

# ALLEN & OVERY

An aerial photograph of a large shipping yard filled with stacks of colorful intermodal containers in shades of red, blue, yellow, and green. The containers are arranged in neat rows and columns, creating a complex geometric pattern. In the background, there are industrial structures, including a large gantry crane and other equipment, suggesting a busy port or logistics hub. The image is partially obscured by a white circular graphic element on the right side.

## Our Trade & Commodity Expertise

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2018

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# 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:

<b>Borrowing Base Lending</b>	<b>Commodity derivatives</b>	<b>Corporate funding</b>
<b>Dispute Resolution/ Litigation</b>	<b>Pre-export financing and prepayment facilities</b>	<b>Receivables and supply chain finance</b>
<b>Regulatory &amp; Investigations</b>	<b>Reserve-Based Lending</b>	<b>Structured commodity finance</b>

We are committed to supporting our TCF clients across all of their business and in every type of commodity.

### Soft commodities

- Coffee
- Cocoa
- Sugar
- Grains
- Oil seeds

### Hard commodities

- Oil
- Gas
- Copper
- Iron ore
- Coal



## 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 (totalling 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.

### 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.

### 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.

### NYMAS

A major European refinery on a crude oil storage monetisation transaction, using a framework agreement to buy cargoes 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@allenoverly.com



**Niels de Ru**

Partner – Amsterdam  
Tel + 31 20 674 1135  
niels.deru@allenoverly.com



**Adrian Mellor**

Partner – Paris  
Tel +33 14 006 5375  
adrian.mellor@allenoverly.com

## Banking



**Catherine Lang-Anderson**

Counsel – London  
Tel +44 20 3088 2030  
catherine.lang-anderson@allenoverly.com



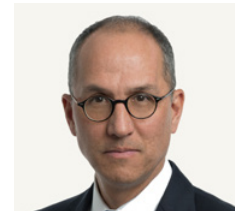
**Tom Longmuir**

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



**Gregory Mocek**

Partner – Washington  
Tel +1 202 683 3887  
gregory.mocek@allenoverly.com



**Anthony Mansfield**

Partner – Washington  
Tel +1 202 683 3884  
anthony.mansfield@allenoverly.com

## Regulatory & Investigations

## Corporate



**Justin Steer**

Partner – Amsterdam  
Tel +31 20 674 1646  
justin.steer@allenoverly.com



**Matt Townsend**

Partner – London  
Tel +44 20 3088 3174  
matthew.townsend@allenoverly.com



**Richard Tredgett**

Partner – London  
Tel +44 20 3088 2467  
richard.tredgett@allenoverly.com



**Dan Birch**

Senior Associate – London  
Tel +44 20 3088 3292  
daniel.birch@allenoverly.com

## Structured Commodity Finance & Derivatives





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## GLOBAL PRESENCE

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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:

Abu Dhabi	Bucharest (associated office)	Ho Chi Minh City	Moscow	Seoul
Amsterdam	Budapest	Hong Kong	Munich	Shanghai
Antwerp	Casablanca	Istanbul	New York	Singapore
Bangkok	Doha	Jakarta (associated office)	Paris	Sydney
Barcelona	Dubai	Johannesburg	Perth	Tokyo
Beijing	Düsseldorf	London	Prague	Warsaw
Belfast	Frankfurt	Luxembourg	Riyadh (cooperation office)	Washington, D.C.
Bratislava	Hamburg	Madrid	Rome	Yangon
Brussels	Hanoi	Milan	São Paulo	

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