



One Firm Worldwide<sup>SM</sup>



## DERIVATIVES & STRUCTURED FINANCE – MOSCOW

Jones Day regularly represents a broad range of counterparties, including financial institutions, dealers, investors, investment funds, and end users, in structuring and documenting complex derivatives and commodities transactions. We provide comprehensive regulatory, insolvency, and documentation legal advice with respect to these matters in both a transactional and a contentious context.

Our experience in this area includes derivative products, both on a stand-alone basis and in connection with tax-based structured financings, infrastructure, and corporate financing transactions.

In Moscow, we have a strong team of lawyers with considerable international structured finance and derivatives experience who advise clients on derivatives, financial products, and other complex structured finance transactions, including CDOs, interest-rate-protection products, and FX products.

Our lawyers are experienced in the Russian standard derivatives documentation developed by NAUFOR/NVA/ARB (RISDA) and were actively involved in the working group developing standard documentation for the Russian market.

We also advise clients on counterparty bankruptcy and litigation risks involving structured products, as well as on asset-backed securities to help them devise strategies to mitigate these risks.

In an environment characterized by unprecedented regulatory change—including the recent introduction of the concepts of qualified investors, netting, and foreign financial instruments—as well as by the lack of judicial precedent and regulatory guidance, we provide our clients with tailored solutions based on our global experience and an in-depth understanding of the Russian market.

## CORE TEAM IN MOSCOW

**Konstantin Kroll, Partner.** Konstantin concentrates on debt and equity capital markets transactions, structured finance, and derivatives. He regularly advises on debt, equity, and synthetic instruments, including GDRs/ADRs, LPNs, CLNs, ELNs, and CDOs; exchangeable and convertible bonds; repackagings; and securitizations. Konstantin has been “recommended for debt and derivatives” by *The Legal 500*; described as “the best securitization lawyer in Russia” by *IFLR*; regarded as one of the leading capital markets lawyers in Russia by *Best Lawyers* and the Russian business daily *Vedomosti*; and noted for his “dedication and experience in cross-border deals” by *Chambers Global*.

**Nicholas How, Of Counsel.** Nick acts for financial institutions, investment funds, corporate borrowers, and sponsors on a broad range of financing matters. He also has considerable experience advising on structured finance products and negotiating OTC derivatives governed under English-law ISDA, including credit derivatives, currency/interest-rate swaps for loan hedging, and intercreditor issues for swap counterparties with syndicate banks or bondholders.

**Sergei Volfson, Of Counsel.** Sergei’s practice focuses on complex multijurisdictional litigation and arbitration. He has significant experience representing U.S., European, and Russian companies in international litigation and arbitration proceedings in Russia and other jurisdictions, including banking, securities, and corporate matters. Sergei has also represented clients in numerous enforcement matters related to various financial products and transactions.

**Alexei Kostin, Associate.** Alexei’s practice focuses on equity (both equity and equity-linked) and debt capital markets, as well as derivatives and structured finance. He has considerable experience in domestic and cross-border derivatives and structured finance transactions, advising major banks and corporations on ISDA and Russian standard derivatives documentation, repo transactions under PSA/ISMA GMRA, and stock-lending transactions under the GMSLA.

**Sean Huber, Associate.** Sean has considerable experience with contentious and noncontentious derivatives and financial products. Prior to joining Jones Day, Sean worked as in-house counsel in the corporate and risk solutions groups at Barclays Capital in London, where he was involved in key negotiations for the development and implementation of CCP clearing and matching solutions for FX derivatives and credit-default swaps. He also has experience with derivatives litigation.

## SELECTED RECENT EXPERIENCE OF THE TEAM’S LAWYERS IN RUSSIA\*

- Advised Alfa Group on the \$3.7 billion monetization by Alfa Group and Access-Renova Group of their respective rights to future delivery of new BP ordinary shares pursuant to the terms of the TNK-BP joint venture through the issuance of zero coupon secured notes—at the time, one of the largest monetization financings and the first of its kind in the derivatives and capital markets.
- Advised Gazprombank as arranger of the first Russian ruble-denominated mortgage certificate domestic securitization.
- Advised Eurasian Natural Resources Corporation PLC in connection with its \$300 million forward currency exchange contracts and related credit support agreements.
- Advising major banks (including Barclays, BNP Paribas, Citi, Commerzbank, Credit Suisse, Deutsche Bank, Goldman Sachs, JPMorgan, Merrill Lynch, Morgan Stanley, Nomura, The Royal Bank of Scotland, UBS, and UniCredit) as well as major corporates on:
  - ISDA documentation for various derivatives transactions with Russian counterparties;
  - Repo transactions with Russian counterparties under PSA/ISMA GMRA and stock-lending transactions under the GMSLA;
  - Russian-market standard documentation developed by NAUFOR/NVA/ARB for trading derivatives;
  - Other structured finance transactions, including structured deposits and CDOs;
  - Russian-law-governed documentation for derivatives transactions, including interest-rate, and cross-currency swaps.

\* Advice for some of these matters was provided by our lawyers during their tenure at other law firms.

## GLOBAL DERIVATIVES & STRUCTURED FINANCE

Jones Day lawyers are experienced in all the major master agreement forms for derivative products, including ISDA, GMRA, GMSLA, FEOMA, AFB, and RISDA. We are actively involved in ISDA working groups and documentation committees.

We have been at the forefront of the development and documentation of transactions involving customized and highly structured financial instruments like synthetic securities, including synthetic CDOs and structured-note trusts; such transactions typically utilize derivatives to create, alter, and/or manage cash flows.

With our lawyers' in-depth understanding of the complexities of regulated and unregulated securities and bank products, we are unsurpassed in the representation of financial-institution clients when these products are involved in litigation. Our understanding of the underlying investments and their structures means we can move quickly to assess risk and prepare positions that lay the foundation for effective resolution at trial or in negotiation. Long before the current credit-market turmoil, we were advising financial clients on the risks of litigation involving structured products and asset-backed securities and working with them to mitigate these risks by revising documentation and sales practices. This planning has been critical to the successful defense of financial institutions and their officers and directors, particularly in claims of fraud or misrepresentation associated with the distribution of bank products.

## SELECTED RECENT EXPERIENCE

- Advised PT Bumi Resources Tbk., an Indonesian coal-mining company, in relation to equity swaps and call options structured around Bumi's convertible bond offerings made in August and November 2009.
- Advised Citi Capital Advisors (f.k.a. Citi Alternative Investments) in relation to the derivatives, repo, stock lending, and cross-products netting arrangements for several of its funds.
- Advised Société Générale in relation to the security collateralization of a \$1.5 billion structured derivatives transaction in connection with the company's investment in an offshore fund with exposure to a substantial portfolio of structured financial assets.
- Advised Bank of America in the analysis of risk exposure and the pre-litigation analysis of the derivatives and financial-product documentation (OTC derivatives, repos, stock lending) provided by it to various troubled counterparties, including Merrill Lynch, AIG, and Washington Mutual.
- Advised Aspect Capital in negotiating its derivatives arrangements and prime brokerage deals.
- Advised JPMorgan in connection with credit support for a series of derivative arrangements.
- Advised DA Capital Asia in connection with a series of rate-swap arrangements.
- Advised Standard Bank in connection with a credit-default swap in relation to a Brazilian bond issue.
- Advised Dresdner Bank AG and other hedging banks in connection with a series of interest-rate swaps in relation to acquisition finance credit facilities.
- Defended Citibank and other defendants in two of the earliest decisions involving CDO claims.
- Represented various credit derivatives dealers in the first external review panel ever convened by the International Swaps and Derivatives Association, Inc., when the ISDA Credit Derivatives Determinations Committee was unable to achieve the required supermajority vote to conclude that a credit event had occurred with respect to CEMEX S.A.B. de C.V.
- Advised the estate of Lehman Brothers Holdings Inc. in the restructuring of a broad range of synthetic and other structured financial products. The collapse of the Lehman Brothers group has given rise to unprecedented issues, particularly with respect to the unwinding of synthetic structured financings with a net worth of \$40 billion in which the bank was a counterparty.

## ABOUT JONES DAY

Jones Day ranks among the world's largest and most geographically diverse law firms, offering a full suite of integrated legal services throughout our offices in Europe, Asia, the Middle East, Latin America, and the United States. Our clients—which represent leading companies in virtually every industry—benefit from the strength of our multidisciplinary teams and the seamless transfer of resources across multiple jurisdictions and borders. We act as principal outside counsel to, or provide significant legal representation for, a majority of the *Fortune* 500 and approximately half of the *Fortune* Global 500 and the *FT* Global 500.

## LAWYER CONTACTS

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## JONES DAY LOCATIONS

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