, where necessary, transferring existing transactions or arrangements to other existing and new subsidiaries in the RBS group, including preparation for the necessary due diligence and execution of contractual transfer processes
- **Delivery:** to deliver the final advice we produced a 'playbook' on a range issues and addressed RBS's requirements in individual chapters. The 'playbook' provided a single source of targeted, highly complex, multifaceted legal advice in an innovative, practical and succinct way, which could be shared quickly with RBS senior management, meeting the requirements agreed with RBS and ensuring that the RBS project team understood the intricacies of the legal framework and could relay the information to other stakeholders
- **Practical:** our advice was tailored and made practical by investing time in understanding RBS's businesses, transactions and arrangements in detail. This included the booking models, solicitation methods, operational arrangements, size and shape of the business and its products and services, and jurisdictional nuances
- **Risk Management:** we identified, managed and mitigated legal risk in a number of ways. In particular, we used market-leading experts in the relevant fields to ensure all legal issues were identified and addressed. Where our advice identified legal risk, mitigation was developed. For example, the 'playbook' clearly identified where particular transactions may become unenforceable or illegal post-Brexit and alternatives were recommended such as transferring the business or use of alternative booking structures
- **Business Critical:** our advice was business-critical. The legal vehicle and booking model strategy we have recommended, together with the strategy for implementation, as adopted by RBS management, forms RBS's strategy for Brexit and the basis for its medium to long-term business.



INVESTMENT AND COMMERCIAL BANKING

Summary of experience and expertise

We are highly active in investment and commercial banking, including acting on transactions that involve government- owned entities. Our experience enables us to act on the most complex transactions in the sector, including across the full range of bank products (syndicated lending and leveraged and acquisition finance, asset finance, derivative products, project finance, financial regulatory, insolvency and restructuring, debt capital markets, equity capital markets, structured debt and structured finance). We also have long-standing experience advising our clients on M&A transactions and other corporate mandates, alongside advising all of the major investment banks and advisory houses.

Relevant work highlights

- **Quad Gas Group** on the financing for its acquisition of **National Grid**
- **CYBG**, the holding company for the Clydesdale Bank and Yorkshire Bank brands, on its recommended takeover offer for the London-listed challenger bank Virgin Money
- **EIB** in relation to the creation of the standard form documents and the development of its Project Bond Credit Enhancement product as part of the Project Bond 2020 initiative
- The lenders to **Macquarie** in respect of its acquisition of the publicly owned UK Green Investment Bank plc
- Asset managers, banks and financial end users on documentation for mandated margin for uncleared OTC derivatives
- **National Australia Bank** and CYBG PLC on the demerger of CYBG from NAB, and CYBG's simultaneous IPO
- **Wellcome Trust** on a £2 billion JV with Goldman Sachs and Greystar to form a new student accommodation company in the UK
- **Mandated Lead Arrangers** on a US\$2.7 billion revolving facility for Centrica plc, the UK multinational utility group
- **Citi** and **RBS** on the US and international bond financing for BAA, once the operator of Heathrow, Gatwick and Stansted airports in the UK.

Market leading experts



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Number of staff

57 Partners	70 Associates (6+ years PQE)	145 Solicitors	20 Paralegals/ Trainees
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Awards



- **IFLR Europe Awards 2019, 2020, 2021**
Equity Law Firm of the Year
- **Who's Who Legal Awards 2018**
Banking and Finance Firm of the Year
- **IFLR Europe Awards 2018**
Loan Deal of the Year

INVESTMENT AND COMMERCIAL BANKING

Case study

Advising the Quad Gas Group on the financing for its acquisition of National Grid

We advised Quad Gas Group, a consortium comprised of Macquarie Infrastructure and Real Assets, CIC Capital Corporation, (a wholly-owned subsidiary of China Investment Corporation), Allianz Capital Partners, Hermes Investment Management, Qatar Investment Authority, Amber Infrastructure and Dalmore Capital on its agreement with National Grid plc to acquire a 61 per cent. shareholding in its four regulated UK gas distribution networks and related financing arrangements. The transaction values the gas networks at £13.8 bn including debt.

The gas distribution networks cover the East of England, North London, North West and West Midlands, and distribute gas to approximately half of the country's connected households through 130,000 km of gas pipeline. They represent approximately 14 per cent. of the total regulated energy infrastructure sector in Great Britain by regulated asset value, and are regulated by Ofgem.

Key points

- this is one of the biggest British infrastructure deals in recent history (and one of the biggest acquisitions of infrastructure assets in Europe)
- we advised the winning consortium in relation to the jumbo £2.3 billion financing provided by Bank of China, BNP Paribas, China Construction Bank, Credit Agricole, JP Morgan, SMBC, Santander, ING, Royal Bank of Canada, SEB, Societe Generale, The Bank of Tokyo Mitsubishi and RBS
- the transaction was unique because of the size (seven different primary investors) and make-up of the consortium; the size and complexity of the financing arrangements; the nature of National Grid as a listed seller; and the sheer size of the transaction (which on one measure constitutes the largest infrastructure deal in the UK since the 2006 takeover of BAA)
- this was a complicated financing due to its size, the number of lenders, the complex structure (this was a holdco loan and circa £8 billion of existing debt continued at opco level) and the fact that there was a need to create a platform for future financings and refinancings without requiring new security arrangements whilst maintaining an investment grade rating.



INSURANCE AND REINSURANCE

Summary of experience and expertise

We are a trusted adviser to the world's leading insurers, reinsurers and brokers. We are at the forefront of market development, and our market leading insurance practice includes numerous sector specialists who have an in-depth understanding of the latest market issues and transactions. We draw upon a global team of multidisciplinary experts to advise our clients on cross-border transactions and restructurings, regulatory reform and resolution planning, capital requirements and risk transfer, InsurTech, investigations and enforcement actions, as well as advisory matters such as governance structures and remuneration. We advise clients from across the global life, general and reinsurance markets including Allianz, Assicurazioni Generali, AXA, Chubb, Legal & General, Admiral, MetLife, Swiss Re, Tokio Marine and XL Catlin. We also advise insurance brokers, London Market participants, Bermudan-based insurers, mutuals, run-off specialists and banks, and asset managers as counterparties to insurers.

Relevant work highlights

- **Chubb, AXA XL, AXA Partners, Admiral, Swiss Re and Domestic & General** on their Brexit contingency plans
- **B3i**, a consortium of 15 insurers and reinsurers, as part of a blockchain initiative that is set to improve the security and efficiency of reinsurance transactions. The participants are working together to use Blockchain, distributed ledger technology and smart contracts to streamline the entry into and conduct of reinsurance contracts
- Advising on Insurance- Linked Securities (ILS) and have successfully delivered the first four UK ILS projects for **Neon, SCOR, Brit Insurance** and **Pool Re**
- **London Market Group** on negotiating and drafting of the new UK ILS regulations and the related PRA/FCA guidelines. Through our extensive discussions and negotiations we have developed a close relationship with the Treasury ILS team, HMRC, the PRA and FCA. This in-depth work places us in a leading position in the UK ILS market
- **Equitas Limited** and the **Equitas Trustees** in relation to the US\$7 billion reinsurance transaction between National Indemnity Company to Equitas Limited and the innovative and ground-breaking Part VII transfer of the 1992 and prior year non-life liabilities of Names to Equitas Insurance Limited
- Carrying out s.166 Skilled Person Reviews, shadowing s.166 reviews and preparing other reports at the request of our clients or the regulator. We are also one of only three law firms on the FCA/PRA panel for Governance, Controls and Risk Management Frameworks
- A range of banks on sanctions issues relating to credit insurance and political risk insurance
- A major bank in relation to enquiries made by the PRA relating to the use of credit insurance.

Market leading experts



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Number of staff

5 Partners	8 Associates (6+ years PQE)	10 Solicitors	7 Paralegals/ Trainees
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Awards



- **Insurance Team of the Year**
Legal Business Awards 2018
- **Insurance Legal Firm of the Year, and Deal of the Year**
Reactions London Market Awards, 2018

INSURANCE AND REINSURANCE

Case study

Aviva reattribution and business transfer

We worked extensively with Aviva on the reattribution of the inherited estate of its with-profits funds and the Part VII insurance business transfer scheme of its various life insurance subsidiaries into a single company. The reattribution process involved lengthy and detailed negotiations with the Policyholder Advocate over almost four years.

- our role included:
 - due diligence on the transferring business portfolio
 - advising on the Part VII transfer regulations and SUP 18 requirements in relation to the insurance business transfer
 - advising on the reattribution rules and guidance in COBS 20 including advice on how to communicate with the FCA in respect of clarifying the relevant COBS 20 reattribution rules
 - advising with counsel on the rights and interests of with-profits policyholders in the inherited estate
 - negotiating with the Policyholder Advocate in the reattribution deal
 - drafting and advising on the Part VII transfer scheme including detailed provisions on the allocation of policies, operation of the sub-funds and capital support in relation to the reattribution
 - advising on responses to objections to the scheme
 - co-ordinating and preparing for the court approval process.
- Our team was led from London. This demonstrates our expertise and experience in technical issues concerning prudential requirements, including the impact the reattribution and Part VII transfer would have on regulatory capital.
- This Project Wagner Scheme was described by the High Court as the ‘most complex’ it had ever seen. This was because the Part VII transfer itself involved the simultaneous transfer of the life business of three entities and the reattribution was only the second reattribution ever undertaken and the first – and only – under the FSA’s existing rules on reattribution. A Treasury Select Committee also looked into the reattribution process. The team worked with Aviva closely to maintain a dialogue with the FSA in clarifying the new rules and obtaining appropriate guidance.



INVESTMENT AND ASSET MANAGEMENT

Summary of experience and expertise

Our experience in advising investment and asset management businesses leads the market, and our clients include many of the top global players. We advise on fund formation, segregated mandates, licensing, tax, transactional and M&A, fund financing and direct lending, structured products and derivatives, as well as on contentious matters. We also advise on the full range of regulation affecting the asset management industry across the financial markets. With over 150 specialist lawyers from across our practice areas and international network, working closely together as an integrated team, we are able to address the full spectrum of our clients' legal needs.

Relevant work highlights

- **Investment Association** and **AIMA** and other leading industry bodies on regulatory issues, including Brexit, MiFID2, EMIR, AIFMD, the Benchmarks Regulation and the Senior Managers Regime
- A private equity and infrastructure fund manager on its proposal to **HM Treasury** for the Electric Vehicle Charging Infrastructure Investment Fund
- **Arcus** on its general partner-led secondary transaction involving the sale of over €800m of fund interests
- **Man Group** on a number of landmark transactions including the acquisitions of GLG, FRM and Numeric
- **Marshall Wace** on all aspects of its sale of a 24.9 per cent. strategic interest to KKR, with an option to increase ownership over time
- **Schroders Asset Management** on collateral solutions and regulatory collateral reforms
- A leading asset manager, one of the world's largest investment management companies, on its MiFID2 implementation project in the EU
- A leading asset manager on its complex UCITS funds platform, including the use of derivatives for index tracking and the application of eligible investments requirements and benchmarks rules to UCITS products
- **Deutsche Asset Management** on its Pan-European Infrastructure Fund II (€2 billion)
- **Equistone Partners** on its **Equistone Partners Europe Fund IV** (€1.5 billion) and **Europe Fund V** (€2 billion)
- **M&G Investments** in relation to the establishment of its dual UK senior and mezzanine real estate debt funds (target £3.75 – £4.25 billion).

Market leading experts



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Number of staff

100 Partners	150 Associates (6+ years PQE)	300 Solicitors	45 Paralegals/ Trainees
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Awards



- **Law Firm of the Year in Europe (Transactions)**
Private Equity International (PEI) 2017
- **European Law Firm of the Year (Fund Formation)**
PERE (Private Equity Real Estate) 2017

INVESTMENT AND ASSET MANAGEMENT

Case study

AIFMD implementation

We acted as lead counsel on several projects under which asset managers, depositaries and other service providers to asset managers are implementing the AIFMD. This work has included advising depositaries/AIFMs in negotiations of depositary agreements and fund administration agreements, and depositaries in negotiations of sub-custody arrangements with prime brokers and global custodians/direct custodians in negotiations of sub-custody agreements. These projects also involve advising depositaries on their interaction with regulators (such as the CBI and CSSF). We provided specific advice to depositaries in relation to their dealings with the CSSF.

Key highlights are:

- **First of a Kind:** the arrangements implemented following the negotiations of depositary, fund administration and sub-custody agreements are the first of their kind in view of the new and extensive obligations imposed by AIFMD
- **Gold Standard:** the contractual arrangements which have been negotiated set the gold-standard in the market, particularly with respect to the structure of the relationships between regulated parties and the apportionment of liability between these parties under AIFMD
- **Impact:** the practical impact of these implementation projects have been far-reaching. By way of example, the new concept of depositaries introduced by AIFMD has meant that firms have relied heavily upon the outcome of negotiations and related advice when assessing the scope and costs of offering a depositary business line
- **Opinions:** issue of separate legal opinions to a number of AGC member custodians on a wide range of issues affecting the safety of custody assets where any of the listed entities acting as custodian delegates the holding of custody assets to a sub-custodian in the UK
- **Asset Stripping:** we have provided AIFMD asset stripping analysis on a number of M&A transactions, for example Cinven, Permira and Mid Europa's recent acquisition of Allegro Group.



EQUITY CAPITAL MARKETS

Summary of experience and expertise

The strength of our Equity Capital Markets practice is evidenced by our strong UK IPO track record. We have advised on numerous large and high-profile deals in London, with recent transactions including advising on the London and European IPOs of The Hut Group, Allegro, Calisen, InPost, CTP JDE Peet's, Network International, DWF Group, NLB, Amigo Loans, ASA International, Vivo Energy, OMV Petrom, Jackpotjoy, Biffa, Metro Bank and CYBG.

We have advised on a number of major UK privatisations including **Arctis**, **BBC Broadcast**, **British Coal**, **British Energy**, **British Railways**, **Eurostar High Speed 1**, **Northern Rock**, **QinetiQ**, **Regional Electricity Companies** and **Regional Water and Sewerage Companies**.

We regularly advise on equity derivative transactions involving stakes in public and private companies through puts and calls or collars, forwards, total return swaps and other derivatives. We also advise on hedging and syndication through equity derivatives of equity stakes and synthetic equity stakes.

Relevant Work highlights

- **British Energy** was privatised in 1996, restructured following a UK Government intervention in 2002-05, and subsequently reclassified as a public non-financial corporation and reprivatised following a sale to EdF for £12.5 billion in 2009. Our advice included advising on a public offering of shares, involving drafting a prospectus and on a Rule 144A offering in the US. Our involvement also included the provision of a US 10b-5 disclosure letter
- **Green Purposes Company Limited** created to hold a 'special share' that safeguards the green mission of the Green Investment Bank (GIB) and its subsidiaries following GIB's privatisation
- **RWE** in relation to the disposal, or alternative three-way IPO in the Dutch, German and UK markets, of Ureco, a three-way, part government-owned joint venture between the UK and Dutch governments and RWE and EON in Germany
- **CDPQ** and **Hermes** on its acquisition of a 40 per cent. equity stake in Eurostar International Limited from UK Government
- **Carlyle** and **QinetiQ** on the acquisition of QinetiQ from the UK **Ministry of Defence** (MoD), and the subsequent preference share buy-back from Carlyle and the MoD
- **Actis** on the acquisition of the UK Government's remaining 40 per cent. shareholding in Actis
- **permanent tsb**, the majority Irish state-owned provider of retail financial services in the Irish domestic banking market, on its €412 million placing and open offer
- **Dresdner Bank** on an equity derivative financing and exchangeable bond hedging of a stake in Gazprom
- **Middle East sovereign investor** on a structured stake in Standard Chartered.

Market leading experts



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Number of global Capital Markets staff

63 Partners	100 Associates (6+ years PQE)	84 Solicitors	75 Paralegals/ Trainees
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Awards



- **Tier 1 in Equity Capital Markets 2021**
Chambers, Legal 500 and the IFLR1000
- **Equity Team and Deal of the Year 2021 & 2020**
IFLR Europe Awards
- **International Law Firm of the Year 2020**
IFLR Europe Awards

EQUITY CAPITAL MARKETS

Case study

permanent tsb Placing and Open Offer

Advising permanent tsb, the majority Irish state-owned provider of retail financial services in the Irish domestic banking market, on its €412 million placing and open offer of newly issued ordinary shares, its simultaneous step-up to a primary listing on the Irish Stock Exchange, and admission to the standard listing segment of the Official List and admission to the London Stock Exchange. In addition to the equity component of the transaction, we also advised permanent tsb on its €125 million issuance of additional Tier 1 Capital through the issuance of debt instruments.

- The capital package raised by permanent tsb contributed to the optimisation of its group's capital structure, supporting the maintenance of appropriate capital and securing the capital shortfall identified by the stress tests applied to the group by the ECB
- The placing element of the capital package comprised an institutional offering of shares to new institutional shareholders (and involved a Rule 144A US component), whilst the open offer allowed existing shareholders to participate in the capital package via public offers of shares in both Ireland and the UK
- The transaction also included a sell-down by the Irish Government (acting through the Minister for Finance) of its interest in permanent tsb. We provided English and US law advice to permanent tsb on all aspects of the transaction, drafted certain parts of the prospectus and open offer circular required to implement the transaction, and provided a US 10b-5 disclosure letter
- The transaction was complicated and involved making sure that each of the complex components comprising the transaction (namely (i) the placing, (ii) the open offer, (iii) the Tier 1 Capital instrument issuance, (iv) the Irish primary listing, and (v) the London standard listing) dovetailed together, drawing on the expertise of our ECM team in managing complex transactions.



DEBT CAPITAL MARKETS

Summary of experience and expertise

We advise governments, multilateral lenders, international financial institutions, including the International Monetary Fund, the International Finance Corporation, European Investment Bank, the World Bank and other regional development banks on market-leading transactions across the whole spectrum of debt capital markets products. These include investment grade bonds, regulatory capital and hybrid transactions, liability management, Eurobonds and Euro Medium Term Note programmes, equity-linked products, sovereign issues, project bonds, emerging markets issuances, green finance and high-yield bonds. We are at the forefront of capital markets developments that shape the market across Europe.

Relevant work highlights

- **UK Government** on its inaugural Green Gilt
- **HM Treasury** on the UK's second sovereign Sukuk issuance
- **UK Debt Management Office** on its issuances of syndicated and non-syndicated gilts
- **UKGI** on the monitoring and management of HMG exposures arising from COVID-19 business support schemes
- **Cambridge University, Oxford University, Manchester University, Liverpool University, Southampton University and Leeds University** on accessing capital markets (including debut bonds)
- **EIB** on a loan to Transport for London
- **Bank of England** and **HM Treasury** in connection with the issue by the UK Government of CNY3,000,000,000 2.70 per cent. notes due October 2017, as well as other debt capital markets work
- **Bank of England** on the annual updates to and benchmark Regulation S/Rule144a issuances under its debt issuance programme
- **UK Municipal Bonds Agency** and the **Local Government Association** in relation to an aggregator to enable local authorities to access the capital markets
- **Greater London Authority** in connection with the debt refinancing of Wembley Stadium
- **Lancashire County Council** on the establishment of a Euro Medium-Term Note
- A UK Bank on the first UK bank green bond issuance using UK assets
- **HSBC** on the issue by the State Treasury of the Republic of Poland of the world's first sovereign green bond
- **EIB** in relation to the creation of the standard form documents and the development of its Project Bond Credit Enhancement product as part of the Project Bond 2020 initiative.

Market leading experts



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Number of global Capital Markets staff

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Partners	Associates (6+ years PQE)	Solicitors	Paralegals/ Trainees

Awards



- **Environmental Finance Bond Awards 2021** Law Firm of the Year
- **Legal Business Awards 2020** Finance Team of the Year
- **Tier 1 in Debt Capital Markets 2019** Chambers UK and Global, Legal 500 and the IFLR1000

DEBT CAPITAL MARKETS

Case study

Landmark issuance of RMB 3 billion Fixed Rate Bonds by HM Treasury

We advised HM Treasury and the Bank of England as HM Treasury's adviser, on the landmark issuance of RMB 3 billion Fixed Rate Bonds by HM Treasury. This innovative transaction was the first sovereign bond in China's currency by a Western country and is also the largest ever non-Chinese Renminbi bond issued. The bond issuance cements the UK's position as the western hub for Renminbi, and represents the next step in the UK Government's long-term economic plan to reinforce the UK as the centre of global finance. The proceeds of the bond will be used to finance the UK's reserves, signalling the Renminbi's potential as a reserve currency.

- **Economic and Diplomatic Aims:** the issue of Renminbi bonds by HM Treasury, the first issuance of bonds by HM Treasury since 2003, posed several unique challenges and required us to understand and assist HM Treasury with its economic and diplomatic aims, while ensuring that the bonds worked from a legal perspective
- **Unique:** the terms of the bonds themselves were unique in that they were specifically drafted to follow the terms of HM Treasury's gilts as closely as possible, rather than those of previous debt issuances. This means that the bonds do not have many of the customary features that internationally offered senior debt instruments have; most notably, the bonds have no events of default. The Capital Markets team drafted a complete suite of bespoke documents and agreed these unique terms with the banks
- **Tax:** in addition, a new tax direction under the Income Tax Act 2007 was required by HM Treasury to ensure that the notes would be gross-paying securities
- **One Team:** we deployed lawyers from various practice areas, including Capital Markets, Tax and Litigations in London and Hong Kong, to work as a single team in order to ensure that our client received coherent and timely advice
- **Sovereign Issues:** this work was a particular achievement when set in the context of the heightened international focus on the terms of sovereign debt instruments, following recent sovereign bond restructurings and *NML Capital Ltd v Argentina*. Our team included partner Deborah Zandstra, an expert on sovereign issues, who provided the latest thinking and insights from the IMF and ICMA on Collective Action Clauses. Deborah's expertise and insight proved invaluable in guiding HM Treasury and the Bank of England through the technical legal points around Collective Action Clauses and pari passu ranking
- **Remninbi:** our team in Hong Kong also provided critical advice on the relevant Renminbi provisions. The bond was the first to provide sterling as the fallback currency
- **Innovation and Profile:** an issuance of this profile warranted an unusually high number of announcements by HM Treasury, the Bank of England and individual ministers, which required fast and accurate regulatory review and responsiveness from our team. This included the use of Twitter to publicise the issue – a highly innovative step.



ASSET FINANCE

Summary of experience and expertise

We provide first-class legal advice to a wide range of clients including government entities (including rail infrastructure bodies), banks, arrangers, finance and operating lessors, investors, airlines, export credit agencies, rolling stock operating companies and original equipment manufacturers, to facilitate complex and multi-jurisdictional asset, project, and structured finance deals involving multiple parties.

We have extensive experience with all transaction types, including but not limited to: asset-backed securitisations, asset sales, operating leases, commercial debt financing, capital markets products including Enhanced Equipment Trust Certificates, rolling stock and aircraft procurement, real estate securitisation (both residential and commercial – see page 26), asset backed commercial paper, conduits and conduits trades, and both the commercial and financing aspects of complex projects.

Relevant work highlights

- **Affinity Flying Training Services Limited** (a joint venture of KBR and Elbit Systems) in relation to the UK MoD's Military Flying Training System (MFTS) Fixed Wing Package Contract. See case study on page 21
- **Network Rail** on the highly complex £1.46 billion sale of its multi-asset Commercial Estates Business through a competitive sales process. See case study on page 25
- **AirTanker** on the MoD's Future Strategic Tanker Aircraft project. See page 27
- **EIB** on the £2 billion senior debt financing of the procurement of new Hitachi rolling stock for the second phase of the Intercity Express Programme, one of the most complex funding structures in UK rolling stock procurement to date, involving JBIC, NEXI, EIB and Infrastructure UK (IUK) support, as well as commercial lenders
- Mezzanine financier on the £450 million GCHQ PFI Project
- **MBIA** on the £813 million sale and lease back financing of BBC Broadcasting House
- **EIB** on the approximately £1.6 billion project financing of new Siemens rolling stock for the Thameslink commuter line in London
- **Modus Services plc** on a £550 million project to refurbish MoD Main Building Redevelopment Whitehall
- **Eurostar** on the procurement and financing of a cross channel train fleet
- **Greater London Authority** on its debut bond issuance to fund Crossrail
- Joint Structuring Agents on the Emirates Airlines US\$913 million sukuk, marking a world first for utilising UKEF-backed sukuk for aircraft financing.

Market leading experts



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Number of staff

63 Partners	27 Associates (6+ years PQE)	41 Solicitors	36 Paralegals/ Trainees
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Awards



- **No. 1 Global Legal Advisor 2019**
Infrastructure and Project Finance
- **Structured Finance and Securitisation Law Firm of the Year 2019**
IFLR Europe Awards
- **Structured Finance and Securitisation Deal of the Year 2019**
IFLR Europe Awards

ASSET FINANCE

Case study

MoD - MFTS Fixed Wing Package Contract

We recently advised Affinity Flying Training Services Limited (a joint venture of KBR and Elbit Systems) in relation to the UK Military Flying Training System Fixed Wing Package Contract (Project). The Project related to the procurement, financing and maintenance of a new fleet of fixed wing aircraft and related infrastructure for the MoD in order to facilitate the training of Royal Air Force pilots and crew and ultimately result in an increased number of specially trained RAF personnel in order to satisfy the MoD's Strategic Defence and Security Review.

The Project brought together multiple stakeholders, including the MoD, HM Treasury, the Infrastructure and Projects Authority, Ascent (see below), a club of commercial lenders, Affinity and each of its subcontractors in order to deliver three separate platforms of fixed wing aircraft and related infrastructure. The Project is widely acknowledged by industry commentators as the most complex defence procurement undertaken in the UK, as the contractual structure is effectively a Public Private Partnership within its own existing framework; the original framework being entered into in 2008 by the MoD and Ascent (a joint venture between Lockheed Martin and Babcock).

Key points:

- **Risk Mitigation:** the Project is highly complex but our solution was ultimately to ensure that we identified material risk within the Project and provides a range of mitigants to manage such risks, but at the same time ensuring that the client's timetable and budgetary requirements were achieved
- **One multi-disciplinary team:** we established a multidisciplinary team for the Project with specialist expertise across all relevant areas and jurisdictions: we fielded a team from our London, New York, Sao Paulo and Frankfurt offices and partnered with a third-party law firm to provide Kansas advice. As such, our experts were able to identify the various legal issues as and when they arose
- **Cost-savings:** our ability to (i) pre-empt what may otherwise have been barriers to deal execution, and (ii) adapt to issues faced by the MoD, and other counterparties, and find effective solutions to such issues, meant that we were able to structure the project to achieve significant cost savings for our client and the MoD (e.g. the pricing provided by commercial lenders was significantly reduced as a result of the strategic input and solutions we implemented)
- **Effective Team Structure:** the team was structured with a Matter Relationship Partner and a Managing Associate overseeing all aspects of the Project and ensuring that the "Clifford Chance Standard of Excellence" was achieved throughout. We also used our Resource Allocation and Legal Project Manager to propose a team to the client that (i) had the right blend of specific skills and experience and (ii) ensured that junior lawyers were used as efficiently as possible in order to reduce costs for the client
- **Risk Assessment:** we developed a legal report which analysed and tracked risk throughout the duration of the Project. Each risk was tracked by reference to a "traffic light" system and priority placed on managing risks identified as red flags. Each iteration of the report was presented to our client, and specific legal risks workshopped to find appropriate mitigants
- **Value for money:** our involvement resulted in the Project being structured in a manner which was commercially acceptable to all parties, bankable for project finance purposes, viable in terms of project delivery and, most importantly, provided value for money for the MoD and UK Government.

HIGH VALUE OR COMPLEX TRANSACTIONS AND DISPUTES

Summary of experience and expertise

We have a strong track-record of achieving successful outcomes on complex or high value transactions and disputes for public and private sector organisations operating in highly regulated environments.

Banking and Finance

- a bank in each of the LIBOR and EURIBOR investigations before the European Commission

Healthcare, Life Sciences & Chemicals

- **Pfizer** in its appeal of a £84.2 million fine to the UK's Competition Appeal Tribunal against the Competition and Markets Authority's decision which found it abused its dominant position

Energy & Resources

- **EdF** on BEIS's Hinkley Point C (see page 27 case study)
- **RWE Innogy and Galloper Wind Farm Limited** on the project financing of the 336MW Galloper offshore wind farm, the first pre-construction offshore wind project finance deal
- **Horizon Nuclear Power Wylfa Limited** on developing BEIS's £14 billion new nuclear power station at Wylfa, North Wales (see page 23 case study)
- **Siemens** in an English High Court claim by National Grid for damages arising from the gas-insulated switchgear cartel
- **Lenders**, including HM Treasury, in connection with the threatened termination of the Greater Manchester Waste PFI Project

Telecommunications, Media & Technology

- **Solicitors** to the Hutton Inquiry, which involved organising and proofing witnesses, dealing with interested parties, seeking expert evidence for the tribunal, securing documentary evidence, advising on process and attending the Royal Courts of Justice
- **James Murdoch** in relation to the Culture, Media and Sport Committee inquiry into phone hacking and the Leveson inquiry into the Culture, Practices and Ethics of the Press
- **FairSearch**, the main complainant, in the European Commission's investigation into Google's anticompetitive practices related to Android, leading to a fine of €4.34 billion
- **Oracle** in separate investigations by the French, Spanish and Japanese competition authorities as well as before the European Commission

Transport and Logistics

- **Macquarie Infrastructure Group** on £1 billion refinancing of the M6 Toll Road
- **Eurorail CTRL Limited** (in connection with all aspects of Eurorail's bid to design, construct, maintain and operate the £3 billion Channel Tunnel Rail Link)

Defence and Security

- **MoD** wholly owned company in long-running disputes against the Iranian government arising from the cancellation of a series of defence contracts following the Iranian Revolution

- Board of **Serco** in relation to criminal investigations, crisis management and risk process concerning the performance of electronic monitoring contracts for the UK Government

Other

- **Countryside Alliance** and the EC Claimants in judicial review proceedings challenging the validity of the Hunting Act that reached the Supreme Court
- **Christie Elan-Cane** in judicial review proceedings challenging the lawfulness of HM Passport Office's policy requiring an applicant for a UK passport to declare their gender as being either male or female.

Market leading experts



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Number of staff

44 Partners	134 Associates (6+years PQE)	178 Solicitors	63 Paralegals/ Trainees
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HIGH VALUE OR COMPLEX TRANSACTIONS AND DISPUTES

Case study

e-Borders Programme

We represented Raytheon in LCIA arbitration against the Secretary of State for Home Affairs in connection with the termination of the UK Government's e-Borders programme (a major government programme related to UK border control), a very major and highly complex dispute involving confidential matters of national security. Hearings took place between November 2012 and April 2013. An award of over £220 million in damages and other monetary relief was issued in favour of Raytheon. All of the Home Office's claims against Raytheon were dismissed. The Secretary of State challenged the award in the English Courts. The matter settled prior with Raytheon receiving a significant cash settlement (£150 million). We also advised in connection with related inquiries by the Home Affairs Committee and Public Accounts Committee.

Horizon Nuclear Power Wylfa Limited

We advise Horizon Nuclear Power Wylfa Limited in connection with the development of its new Wylfa Newydd Nuclear Generating Station on the Isle of Anglesey, in North Wales. The project will be one of the UK's largest energy infrastructure projects and an important step towards achieving the Government's commitment of transitioning to a low carbon economy.

We have advised on multiple aspects of the project, including preparation of the application and environmental impact assessment, land acquisition, statutory consultation, related planning applications and other regulatory.

In July 2018, the Planning Inspectorate announced that it has accepted Horizon Nuclear Power Wylfa Limited's application for development consent to build and operate the power station. This acceptance decision confirms that the application for development consent met the statutory requirements necessary to proceed to public examination and determination by the Secretary of State for Business, Energy and Industrial Strategy. The development consent order is anticipated to be granted towards then end of 2019.

London 2012 Olympics

We have advised the Olympic Delivery Authority (ODA) since 2006. Our role was to advise on the pathfinding and most complex procurements, including the main stadium and utility concessions, and to assist with template development. The project had enormous political sensitivity and public scrutiny from the outset in connection with the need to deliver to an absolute deadline, to manage the budget available and to be seen as a promoter of best practice. This was to be secured against a backdrop of a contracting market that was wary of bidding for "trophy" projects after some perceived major project failures in the UK in preceding years.

We advised on both (i) the first major construction contract for London 2012, and (ii) the rationalisation of this contract into flexible templates for use on all of the ODA procurements (these elements of our ODA scope of work are directly on-point for the scope of work for initiatives 1 and 3 as currently being tendered by Q22SC). On individual procurements and variations on some of the more complex schemes, we advised on the application of public tender procedures and provided assistance with reporting to stakeholders and public oversight bodies.

In addition to the development of the sports venues, the London 2012 Olympics offered a significant infrastructure and urban regeneration project in its own right. We were uniquely appointed to advise on the main Olympic Stadium, key venues, highways and the creation of new utility infrastructure and networks for the Olympic Park, Olympic Village and certain elements of Stratford City (electricity, energy centre, district heating and cooling network concession, gas, potable water, non-potable water, sewerage and telecommunication networks).

HIGH VALUE OR COMPLEX MERGER AND ACQUISITION (M&A) ACTIVITIES

Summary of experience and expertise

We have extensive experience and understanding of establishing, restructuring and divesting of UK Government interests across a range of asset types (e.g. equity, debt, real estate and IT). We have advised both the UK Government and private sector in the context of such activities, often collaborating with a range of UK Government stakeholders e.g. HM Treasury, the Government Legal Department and the Infrastructure and Projects Authority.

In terms of our private sector M&A experience, we have a leading, global practice that regularly features at the top of the cross-border M&A league tables and consistently wins some of the most high-profile and high-value deals in the market.

Relevant work highlights

- **Official Receiver and Special Managers of British Steel Limited** on the conduct of the liquidation and sales process for all or part of the company's assets
- **Provident Financial plc** on its unsolicited takeover offer from Non-Standard Finance plc
- **Network Rail** on the highly complex £1.46 billion sale of its multi-asset Commercial Estates Business through a competitive sales process. See case study on page 25
- **Jardine Lloyd Thompson Group** on its £4.8 billion takeover by Marsh & McLennan
- **UK Asset Resolution Limited (UKAR)** on the sale of a portfolio of loans valued at £2.7 billion. UKAR is a private company wholly owned by **HM Treasury** and managed by **UK Government Investments**
- A private equity and infrastructure fund manager on its proposal by **HM Treasury** for the Electric Vehicle Charging Infrastructure Investment Fund
- **London & Quadrant Housing Trust**, a registered social landlord with charitable status, in connection with its £505m acquisition of Gallagher Estates
- **CYBG** on its £1.7 billion takeover of Virgin Money.
- **Wellcome Trust** on a £2 billion joint venture with Goldman Sachs and Greystar to form a new student accommodation company with a portfolio of 23,500 beds across 54 sites in the UK
- **British Energy** on its 50 per cent. equity stake in a US nuclear generator, Amergen, and its minority equity stake in a Canadian nuclear generator, Bruce Power, as part of the wider restructuring
- **EdF** on the shareholder arrangements with China General Nuclear Power Group, a state-run Chinese energy company, and related governance and structural matters, and on the key support from BEIS
- See page 16 for privatisation examples.

- **GIC**, a body established by the Government of Singapore to manage Singapore's foreign reserves, on the acquisition from certain Blackstone funds of a 50 per cent. stake in the Broadgate Estate in London and on the related joint venture and asset management arrangements with British Land.

Market leading experts



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Number of staff

45 Partners	35 Associates (6+ years PQE)	94 Solicitors	39 Paralegals/ Trainees
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Awards



- **ILFR Europe Awards 2021** Restructuring deal of the year: Virgin Atlantic
- **Chambers Europe Awards 2021** Law Firm of the Year
- **TMT M&A Awards 2020** TMT M&A Law Firm of the Year
- **Real Estate Team of the Year 2019** Legal Business
- **Legal 500 UK Firm of the Year 2018** Corporate and Commercial
- **Lawyer Awards 2018** Corporate Team of the Year

HIGH VALUE OR COMPLEX MERGER AND ACQUISITION ACTIVITIES

Case study

London & Quadrant Housing Trust's £505m acquisition of Gallagher Estates

We advised London & Quadrant Housing Trust (L&Q), a regulated charitable housing association, on the acquisition of Gallagher Estates for an enterprise value of £505 million. The deal is the largest land acquisition undertaken by any housing association and places L&Q as one of the leading developers of new homes across the UK.

We led on the legal aspects of this corporate acquisition (including the sale and purchase agreement, warranty deed, warranty & indemnity policy and transitional and business-specific agreements). We advised on and negotiated the transaction documents and the separation of the Gallagher Estates business from the seller's retained group. We also took the lead on advising on branding, assisting with specific employment and pensions issues arising from due diligence, notably directors' contracts and remuneration, and carrying out due diligence on certain aspects of the Gallagher Estates group and the underlying assets, to support and supplement the existing due diligence team when they did not have the resources and/or expertise available. Our advice covered: Contracts; Corporate and M&A; Employment; Information and Technology; Intellectual Property; Insurance; Pensions; Property, Real Estate & Construction; Tax and Planning.

Network Rail - sale of its multi-asset Commercial Estates Business

In March 2018, Clifford Chance was instructed by Network Rail (NR) to lead them through uncharted waters and provide strategic advice and lead negotiations on Project Condor. Project Condor involved the strategically important disposal by NR of a £1.46bn portfolio of c.5,400 railway arches by the grant of 150 year leasehold interests.

Delivering this real estate M&A transaction required expert knowledge of real estate, development, construction contracts, public procurement law, public law, State aid, pensions, employment and corporate finance all delivered seamlessly, in the context of sensitive commercial negotiations, coupled with experience in leading a multi-bidder scenario involving highly sophisticated global financial investors and their counsel. In particular:

- providing strategic and technical input on key transaction documents
- devising innovative solutions to deal with the bidders' and funders' concerns around the omnibus lease structure, forfeiture risks and cure rights based on our in-depth market knowledge of likely requirements of bidders' debt and equity providers
- managing the bidding process from an array of interested parties down to one and transaction project management (including working with another law firm) as well as liaising with other government stakeholders
- using new technologies to manage the exchange and completion process for the transaction which reduced the time and cost of legal input and created efficiencies for NR
- advising on a vast array of employment, construction and other contracts needing to be transferred and complex financial issues arising from the transfer of an operational business
- advising on all various ancillary matters (e.g. pensions, anti-trust/EU merger clearance advice and Tax)
- advising on commercial contract separation issues
- addressing on complex public procurement, State aid, public law and regulatory issues including devising the transaction process to enable NR to achieve policy obligations (value-for-money).

PROJECTS OF EXCEPTIONAL INNOVATION AND COMPLEXITY

Summary of experience and expertise

We have advised on exceptionally innovative and complex UK Government projects of ministerial and national importance.

We have worked on major outsourcing where the UK Government has entrusted the private sector to manage and operate critical national infrastructure and where poor performance or failure risks are particularly acute (e.g. national and global security, severe public service disruption, or the government having to step-in at significant cost to the taxpayer) or advised on matters that have or may result in financial stability issues.

We have developed cutting-edge and innovative legal solutions to mitigate UK Government risk and assist compliance with departmental obligations and statutory functions.

We have successfully disaggregated single vendor IT contracts and procured new and emerging technologies.

Relevant work highlights

- **Department for Transport** on its support to the UK aviation sector during COVID-19 (Project Spring)
- **BEIS & UKGI** on a £100 million investment (grant funding) to ensure that any successful COVID-19 vaccine could be produced at scale in the UK
- **BEIS & UKGI** to advise on various COVID-19 vaccine development/manufacture agreements including the Oxford University/AstraZeneca agreement
- **BEIS** on the novation of a long-term investment agreement with a UK-based manufacturer
- **DHSC** on the complex disaggregation of an IT contract. See case study on page 27
- **Network Rail** on the biggest and most complex land transaction in the UK when it sold its Commercial Estates Business. See case study on page 25
- **Transport for London** and the **Greater London Authority** on the funding for the Crossrail Project
- **Affinity** on the UK MoD's MFTS project. See case study on page 21
- **AirTanker** on the Future Strategic Tanker Aircraft (FSTA) PFI with the MoD. See case study on page 27
- **Hitachi** on planning, regulatory and a range of other matters in connection with BEIS's Wylfa new nuclear build
- **EdF** on the development of Hinkley Point C nuclear power station, including the £6 billion investment by China General Nuclear Power Corporation to acquire and finance 33.5 per cent. of the £18 billion project, as well as advising on the landmark State aid clearance for the new power station
- **Royal Dutch Shell plc** on a \$4 billion disaggregation and multivendor IT outsourcing project
- **CRAFT 2018-1 and 2018-2** on credit linked notes linked to portfolios of corporate loans for Deutsche Bank AG
- **Sealane IV CLO** on the synthetic securitisation of trade finance loans for Standard Chartered Bank.

Market leading experts



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Partners	Associates (6+ years PQE)	Solicitors	Paralegals/ Trainees

PROJECTS OF EXCEPTIONAL INNOVATION AND COMPLEXITY

Case study

DHSC Disaggregation of the IMS3 Contract

The DHSC (or the Department of Health as it was then known) entered into a contract on 16.1.2012 with Atos IT Solutions and Services Ltd. The contract is for the provision of bundled IT services to DHSC as customer and other NHS bodies. DHSC decided that the contract should be disaggregated and replaced with a new multi-sourced target operating model procured by the Future Services Portfolio, a team within NHS England. Our role involved:

- advising on complex public procurement law issues connected to preparation of the contract for an orderly transition and termination
- drafting contract change notices and negotiating the same with Atos
- drafting notices for publication in the Official Journal of the European Union
- considering matters connected to the business case approvals process
- providing risk based legal advice compliant with GLD's legal risk guidance.

AirTanker on the MoD's Future Strategic Tanker Aircraft Project (FSTA)

We advised the preferred bidder, AirTanker, on FSTA since 2000. FSTA is one of the longest-running, and largest, PFI transactions in UK history. It involved advising on and drafting ground-breaking contractual arrangements to meet the MoD's specific and exacting service requirements.

We reviewed, reported and advised AirTanker on the proposed contract terms which were based on the MoD standard PFI terms issued during the tender period.

We continued to advise AirTanker on FSTA post signature. For example, we advised AirTanker on a platform which will enable it to lease the "non-core" aircraft to commercial airlines. This requires in-depth knowledge of the requirements of the underlying contractual arrangements, an example of using innovative legal solutions to help achieve value for money.

Hinkley Point C nuclear power plant (HPC)

We advised EdF on all aspects of HPC, a pioneering project of significant national importance which will have a major impact on the development of the nuclear sector and shape the landscape of the UK energy market.

Our role involved:

- advising on the £6 billion investment by China General Nuclear Power Corporation to acquire and finance 33.5 per cent. of this £18 billion project. This involved developing a complex joint venture agreement with investors and advising on company structures and corporate governance
- negotiating the terms of the Contract for Difference and the Secretary of State Investor Agreement with BEIS
- advising on the formal in-depth State aid investigation by the European Commission.



SOVEREIGN DEBT RESTRUCTURING INCLUDING INTERNATIONAL AND EU STRUCTURES AND PROCESSES

Summary of experience and expertise

We are one of the few law firms in the world to have a sovereign debt restructuring practice. This is an area in which we have been continually active for more than thirty years, during which we have acted in more than thirty country cases. We are the only law firm with extensive experience of advising both debtors and creditors. We have also been the lead law firm advising on eurozone rescue financings. Having dealt successfully with a number of the world's most-high profile, novel and sensitive sovereign debt restructurings, often during financial crises, we have an internationally recognised leading practice in this field coupled with a reputation for innovation. The Firm is also involved in policy developments internationally as they relate to sovereign debt more generally. We recently took the lead role on the aggregated collective action clause initiative for sovereign bonds promoted by, inter alia, the International Monetary Fund, International Capital Market Association, the Institute of International Finance and the G20.

We have also published widely in the sovereign debt restructuring field and are often called upon to join specialist working groups. At present we have Partners participating on (among others):

- the International Capital Market Association Sovereign Bond Working Group;
- the Legal Expert Group advising IMF Staff on the need for an international resolution regime for cross border financial institutions;
- the Advisory Group of experts established by the Netherlands Government and the Permanent Court of Arbitration on the resolution of disputes involving sovereign debts;
- the Institute of International Finance's Sovereign Risk Management Committee (and previously the Institute of International Finance's Special Committee on Financial Crisis Prevention and Resolution).

Relevant work highlights

- **Greece's** debt restructuring process between 2011 and 2015 including its debt buy-back and significant debt reduction involving the private sector
- **UK Debt Management Office** in relation to its gilt issuances and the drafting and negotiation of master repo agreements
- **Institute of International Finance** on the **G20 Debt Service Suspension Initiative (DSSI)** and the G20 Common Framework for Debt Treatments beyond the DSSI (since 2020 and ongoing)
- **Eurozone** rescue packages for Greece, Ireland, Portugal and Cyprus and liquidity support for Spain, as well as the collateral arrangements to support the bridge lending to Greece in 2015 by non-Eurozone EU members
- Developing templates for the Eurozone financial stability mechanisms (**EFSF/ESM**) to issue bonds into the markets and separately to provide financial assistance to Eurozone member states, as well as developing mechanisms to enable ESM/EFSF bonds to be issued through private placements and on-lent "in kind" to member states to recapitalise banks or to act as a "sweetener" to a bond exchange
- Developing through **ESM** a new direct recapitalisation framework for Eurozone financial institutions
- **Republic of Croatia** on its debt optimisation exercise in respect of its road and motorway sector debt
- **Latin American** sovereign on its settlement discussions with bond hold-outs.

Market leading experts



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Awards



- **Debt and Equity-linked Deal of the Year, IFLR Europe Awards 2015**
HM Treasury RMB bonds

SOVEREIGN DEBT RESTRUCTURING INCLUDING INTERNATIONAL AND EU STRUCTURES AND PROCESSES

Case study

European Financial Stability Facility

We advised on the establishment and funding of the European Financial Stability Facility and the European Stability Mechanism, the Eurozone financial stability mechanisms and on the euro area sovereign debt crisis (including the Greek debt crisis), which required significant legal and financial innovation and diplomatic skill.

Sovereign debt restructuring requires knowledge in a number of areas which can also be drawn upon during impending sovereign debt crisis. This includes expert knowledge of: applicable IMF and Paris Club policies (and the typical debt treatments used), exchange and capital controls, bilateral investment treaties and other treaties e.g. on the recognition of judgments and arbitral awards and enforcement thereof. Further, in-depth expertise in dispute resolution (and dispute avoidance) and sovereign immunity is also required as well as knowledge of applicable rules and practical solutions used in debt allocation following state succession. In some instances sanctions expertise is also drawn upon. In assembling new financing packages for the sovereign debtor, expertise in contingent sovereign debt instruments or features, Green finance and the Paris Club's evolving approach to debt forgiveness linked to climate change can also be important. Understanding the legal implications of credit default swaps, the regulatory capital treatment of sovereign debt and its use as collateral, and the accounting implications of writing down losses, is similarly very important.

At the multilateral level, good working relations with institutions such as the IMF, the World Bank Group and the UN and industry bodies operating in the sovereign debt space, such as ICMA and the IIF, are needed for effective collaboration in the areas of policy between the public and private sectors. Partners participate in important international fora on issues related to sovereign debt, e.g. the IIF's Sovereign Risk Management Committee, ICMA's sovereign bond working group, FMLC's Sovereign Debt Scoping Forum and the ILA Sovereign Insolvency Group. Recently, the Firm has participated on a US Treasury Staff Expert Group on reforms in sovereign debt (leading to the publication of sovereign debt contract reforms used in over 90 per cent. of new international sovereign debt issuance) since 2014, and the UN DESA Expert Group on Sovereign Debt.



INTERNATIONAL DEVELOPMENT/AID FUNDING

Summary of experience and expertise

We advise on the full spectrum of international development and aid funding, and advises commercial banks, development banks, MFIs, NGOs and other market participants on their microfinance, social enterprise initiatives and development projects in developing countries.

Relevant work highlights

- **EIB** on its up to EUR 50 million equity investment into Inven Capital, an internally managed, qualified-investor, Czech SICAV fund, fully owned by the regional energy group ČEZ, to support the growth of clean energy and smart technology SMEs
- **Opportunity International** on establishing a microfinance debt fund, which will be used to provide small loans to people living in poverty who lack access to mainstream financial services
- **Grameen Foundation** on the design, development and piloting of an innovative microcredit and insurance healthcare product in Kenya, aimed at making healthcare affordable for Kenyans who previously have been unable to afford it
- **Credit Suisse** as arranger on two microfinance securitisations of local currency loans to FINCA affiliates in multiple countries
- **MicroJustice** on the development of a multi-jurisdictional legal template for individual loan agreements to ensure adequate legal protection of microfinance clients
- Up to US\$175.6 million direct corporate loan envisaged to be provided by **AfDB** and **DBSA** to the State-owned Ghana Airports Company Limited for financing of its capital investment programme comprising the construction of a new terminal at Kotoka International Airport in Accra, Ghana and rehabilitation of other airports managed by GACL
- **CARE International** on the policy and regulatory environment for financial inclusion in Uganda and, in future, expanding this project to include other African countries
- The **Amandi Project**, which is the first in Ghana to be developed under the U.S. Government's Power Africa initiative
- **Agora Partnerships** on the formation of a fund to make microfinance loans in Nicaragua, with plans for follow-on funds throughout Central America
- **CDC Group's** Direct Impact Acceleration Fund on an equity investment into Jacoma Estates, a holding company for a Malawian plantation business.

Market leading experts



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INTERNATIONAL DEVELOPMENT/AID FUNDING

Case study

Pro bono advice on the development of a multi-jurisdictional microfinance legal template

Microfinance gives individuals access to small loans and enables them to expand their businesses, thus creating far-reaching possibilities for people who do not have access to the traditional banking sector.

Microfinance is an emerging field, which relies on microfinance institutions operating through a range of legal vehicles including NGOs, co-operatives, non-bank finance companies and banks. Inclusive, accessible financial systems encourage rapid economic growth in societies and help the poor to participate in that growth.

To expand their scale and scope, they need access to local currency loans from or supported by international commercial banks, who are critical intermediaries in the global flow of capital. In order to make such lending a sustainable part of the core business of international commercial banks, there is a real need to streamline the process, for example, by standardising legal documentation and stripping out often significant legal costs without compromising standards. This is what we have been doing, in a unique worldwide initiative with our clients. We have also used our expertise and close relationships with financial institutions around the world to benefit local communities – through projects ranging from local debt counselling to microfinance initiatives in emerging economies.

Scaling up commercial funding for the Monetary Financial Institutions (MFI):

- since 2006 we have been working on a pro bono basis with one of our key clients to develop a user-friendly, multi-jurisdictional legal template for microfinance, applying international standards to local currency documentation
- the result of this global collaboration is a unique product that helps MFIs gain large-scale access to commercial bank financing – a template that meets international documentation and credit standards and works under local law in a wide range of countries, including Honduras, Romania, Jordan, Uganda and Kazakhstan
- the development of the template has made a vital contribution to the microfinance sector worldwide. We continue to roll the template out to new countries, most recently Colombia
- over the past two years we have taken this initiative to the next level for our client and created a modified suite of legal template documents aimed at extending working capital directly to smaller enterprises, such as agribusinesses and social enterprises, including in jurisdictions previously considered non-bankable from a risk perspective. An innovative risk sharing platform has also been established to sit behind the local documentation, whereby international development agencies and charitable foundations can participate in particular lending programmes by indemnifying the local lenders against non-payment. This provision of additional credit support directly enables the extension of multiple lending programmes to a larger number of end-users.

Commitment to supporting international development and aid funding continues to be a priority for us and, as such, we will continue to provide microfinance advice, as well as act on key development projects to assist local communities around the globe.



INTERNATIONAL FINANCIAL ORGANISATIONS

Summary of experience and expertise

We are adept at managing complex financings involving multiple agency and multilateral lenders, including designing and implementing workable intercreditor solutions. We have unrivalled experience in advising both unconventional lenders and International Financial Institutions and/or Development Finance Institutions on complex intercreditor issues, as well as major export credit agencies.

As part of our robust agency and multilateral practice, we routinely represent issuers of political risk insurance policies and partial risk guarantees as well as lenders and equity investors covered by such policies and guarantees. Our clients include the International Finance Corporation, International Monetary Fund, Multilateral Investment Guarantee Agency, European Investment Bank, European Bank for Reconstruction and Development, Overseas Private Investment Corporation, Export-Import Bank of China and many others.

No firm in the world offers greater depth and breadth of experience working for and with governmental financing agencies in complex project financings, both on a stand-alone basis and in co-financings with state banks and local and international commercial lenders

Relevant work highlights

- **UKEF, lenders and UK businesses** on UKEF's Export Development Guarantee Scheme
- **EIB** on the £2.2 billion financing of the **Intercity Express Programme**, the first UK rail project involving financing support from each of EIB, Japan Bank for International Cooperation (JBIC) and Nippon Export and Investment Insurance
- **OPIC and IFC** on the financing of the renovation of the 52.9MW Cap des Biches combined- cycle power plant in Senegal
- the lenders which included two DFIs, OPIC and **CDC Group**, in relation to the US\$572 million financing of a 190MW dual-fuelled combined cycle power plant in Ghana. This project which is the first in Ghana to be developed under the U.S. Government's Power Africa initiative
- **IFC, CDC, DEG, FMO and JICA** in relation to the development and financing of an LNG import terminal utilising a floating storage and regasification unit (FSRU) situated offshore Moheshkhali Island, Bangladesh
- **IIC, Banco Santander and ICBC** on the financing to a subsidiary of Pampa Energía for the construction of the 100MW El Corti wind-power project, the first financing by international lenders to a project developed under the RenovAr renewable energy programme in Argentina
- **EIB** on the provision of a EUR 426.92 million Facility Agreement in connection with the financing of the Slovakian D4/R7 Road PPP Project.

Market leading experts



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Awards



- **Oil & Gas Deal of the Year 2018**
PFI Awards 2018
- **Asia Pacific Midstream Oil & Gas Deal of the Year 2017**
IJ Global
- **Power Finance Deal of the Year**
Bonds and Loans Latin America Awards 2017
- **PPP Deal of the Year 2016**
PFI Awards

INTERNATIONAL FINANCIAL ORGANISATIONS

Case study

We advised the lenders in relation to the US\$572 million financing of a 190MW dual-fuelled combined-cycle power plant in Ghana.

The London and Washington team advised the lenders in relation to this project, the first in Ghana to be developed under the U.S. Government's Power Africa initiative.

This was the only large-scale base-load independent power generation project in sub-Saharan Africa to achieve financial close at the time of the deal.

Role:

- the lending group was made up of two Development Finance Institutions, Overseas Private Investment Corporation and CDC Group, and two South African commercial banks, Nedbank and RMB. Its sponsors included Aldwych International (a sponsor of the Azura Edo Project) and Endeavor Energy, a Denham Capital portfolio company
- the plant will initially be LCO-fired, but the plant's feedstock will be switched to natural gas when gas becomes available for purchase from the offshore Sankofa fields (which were under development with the support of World Bank guarantees).

Key aspects:

- the plant will be equipped with a next-generation General Electric gas turbine, a heat recovery steam generator and a steam turbine generator. The project will increase Ghana's installed generating capacity by nearly 7 per cent. and will help address severe energy shortages that have sparked public protests in recent years
- unlike some large power projects in Africa, which are often financed almost exclusively by agency lenders, the Amandi project's financing structure included meaningful involvement of commercial lenders. Amandi's commercial bank lenders, RMB and Nedbank, were covered by political risk insurance, but they were not guaranteed and were exposed to commercial risk. Their decision to invest in this deal, both through providing loans and an unusual letter of credit facility to secure fuel shipments, indicates their commitment to and confidence in Ghana
- the project used a state-of-the-art EPC kit that, in the short term, helped address Ghana's urgent power shortages using the only kind of fuel that is currently available (liquid crude oil), but will, in the longer term, allow the plant to use cleaner, less carbon-intensive natural gas as soon as the gas becomes available.



INTERNATIONAL TRADE AGREEMENTS, INVESTMENTS AND ASSOCIATED REGULATIONS

Summary of experience and expertise

With trade law specialists in London, Brussels, Washington, D.C., Paris, Hong Kong and Perth, we have substantial experience drafting and advising on the interpretation of international trade and investment agreements. Clifford Chance has advised several governments across the globe, including the UK Government, on the negotiation of numerous FTAs and bilateral agreements on trade, insurance and investment, as well as bespoke cooperation and trade agreements. We advised DIT in relation to the drafting of a number of its continuity trade agreements, providing us with a deep understanding of the UK's existing network of FTAs. We have also advised HM Treasury on a range of issues in support of their work during the UK's exit negotiations with the EU. Members of our team have also advised on FTAs involving the EU, Canada, US and other states and economies. Our team is particularly notable for trade experience at all levels, from Partners through to Junior Associates, each of whom bring diverse cross-sectoral experience in treaty drafting, trade negotiations and international trade law.

Relevant work highlights

- **HM Treasury** on a range of issues in support of their work during the UK's exit negotiations with the EU
- **UK Government** on various international trade law issues, including providing training for FTA negotiations and advice relating to the UK's COVID-19 response programme
- **Department for International Trade** on the negotiation of continuity agreements to replace existing EU FTAs
- **Department for International Trade**, acting on behalf of the Government, on its project to provide support to the UK aviation sector (Project Spring)
- **UK Government's LatAm Trade Envoy** on the UK and Peru PanAm Games government agreement and the UK and Peru Infrastructure Task Force
- **A sovereign state** in relation to financial services equivalence arrangements with the EU
- **A sovereign state** in relation to a proposed international treaty on insurance services
- **A sovereign state** on reform of its export control regime, including providing a summary of the EU and UK, Australian, and Russian regimes
- **A sovereign state** on an Association Agreement negotiations with the European Union
- **A sector-wide UK industry group** on the application of certain services obligations under the GATS and EU FTAs, and the effect of potential future UK FTAs
- A significant number of large EU and non-EU financial institutions and organisations, including UK Finance, on the effect of financial regulatory equivalence negotiations between the EU and UK and effect on the Markets in Financial Instruments Regulation
- A government agency of a WTO Member on the consistency of broad-ranging reforms to its trade, investment and government procurement laws.

Market leading experts



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INTERNATIONAL TRADE AGREEMENTS, INVESTMENTS AND ASSOCIATED REGULATIONS

Case study

Advising a Middle Eastern State on urgent Trade Issues

We are advising the Ministry of Energy of a Middle Eastern State in connection with trade law considerations in relation to a proposed change in tax legislation. We have provided written and in-person advice on an urgent basis, including the preparation of a presentation by the Energy Minister in a meeting of the cabinet, which was attended by Jessica Gladstone. For this mandate we have provided a multidisciplinary team, including lawyers from our Tax, Trade and International Law, Antitrust and Disputes practices, operating from our London, Washington D.C., Brussels and Luxembourg offices.



CREDIT/BOND INSURANCE, COUNTER INDEMNITIES, ALTERNATIVE RISK TRANSFER MECHANISMS

Summary of experience and expertise

We have advised the European Investment Bank (EIB) in relation to the creation of the standard form documents and the development of its Project Bond Credit Enhancement (PBCE) product as part of the Project Bond 2020 initiative. In addition, we advised EIB on the first five transactions making use of the PBCE. We have acted for EIB in connection with the initial deployment of the product to support a €1.4 billion senior bond financing by Watercraft Capital S.A. of the Castor Spanish gas concession (please see case study on page 37).

We advised a number of credit institutions in relation to their participation in the UK Government's Credit Guarantee Scheme in 2008 and National Loan Guarantee Scheme in 2012, including Lloyds and Barclays. The forms of guarantee, and HM Treasury policy requirements, have typically been very similar from scheme to scheme, meaning that we are well-placed to advise on the form of documentation and the likely concerns and issues for HM Treasury and other finance parties.

Relevant work highlights

- **EIB** as subordinated credit provider in relation to project bonds issued by Greater Gabbard OFTO plc in connection with the acquisition of offshore transmission assets relating to the 504MW Greater Gabbard offshore wind farm – the first UK issuance of PBCE
- **EIB** on the provision of credit enhancement to the A7 motorway PPP in Northern Germany. This project was innovative in its use of the PBCE as credit support for the construction phase of the project only. It was also the first road PPP in Germany to benefit from use of the PBCE
- Sponsors on the development of the A11 road connection/port by-pass in Belgium. The project incorporates nearly 90 civil engineering structures, including twin bascule bridges, a viaduct and three tunnels, and develops 13km of road that will have palpable benefits for the quality of life in the region. This was the first greenfield infrastructure project to involve PBCE product and included provisions allowing the PBCE to be drawn during construction in the event of cash shortfalls
- **Axione Infrastructures** and its sponsors on the structuring and refinancing of its existing indebtedness through a securitised loan, giving rise to the first listed French Law Project Bond, using the PBCE product
- World Bank's issuer, **MIGA**, in relation to the development of its credit insurance policy
- **Salisbury II Securities 2016** on the synthetic securitisation of SME loans for Lloyds Bank
- Advising on the financial guarantee between RBS (as beneficiary) and EIF (as guarantor)
- **Grafton CLO 2016-1 D.A.C** on the synthetic securitisation of corporate loans for Abbey National.

Market leading experts



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CREDIT/BOND INSURANCE, COUNTER INDEMNITIES, ALTERNATIVE RISK TRANSFER MECHANISMS

Case study

The first transaction to make use of EIB's Project Bond Credit Enhancement facility

Advising the European Investment Bank on the issuance of a stand-by letter of credit facility to provide credit support to €1.4 billion amortising bonds due 2034 issued by Watercraft Capital S.A. The proceeds of the bond issuance will be used to finance the construction and operation of a natural gas storage facility near Valencia, Spain.

The transaction was the first to make use of European Investment Bank's project bond credit enhancement facility or PBCE, which is intended to deliver the Project Bond 2020 Initiative.

The Project Bond 2020 Initiative is a joint programme between the European Commission and the European Investment Bank. Its objective is to finance key infrastructure projects in sectors such as transport and energy. We advised on the design and drafting of the PBCE template documentation, as well as its initial implementation.

On this first-of-a-kind transaction, we advised the European Investment Bank through a cross-border team led by Capital Markets teams in London and Madrid.

The operation involves the issue of bonds by Watercraft Capital S.A. for a total value of €1.4 billion, maturing in 2035, backed by a subordinated stand-by letter of credit facility from the European Investment Bank.

The investment supports the Castor Underground Natural Gas Storage facility project in Spain, promoted by the Ministry of Industry to store up to 30 per cent. of Spain's daily gas consumption, and implemented by construction company ACS and Dundee Energy Limited.

