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Square Pegs and Round Holes

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*By: **Oliver Irwin***

Bracewell's **Oliver Irwin** and **Bagyasree Nambron** co-authored an article for *Project Finance International* (PFI) on the impact of the impending London interbank offered rate (Libor) replacement on project finance loans and their associated interest rate swaps.

As market commentators and regulators have been highlighting for many months, the scale and complexity of Libor replacement exercise requires all market participants to prepare for a coordinated transition as soon as possible.

As we approach the end-game of this exercise, new project finance debt facilities and their interest rate hedging agreements continue to use Libor as a benchmark rate, albeit with various fall-back regimes depending on the governing law of the loan agreements and associated interest rate hedging agreements.

This article explores some of the risk allocation issues that arise in connection with English law governed Loan Market Association based project finance loan agreements and their associated ISDA interest rate swaps, as well as some of the recent positions being adopted on transactions.

Click here to read the entire PFI article.