Our Trade & Commodity Expertise

2018
Our awards

Restructuring ‘Team of the Year’
British Legal Awards 2017

Best Trade Finance Law Firm
GTR Trade Finance Awards 2017

Best Law Firm
Trade Finance Awards 2018

Best Law Firm – Trade and Forfaiting Review.
Excellence in Trade Awards 2017

Banking and Finance ‘Team of the Year’
British Legal Awards 2017
Trade & Commodity Finance

With geopolitical tensions, a changing Chinese economy and price volatility, the commodities markets are going through turbulent changes. In addition, commodities finance documentation and security structures are becoming increasingly complex, whilst stricter regulatory regimes pose further challenges.

Our Trade and Commodity Finance team can translate complexity and the increased scrutiny of security structures into practical and efficient solutions. Our in-depth knowledge of the sector and track record in documenting trade and commodity financings, and our litigators’ experience of advising on a large number of disputes in the trade and commodity sector allows us to identify and solve any issues upfront, providing our clients with both practical and commercial advice.

Whether trading in physical commodities or commodity derivatives, using commodities to generate cash flows within Shari’a-compliant financings, entering into a commodities financing, or structuring a complex commodities arbitrage transaction, there are a plethora of diverse legal issues to consider – from documentation to credit mitigation and from regulatory approvals to reputational issues. At Allen & Overy, we bring our expertise in each legal discipline under one product umbrella to offer our clients a seamless solution.

We are committed to supporting our trade and commodity finance clients across the full range of their business. Our trade finance practice covers all aspects of the sector from advice on vanilla trade instruments and UCP rules, bilateral trade and receivables financings, pre-seller and post-import facilities, through to innovative domestic and global supply chain finance programmes, trade risk distribution structures, structured commodity financings and the most complex trade financing restructurings seen in the market.

We have worked on supply chain finance programmes and global platforms operated by Citibank, HSBC, Greensill Capital and JP Morgan amongst many others and our experience covers the full spectrum of supply chain finance products from buyer/supplier facing platforms to securitisations of supply chain receivables. We have recently assisted two major global banks to structure new supply chain finance products including drafting the suite of relevant documents.

We advise major international banks on regulatory matters relating to their supply chain and trade finance business and are a market leading firm for trade specific, product-focused regulatory advice.

We have advised the trade finance teams of many of the major banks on regulatory issues in a trade finance context such as Bank recovery Resolution Directive (including Article 55), EMIR, BRRD CIS and AIFMD considerations, Volcker and CRDIV, sanctions and credit risk mitigation techniques.
Award winning deals

TRAFIGURA
A consortium of six banks on a USD470 million commodity securitisation issued by Trafigura Commodities Funding Pte Ltd (“TCF”), a non-recourse, stand-alone special purpose vehicle launched by Trafigura Pte Ltd (“Trafigura”)

Commodity Trading Company Deal of the year – TXF Perfect 10 Awards 2018
GTR Trade Finance Awards Best Deal
Trade Finance Awards 2018 – Winner

CITIBANK AND DEUTSCHE BANK
Advising Citibank and Deutsche bank as mandated lead arrangers on the USD500m World Bank-guaranteed Gas Supply Security Facility in favour of Naftogaz of Ukraine, financing spot purchases from the international gas markets by Naftogaz.

GTR Trade Finance Awards Best Deal
Trade finance Awards 2018 – Winner

STANDARD CHARTERED BANK
Standard Chartered Bank and Société Générale as arrangers on the financing to support the acquisition of Fertilizers and Inputs Holding by Helios Investment Partners. Fertilizers and Inputs Holding carries out Louis Dreyfus Company’s Africa-based fertilisers and inputs operations, distributing fertilisers, crop protection products, seeds and industrial chemicals throughout Angola, Burkina Faso, Cameroon, Ivory Coast, Madagascar, Mali and Senegal. The financing combines a number of leveraged finance and trade finance techniques in order to provide acquisition financing as well as ongoing working capital financing for the business

Commodity Acquisition Finance Deal of the Year – TXF Perfect 10 Awards 2018

METINVEST
A vertically integrated steel and iron ore producer and one of the largest Ukrainian companies, on its c.USD2.2billion financial restructuring, involving a combined bank and bond scheme of arrangement and subsequent refinancing

Best in Innovation – Global Restructuring Review’s Awards 2017

PDO
PDO on their USD4bn pre-export financing. This is, to our knowledge, the first crude-backed pre-export financing to be attempted in the GCC. It is important as it demonstrates how an innovative financing structure (a crude prepayment facility) can be used by a regional government to alleviate short term budgetary pressures resulting from the dip in global crude prices, by opening a new means of accessing liquidity in international funding markets

Trade & Export Finance Deal of the Year – Bonds, Loan & Sukuk Middle East Awards 2016
A truly cross-practice expertise

Working collaboratively across many practice areas and offices, and closely with the other lawyers around Allen & Overy, the Trade & Commodity Finance group focuses on the full range of trade and commodity finance products and notably on:

- Borrowing
- Base Lending
- Commodity derivatives
- Corporate funding
- Dispute Resolution/Litigation
- Pre-export financing and prepayment facilities
- Receivables and supply chain finance
- Regulatory & Investigations
- Reserve-Based Lending
- Structured commodity finance
We are committed to supporting our TCF clients across all of their business and in every type of commodity.

<table>
<thead>
<tr>
<th>Soft commodities</th>
<th>Hard commodities</th>
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<tr>
<td>– Coffee</td>
<td>– Oil</td>
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<td>– Cocoa</td>
<td>– Gas</td>
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<td>– Sugar</td>
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<td>– Grains</td>
<td>– Iron ore</td>
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<td>– Oil seeds</td>
<td>– Coal</td>
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Our recent experience includes advising:

**VIRGIN MEDIA**

ING as supply chain platform provider on a Virgin Media GBP350m receivables financing notes issuance. Winner of IFLR high yield deal of the year 2016 and Bankers’ magazine high yield and leveraged deals of the year 2016.

**GUNVOR**

A syndicate of banks on USD615m Off-Balance Sheet Instruments revolving credit facilities for Gunvor Group Ltd, arranged by ABN AMRO Bank and ING Bank.

**OW BUNKER**

The Security Agent and the Receivers in relation to the USD700 million borrowing base facilities for OW Bunker & Trading A/S in connection with the global insolvency of OW Bunker Group. OW Bunker – the second-largest listed company by revenue in Denmark – is owed USD1.4bn. It went into liquidation after its banks refused to extend credit following revelations of a USD125m fraud at Dynamic Oil and a USD150m risk management loss. Around USD600m is owed by its two Singapore entities, USD330m by OW Bunker Far East and USD270m by Dynamic Oil. A USD700m facility extended by a syndicate of banks to OW Bunker & Trading and OW Supply & Trading (OW Bunker Denmark) gave the lending syndicate claims over certain assets of various OW Bunker entities around the world, including the two Singapore subsidiaries.

**REPUBLIC OF CHAD**

The lenders on multiple prepayment facilities (totaling approximately USD2bn) in favour of Glencore Energy UK Ltd for advance payments for crude oil purchases from SHT, the Chadian national oil company. This deal was awarded TRF Deal of the Year as well as being described in the Financial Times as “transformational” for the Republic of Chad and SHT.

**STEMCOR**

The co-ordinating committee of lenders in relation to the restructuring of the Stemcor group, a privately owned steel trading business. The restructuring involved a demerger of the Stemcor Group into separate core and non-core businesses. All lenders retained a limited recourse debt claim against the non-core business and a reduced debt claim against the core business, while those lenders that supported the core-business (by providing new syndicated trade finance and borrowing base facilities) also received equity in the core business. The restructuring was complex involving a pre-planned administration, scheme of arrangement and release of junior debt pursuant to intercreditor provisions and successfully withstood challenge from a junior lender and certain shareholders.

**A GLOBAL FINANCIAL INSTITUTION**

The lender on committed trade finance and supply chain finance arrangements for a fashion retailer. This first-of-its-kind structure provided certainty for the borrower’s supply chain, which was central to its ability to continue to trade, shore up investor confidence and achieve a wider debt restructuring and CVA.

**STANDARD CHARTERED BANK**

Standard Chartered Bank, as mandated lead arranger, on various financings for Sonangol (the Republic of Angola’s state owned national oil company) including a USD1 billion syndicated facility and USD2.5bn and USD1bn secured borrowing base syndicated debt facilities.

**NYMAS**

A major European refinery on a crude oil storage monetisation transaction, using a framework agreement to buy cargos on a case by case basis. The structure worked on a macro level because it leveraged the counterparty’s balance sheet and the refinery’s crude oil storage capacities in a synergistic manner. The structure took advantage of the low interest rate environment and contango in the crude oil futures curve to enable the refinery to monetise its excess storage capacity.
Your key contacts

Banking

Greg Brown
Partner – London
Tel +44 20 3088 4760
greg.brown@allenovery.com

Niels de Ru
Partner – Amsterdam
Tel +31 20 674 1135
niels.deu@allenovery.com

Adrian Mellor
Partner – Paris
Tel +33 14 006 5375
adrian.mellor@allenovery.com

Banking

Catherine Lang-Anderson
Counsel – London
Tel +44 20 3088 2030
catherine.lang-anderson@allenovery.com

Tom Longmuir
Counsel – Paris
Tel +33 1 40 06 53 41
tom.longmuir@allenovery.com

Regulatory & Investigations

Gregory Mocek
Partner – Washington
Tel +1 202 683 3887
gregory.mocek@allenovery.com

Anthony Mansfield
Partner – Washington
Tel +1 202 683 3884
anthony.mansfield@allenovery.com

Corporate

Justin Steer
Partner – Amsterdam
Tel +31 20 674 1646
justin.steer@allenovery.com

Matt Townsend
Partner – London
Tel +44 20 3088 3174
matthew.townsend@allenovery.com

Structured Commodity Finance & Derivatives

Richard Tredgett
Partner – London
Tel +44 20 3088 2467
richard.tredgett@allenovery.com

Dan Birch
Senior Associate – London
Tel +44 20 3088 3292
daniel.birch@allenovery.com
GLOBAL PRESENCE

Allen & Overy is an international legal practice with approximately 5,400 people, including some 554 partners, working in 44 offices worldwide. Allen & Overy LLP or an affiliated undertaking has an office in each of:

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- Bangkok
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- Beijing
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- Bratislava
- Brussels
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- Budapest
- Casablanca
- Doha
- Dubai
- Düsseldorf
- Frankfurt
- Hamburg
- Hanoi
- Ho Chi Minh City
- Hong Kong
- Istanbul
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- London
- Luxembourg
- Madrid
- Milan
- Moscow
- Munich
- New York
- Paris
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- Shanghai
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- Tokyo
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