

Sovereign-Debt Update

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On July 26, 2013, the French government filed an amicus curiae (“friend of the court”) brief supporting Argentina’s petition requesting the U.S. Supreme Court to review a ruling handed down by the U.S. Court of Appeals for the Second Circuit on October 26, 2012 (see *NML Capital, Ltd. v. Republic of Argentina*, 699 F.3d 246 (2d Cir. 2012)) upholding a lower-court order enjoining Argentina from making payments on restructured defaulted debt without making comparable payments to holdout bondholders. The protracted legal saga arising from Argentina’s \$100 billion default in 2001 has come to involve the International Monetary Fund (the “IMF”), the U.S. and, now, France, due to its implications for future sovereign-debt restructurings. In its amicus brief, France argues, among other things, that: (i) the Second Circuit’s ruling deviates from fundamental tenets of equity jurisprudence; and (ii) the Second Circuit’s decision threatens wider public interests. The IMF recently backed away from a plan to support Argentina’s appeal after U.S. Treasury officials counseled that it was not the right time for the fund to get involved in the case. The Supreme Court will not decide until this fall whether to hear Argentina’s appeal. A copy of the amicus brief can be accessed at <http://www.scribd.com/doc/156852371/NML-2013-07-26-France-Amicus-Brief>.