IFLR

INTERNATIONAL FINANCIAL LAW REVIEW

DEAL YEARBOOK



THE TRANSACTIONS THAT LIT UP THE YEAR

DEAL YEARBOOK 2014

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Are you in the 100?

Welcome to the first IFLR Deal Yearbook 100, featuring the most crucial cross-border transactions of the year. These are the 100 deals that shaped the market – and IFLR's coverage. You might even find you worked on one.

IFLR spends a great amount of time tracking and writing analysis of complex transactions. But we rarely have a chance to stand back and review those deals in the context of the year, and assess their impact.

This yearbook does exactly that. Inside we unpick the deals that really matter: structural firsts, big-ticket market openers or just fiendishly difficult transactions.

Spanning July 2013 to July 2014, the deals are chosen by our global team of journalists in New York, London and Hong Kong. Speaking to outside counsel and clients, and drawing on IFLR's extensive deal research and coverage, we've put together the year's best 100 deals from Europe, the Middle East, Americas and Asia. They span six categories: project finance, structured finance, capital markets, M&A, restructuring and banking.

As you'll see, IFLR's Deal Yearbook 100 includes exclusive overviews of all of the chosen deals. We explain why the deals were innovative and why they influenced the legal landscape in 2014.

Of the 25 deals from each region, we have identified four that stood out as particularly noteworthy. With the help of international and local firms, and in-house who worked on the deal, we have reviewed these in greater depth.

From restructurings that encouraged forum shopping, to new AT1 CoCos that plumped up banks' balance sheets, or an asset-backed securitisation that revived US housing finance, we explain how they got done and why they're important.

We hope you enjoy this Deal Yearbook – whether your deal is in it or not.

Tom Young
Managing editor

APCOA judgment

RESTRUCTURING

The decision that changed UK schemes

The use of UK schemes of arrangement (SOA) by foreign-incorporated companies was boosted by a decision in March to allow German company APCOA Parking to utilise a scheme despite minimal connection to the country.

Although under appeal at the time of going to press, the English court decision held that an amendment from a German to English governing law clause in the facilities agreement by majority lender consent was enough to give the English court jurisdiction to sanction a SOA. The news was welcomed by troubled European companies.

The decision further pushed the tenuousness of UK-incorporation needed for foreign companies to use the technique. Seven out of the nine Apcoa companies were incorporated overseas and each had its own centre of main interest overseas.

Counsel on the deal had to persuade the court that the priority senior lenders and second lien lenders ought to vote together in the same class, notwithstanding their different ranking in the intercreditor agreement.

Tear sheet

- **Clifford Chance** - APCOA Parking
- **Linklaters** - APCOA Parking
- **Jones Day** – FMS (holdout creditor)
- **Ashurst** – lender committee

Arle Capital's fundraising

M&A

Boutique PE's new fundraising option

Arle Capital's April deal-by-deal fundraising was an example of European general partners (GP) experimenting with more bespoke fund strategies, blurring the boundaries between private equity and club-style equity funding.

Raised to finance the firm's €498 million ($691 million) acquisition of banknote manufacturer Inia, the fund represents a simplified form of deal making tipped to improve market confidence and encourage more non-traditional fund structures. A rarity in European private equity, deal-by-deal funds give limited partners the opportunity to approve each individual acquisition. While all managers won't be able to replicate the structure, those with a strong track record in the target's sector, and the ability to develop investments in a standalone structure, are expected to look at similar strategies.

"It won't be a prevalent trend, as it requires a GP with a niche set of circumstances. But we will see this becoming more frequent among GPs that have the capability, but not access to a standalone fund," says White & Case partner Ian Bagshaw, who advised Arle on the acquisition.

Tear sheet

- **Simpson Thacher & Bartlett** – Arle (fundraising)
- **White & Case** – Arle (acquisition)

BNP Paribas's Lighthouse Trade Financier

STRUCTURED FINANCE

First securitisation backed by commodity trade loans

Last year BNP Paribas used a master trust structure to complete the first securitisation backed by short-term commodity trade loans. The $132 million deal was the first from the bank's Lighthouse Trade Finance Master platform, and expanded the pool of assets switching to non-bank finance.

"Traditionally, securitisation in this space was simpler, involving trade receivables securitised through an ABCP [asset-backed commercial paper] vehicle," says Fabrice Susini, global head of securitisation at BNP Paribas. "But here we were using different assets that required a specific structure to achieve more portfolio diversification."

Lighthouse securitised loans made by its Swiss energy and commodity finance business to commodity traders, which could be backed by very large and expensive cargoes. A direct sale to the issuer would make it hard to create securitised notes backed by a portfolio of different assets. Instead the loans and security were transferred to a master vehicle and divided among a number of underlying issuer vehicles.

Tear sheet

- **Arthur Cox** – acquirer and arranger
- **Allen & Overy** – BNP Paribas as arranger and trustee
- **Schellenberg Wittmer** – arranger