Sea of Change

Regulatory reforms to 2012 and beyond

CLIFFORD CHANCE

Bank Resolution and Bail-ins in the context of Bank Groups

December 2011

contents

London

Chris Bates
Partner
T : +44 20 7006 1041
E : chris.bates@cliffordchance.com

Simon Gleeson
Partner
T : +44 20 7006 4979
E : simon.gleeson@cliffordchance.com

Bank Resolution and Bail-ins in the context of Bank Groups

Much of the discussion about bank resolution is predicated on the basis of the simplifying assumption that a bank is a single entity. In economic terms this is broadly correct, but in legal terms it is clearly not. Most banks, and all systemically important banks, are groups of legal entities. In legal terms groups do not exist – it is only the companies which comprise the group which can enter into contracts, incur liabilities or fail. This is not, however the way that economists (or people generally) see the world. Businesses are generally thought of as single undertakings. Thus for a lawyer it makes perfect sense to talk of a group being partially insolvent, in that some of its components are insolvent whilst others are not. For non-lawyers, however, the concept is almost meaningless – it is like speaking of a human being as being partly dead.

However, in the same way that it is possible in emergencies to preserve the life of a living organism by removing dead parts, it is possible in emergencies to save parts of bank groups by allowing other parts to become insolvent. To press the analogy slightly further, the question of whether this is possible or not rather depends on the functions of the parts being amputated. There are some parts of a group whose removal can be accomplished without damaging the business of the group as a whole; but there are others whose removal entails the immediate and automatic extinction of the entire organism. It is by no means always crystal clear which is which.

There is therefore no automatic answer to the question “what are we trying to resolve – the group or the bank?” - the only meaningful answer is “it depends”. Consequently it is necessary to think about bank resolution tools not only in the context of individual undertakings, but also in the context of how those tools could be applied to bank subsidiaries within a group, to parent companies of banks, and potentially to non-bank subsidiaries of banks. This is a difficult piece of analysis. To complicate matters further, bank groups are by no means uniform, and different bank managements have different strategies as to how the economic activity of the bank should be reflected in the legal structure of the group. This paper seeks to explore these issues.

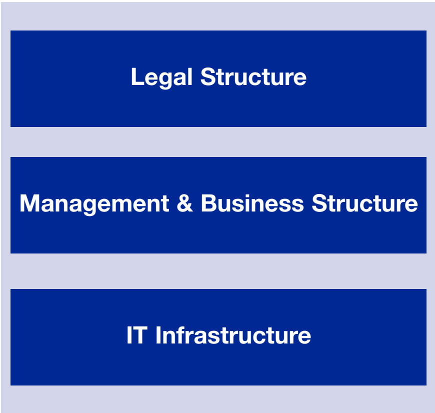
What do we mean by “bail-in”?

Much of the discussion concerning bail-in has been conducted on the basis that bail-in is a separate legal process from resolution, and can be created by different legal mechanisms. However, from the perspective of a senior creditor, it is immaterial to him whether his claim is reduced by the operation of a write-down mechanism embedded in the terms of the instrument creating the debt, or is reduced by his being left in a "bad bank" out of which assets have been transferred. This note focuses on bail-in within resolution, and for the purposes discussed herein, the legal mechanism which is used to produce this reduction in claims is immaterial. The issue which is addressed here is which creditors of which group entities should have their claims reduced in this way in what circumstances. For these purposes legal mechanism is immaterial.

Bank groups considered as layer cakes

Slightly paradoxically, in order for a lawyer to understand the practicalities of bank structure, the easiest mental model is the Marxist model. Marx regarded society as composed of the "base" – the forces and relations of production which constitute economic reality – and the "superstructure" - culture, institutions and social norms. Base determines superstructure, and a failure to perceive the realities of the base constitutes false consciousness. Banks can usefully be considered using this paradigm. The "base" is the IT and management systems and processes which conduct the banks day to day business, whereas the "superstructure" is the legal construct which sits on top of the base. In analysing the bank itself, a focus on legal structures is a form of false consciousness. In determining whether an entity can continue to function, what matters is not whether the legal entities are solvent on an accounting basis, but whether the underlying systems are continuing to operate. The failure of Lehman Brothers International Europe provides a dramatic demonstration of this proposition – when the systems stop working, the institution is finished, and the notional solvency or otherwise of the legal entities is a detail for historians rather than a material fact.

A simplified model of a conventional bank group might be as follows



The key point here is that each of these layers will be subdivided. Legal structure will be subdivided into individual legal entities. IT Infrastructure will be subdivided into different systems. Management structure will be subdivided into business areas. These subdivisions are not necessarily congruent with the subdivisions at other layers.

Sometimes one or more of these will conjoin. None of these processes are generally related to the others – banks do not generally prioritise legal structures when designing management processes or IT systems, or IT functionality when designing trade booking structures.

The effect of all this, however, is to expose as an illusion the idea that because business is conducted within a particular legal subsidiary, it is therefore segregated – or capable of being easily divided from – the other activities of the group. A subsidiary is, in legal realist terms, simply a few lines in a company registry – the question of whether a particular business can be separated from and easily sold from a group is much more likely to be determined by its management and control structures than by the legal substructure of its contracts.

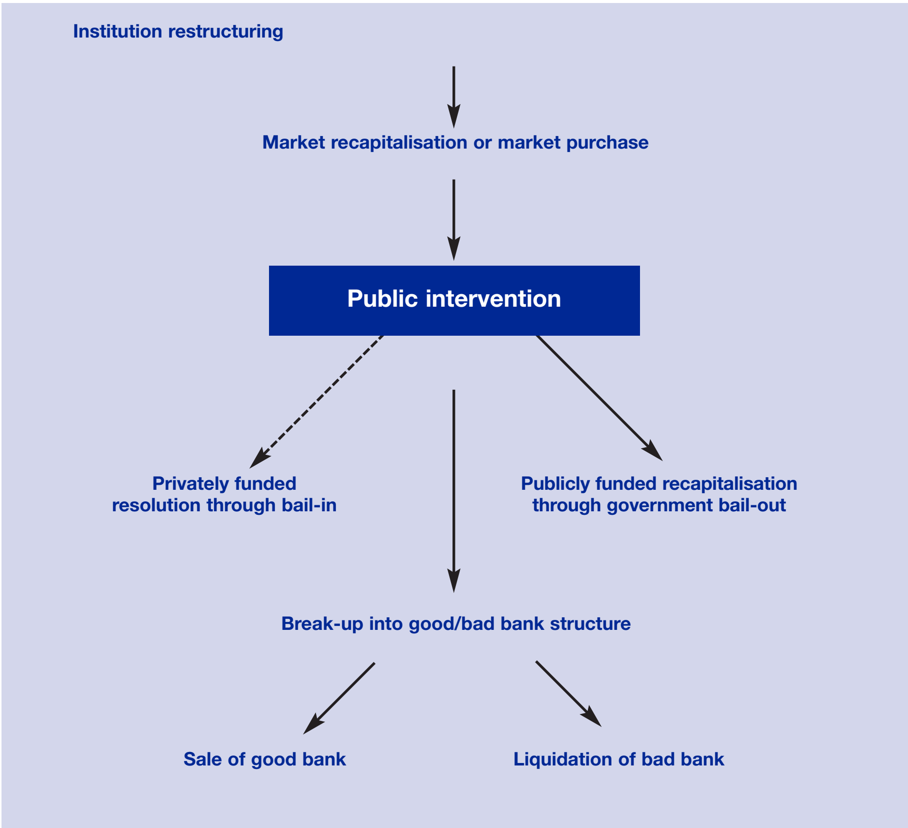
The reason that this is important in the international context is that in most situations where banks operate through different national subsidiaries, it is highly likely that their operational, payment and functional activities will be conducted through a single bank-wide system. Even in contexts where bank regulators have required national subsidiarisation they have generally not gone so far as to require the maintenance of separate free-standing national operational systems – generally because such a requirement would add substantially to the service costs incurred by national customers However, in the absence of such a requirement, the question of the possible survivability of the national subsidiary is a function of the continuing existence of the underlying systems. This has a number of consequences. One is that if the architecture of the bank is such that the system concerned is effectively operated by the troubled institution, then the failure of that institution will necessarily cause cessation of operations throughout the group. In order to address this issue without fragmenting operational systems in a way which would create massively increased costs, it is clearly necessary to create some degree of independence for the function concerned. However, any significant reconstruction of bank systems would impose costs which are very significant on banks, and such costs (payable as they are out of profits) would directly impact capital levels and further inhibit bank's ability to create credit.

Resolution at the group level

Consideration of the complexities of dealing with group structures helps to make clear why resolution through disposal of the entire undertaking of the failed institution is always the preferred resolution option - private sale and transfer to public ownership both have the immense advantage of not requiring a detailed analysis of which liabilities and assets are in which subsidiary in which jurisdiction. It is therefore worth considering how bail-in fits in to this strong policy preference.

There is a reasonably clear decision path which faces a supervisor confronting a troubled bank. The steps are set out schematically below, but the logic is perhaps easier to follow than the schema. In a perfect world an institution can be resolved by internal restructuring – liquidating some assets, withdrawing from certain lines of business, raising cash and paying down debts. However the practicability of this course of action is largely determined by the state of the rest of the financial system – for an institution which has suffered an idiosyncratic shock in an otherwise buoyant market sale or floatation may be a practical proposition, but in a depressed or non-existent market this is unlikely to be an option.

The first recourse for an institution which cannot resolve itself is to go to the market to raise more capital – this can be achieved either by placing new equity with market investors, or by engineering a purchase by a solvent purchaser. Again, this will be possible for some institutions in some contexts, but not for all in all.



At this point public intervention will be required. This intervention can take a number of forms. At its simplest, this intervention is a reorganization process. This will involve the exercise of statutory powers to divide up the institution concerned, generally into a "good" bank, which can be sold or floated and a "bad" bank. The proceeds of sale of the "good" bank will be used to reduce the losses of those creditors left in the "bad" bank. In extreme cases the institution as a whole may be past saving and may have to be closed in its entirety. However in any sufficiently large bank there should be sufficient assets to enable the construction of a "good" bank of some size. Those creditors whose claims are transferred to the "good" bank are effectively preferred to other creditors of the institution – in general, retail deposits are protected in this way. Once this has been done, the "bad" bank is run off.

This is the architecture which has been used successfully in a number of jurisdictions, and has been applied to institutions as large as Indymac and Bradford & Bingley. It is robust, and (in the US at least) has a long track record of successful use with smaller institutions. The problem is that it is not a technique which has yet been used for the largest globally systemically important financial institutions (SIFIs). Opinions vary between those who believe that this technique could be applied to the largest banks easily, and those who fear that those banks are too complex to be resolvable in this way within the time available. The basis of the latter view is that global SIFIs are, by definition, massively multinational. Their activities, and their obligations, will be governed by a number of different laws, and no one resolution authority can be given control of the entire group. Since global SIFIs generally take the form of complex groups, it is also doubtful that resolution techniques which are effective when applied to a single national entity would be equally effective when applied to a complex global group. In order to make such resolution techniques fully effective on a cross-border basis, it will be necessary for jurisdictions to make progress towards international agreement – and quite possible an international convention – co-ordinating the jurisdiction of relevant resolution authorities. The IMF, the FSB and many commentators have spoken in favour of this approach, but progress towards it is slow. In the absence of such an agreement, these conflicts of law problems provide another strong incentive for resolution to be addressed at the group level.

It is clear from the schematic diagram above that the problem which is faced by public authorities is that once a bank is in need of resolution, if conventional resolution is not an effective solution, the only remaining alternative is publicly funded recapitalization – taxpayer-funded bail-out. It is clearly true that this is by no means a bad thing. As Lord Turner said in his Clare College speech in February 2011[1]:

"…, the International Monetary Fund's (IMF) estimates of the total direct cost of public support during the crisis, published in June last year[2], suggest that on average it might amount to less than 3% of GDP. And latest estimates for the US suggest that it could still be less, indeed it could be negative, with the public authorities making a profit, certainly in relation to the commercial banks, if not in relation to Fannie Mae, Freddie Mac and AIG."

This prediction seems even more accurate now than when it was delivered.

However, no matter how well the taxpayer may end up doing out of bank bail-outs, it is important to understand that the taxpayer at the moment has no appetite for them. At least some politicians are determined to ensure that they can never again be placed in the position where they are obliged to do politically toxic bank bail-outs in order to avoid significant economic damage. If this means breaking up the global banks into national ring-fenced local entities, that will be regarded by them as a price well worth paying – not least because the political costs of foregoing future economic growth may be minimal – lost potential growth is, after all, invisible. Consequently, the challenge which the industry faces is to create a third policy option which is credible and practicable in a public intervention context, alongside efforts to demonstrate that conventional resolution is possible through living wills.

Privately funded recapitalization is a technique which has a surprisingly long history. Central banks have had considerable experience over the years with a technique which involves identifying the largest creditors of the troubled institution concerned, locking them in a room together, and explaining that their mutual self-interest clearly indicates their assembling a resolution fund out of their own resources. For example, in the 1970s the Bank of England dealt with the secondary banking crisis by organizing a "lifeboat" amongst the major clearing banks which at its peak amounted to 40% of their capital, and in 1998 the Federal reserve facilitated the rescue of LTCM by a group of the largest US commercial and investment banks.

The primary problem with this model of privately funded recapitalization is that it is more or less impossible to identify every significant creditor of a SIFI in any reasonable timescale, and even harder to persuade them to agree amongst themselves in the short period available to those charged with resolving a bank. These issues are more acute where a bank is significantly dependent on capital markets funding with a dispersed bondholder group. Even within a small "lifeboat" group under great time pressure the prisoners dilemma will arise, and, as the Lehman experience shows, orchestrating all the parties towards a

[1] http://www.fsa.gov.uk/pages/Library/Communication/Speeches/2011/0218_at.shtml
[2] http://www.imf.org/external/np/g20/pdf/062710b.pdf

consensual solution in a weekend timetable may just prove too challenging.

The obvious solution to this problem is to require at least some creditors of an institution to commit to contribute to privately funded recapitalisation. This could be accomplished by providing in the terms of the agreement by which the creditor becomes a creditor that, in the event of a recapitalization being required, the amount due to him will be reduced by the amount of his contribution to the recapitalization in exchange for shares in the bank or by giving the authorities statutory powers to achieve this result (or a "hybrid" combination of the two methods). This is the basis of the technique known as "bail-in". It is by no means the only method of approaching this problem, and it is entirely possible that other mechanisms may prove to be equally or even more effective. However, for the reasons set out in our previous paper [3], we believe that the bail-in technique represents the most legally efficacious mechanism for ensuring private sector participation in the refinancing of a troubled institution currently available to a multi-jurisdictional entity operating within multiple legal regimes.

There is, however, one final point which should be made as regards the use of this technique. For any firm in any business, a financial crisis can be defined as the moment when it runs out of cash. Extinguishing liabilities, whilst restoring balance sheet solvency, does not produce a penny of new cash. A balance-sheet restructuring, therefore, is only useful if it is sufficient to restore credibility – and therefore access to liquidity - to the institution concerned. A private recapitalization done using bail-in techniques will therefore involve a significantly greater write-down of creditor assets than the amount which would be required if those creditors were to agree to advance new money to the troubled institution. It may, therefore, be the case that the principal effect of the possibility of a bail-in might be to resolve the prisoner's dilemma[4] and make it easier for central banks to create lifeboats. This would not be a bad or an undesirable outcome.

Bank bail-in – Group issues.

Bank groups are protean – not only are they very different one from another, but also they may change significantly as the business of the bank changes. Inconveniently for our purposes there is no such thing as a typical bank group. However, we begin by suggesting a taxonomy of bank groups which may enable some progress to be made in answering these questions.

We begin by dividing bank groups into four broad classes. This is not a scientific classification, but is an attempt to create a basis for considering the issues.

For the purposes of the examples that follow, we have divided creditors into three broad types:-

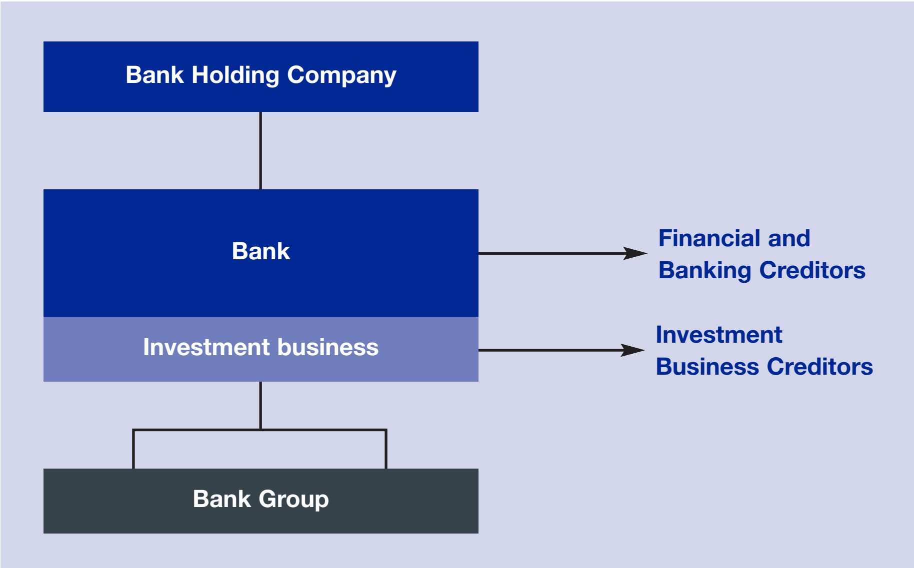
Banking creditors; meaning retail and wholesale depositors and creditors arising out of the provision by the bank of payment and custody services;

Investment Business creditors; meaning swap counterparties, trading counterparties, exchanges, clearing systems and other investment business counterparties (including repo counterparties).

Financial creditors; meaning long-term creditors of the bank, including bondholders and other long-term unsecured finance providers

[3] *Legal Aspects of Bank Bail-ins* Clifford Chance 2011 ,at http://www.cliffordchance.com/publicationviews/publications/2011/05/legal_aspects_ofbankbail-ins.html
[4] Or, in technical terms, to restore Pareto optimality to the class of outcomes of individual choices

1. The "Big bank" model



Here we see a more or less "empty" holding company holding a bank with a large balance sheet. Assets not held within the bank itself will generally be held by subsidiaries of the bank. Funding is likely to be raised primarily at the bank level, since any funding raised at the holding company level is structurally subordinated to funding raised at the bank level. In general the "big bank" is likely to do its derivatives, markets and trading business out of the main legal entity, since this will be the most creditworthy member of the group and will ensure that counterparties have the lowest risk exposure (and therefore the lowest costs of dealing with it). A common variant of this structure is where the bank itself is the holding company for the group.

In the context of this institution two issues arise. One is that it is very unlikely that investment business creditors will be (or can be) included in the bail-in mechanism, and retail bank depositors certainly will not be for policy reasons. The bail-in mechanism will therefore be applied to non-retail banking creditors, and a question may be raised as to whether these form a sufficiently large part of the exposures of the bank to enable an appropriately sized recapitalization. The answer to this is that it is broadly up to the supervisors of the bank concerned to satisfy themselves that the bank does have sufficient liabilities of this kind – if the institution seeks to reduce its quantum of bail-inable debts by migrating creditors to the status of investment business creditors, it should be free to do so, but the regulator should be expected to respond that if the bank has insufficient bail-in capacity, its capital requirement will be increased to cover the shortfall.

Mechanically, bailing in the big bank model is in some respects the easiest challenge. If creditors are at the level of the bank, it is a relatively simple matter to extinguish their claims on the bank and issue them with new shares in the bank itself. This will have the effect of "crowding out" the holding by the existing parent company, so the transfer of the equity in the bailed-in bank to the bailed-in creditors should occur more or less automatically. Where the bank is itself the holding company (or where there are assets in the holding company which are valuable to the survival of the group), it will be necessary to "crowd out" the old shareholders at the top of the group.

Nonetheless this scenario is not entirely free from difficulty. First of all, the numbers needed to "crowd out" the old shareholders are eyewatering – if a bank has 100m shares in issue, in order to cram down those shareholders to 1% of the new equity 9.9 billion new shares would have to be issued (which raises technical issues in those jurisdictions which prohibit shares being issued at a discount to par value). More importantly, it is generally regarded as important in any resolution that the interests of the "old" shareholders should be completely subordinated to the interests of the providers of the resolution funding – if the "old" shareholders are permitted to continue to maintain a substantial interest in the future of the entity this creates the risk of perverse incentives for them in the period running up to crisis[5].

It seems likely that the easiest solution to this problem would be that the

[5] In particular, if the "old" shareholders can expect to participate in post-intervention gains they may obstruct new capital-raising by the institution concerned.

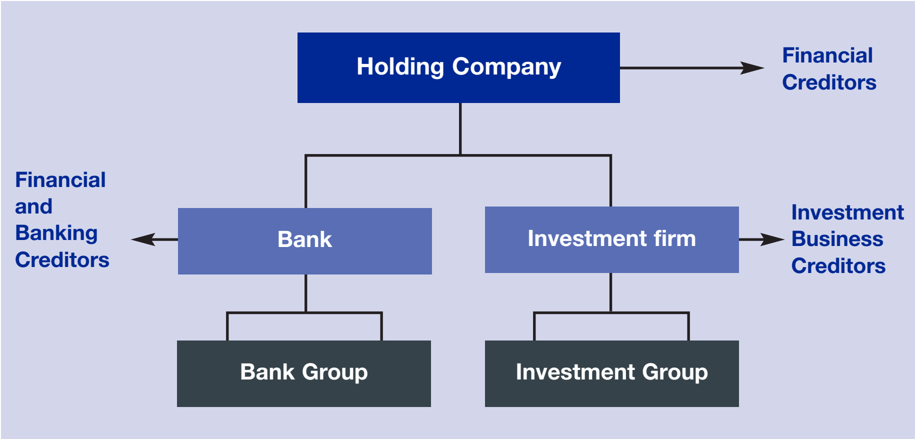
resolution authority for the bank concerned should be given rights under the applicable resolution regime to cancel the outstanding shares and extinguish the claims of the shareholders in the holding company (in conjunction with the issue of the new shares to the bailed-in creditors). Alternatively, the resolution authority could be given powers to acquire the shares of the existing shareholders and either to cancel them (as a prelude to the issue of new shares to the bailed-in creidtors) or to transfer them to the bailed-in creditors.

If there are creditors of the holding company, this poses several further difficulties. Creditors of the holding company have voluntarily accepted a position where they are structurally subordinated to creditors of the bank. It is therefore highly arguable that such creditors should be bailed–in first before direct creditors of the bank are affected. However, if there are insufficient of these creditors, the bail-in may have to be extended to the creditors of the bank. In these circumstances it is arguably clear that creditors of the holding company should be extinguished before creditors of the bank are bailed-in at all, since this outcome best reflects the subordination positions which the parties have voluntarily assumed. Where the bank creditors are being compensated with shares in the holding company, then, if the counterfactual is that (absent the bail-in) both the bank and the holding company would have gone into liquidation, it would be necessary to determine what (if anything) the holding company and the bank creditors would have received in that liquidation in order to determine how to compensate them with equity in the holding company while preserving their relative liquidation priorities. This is straightforward, if the claims of the bailed-in creditors of the holding company would be worthless in a liquidation. It is more complex if there is value at the holding company level that needs to be reflected in the allocation of equity compensation for the cancellation or reduction of their claims.

2. The “Bank/nonbank” model.

We need to begin with a hypothesis as to where in the group the loss has been incurred. For the purposes of this paper we will assume that the loss has been incurred in the banking part of the group.

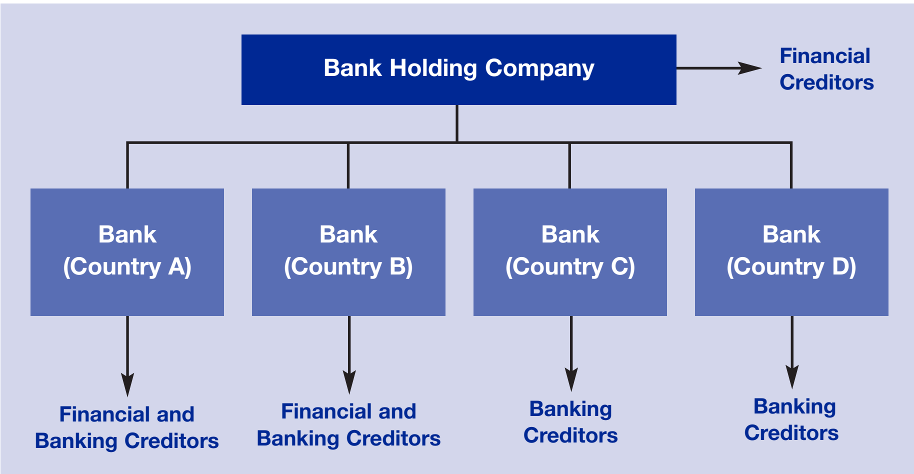
At the level of the bank itself, the issues here are no different from the “big bank” model. Considering the position of the investment firm immediately raises the “dead in parts” problem. It should be remembered that in this context it is highly likely that the bank and the investment firm will share the same branding, the same advertising campaign and the same IT, processing and payment systems. As a result, it may well be the case that the survival of the brokerage will be entirely dependent on the survival of the bank. Clearly, if the bail-in can be conducted entirely at the group level that is likely to be the optimal solution. However, if that is not the case, then there may well be scope for the creditors of the bank to argue that they are incurring a cost in respect of which the creditors of the investment firm are beneficiaries, even though those creditors are not paying for that benefit. This point becomes more difficult still if there are insufficient



Here we see a holding company which owns a bank and a non-bank investment firm. These activities are likely to be ring-fenced by local legislation into a “bank chain” and a “non-bank chain”, with little interaction between the two sides of the group below the level of the holding company. In this case it is more likely that significant funds may have been raised at the parent company level, since lenders at that level will have access to a larger asset pool than lenders to the bank. It is also very likely that significant external debt will have been raised at the bank level. Indeed, it is possible that all three components – the bank, the investment firm and the holding company – may have raised senior debt.

creditors of the bank capable of being bailed-in, since in that case it will become necessary to consider whether creditors of the investment firm should be bailed-in in order to resolve the bank if that is in fact the only way of preserving the investment firm.

3. The "global multi-bank" model.



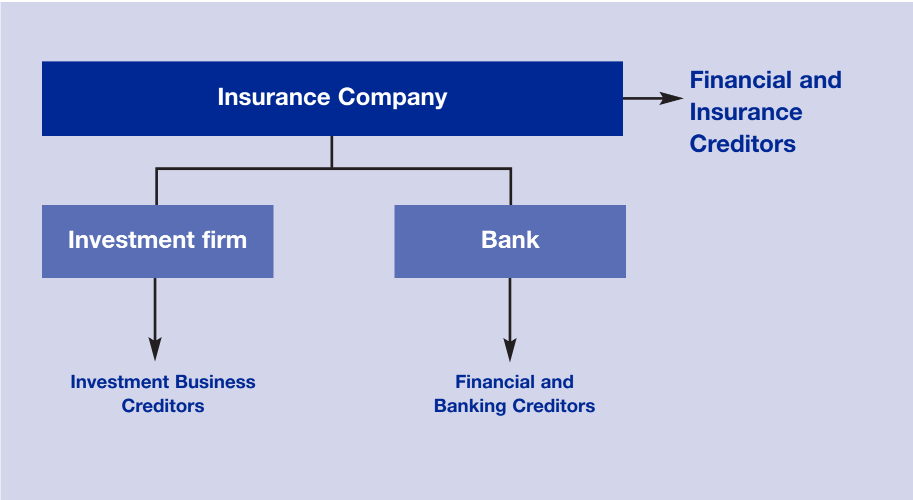
Here a more or less empty holding company owns a number of banks – generally incorporated in different jurisdictions and subject to some degree of restrictions on their interconnection. In this case it is likely that at least some debt has been raised at the holding company level, although it is likely that some (but perhaps not all) of the subsidiary banks will also have raised external financial debt.

Bailing in the global multi-bank is more interesting that the previous cases. The architecture of the global multi-bank is generally in response to pressures from national regulators who require national business to be undertaken by separately capitalized local subsidiaries. Since we have hypothesized that the holding company is "empty" (i.e. has no economic activity of its own) , it must follow that the loss causing the crisis must have been experienced in one or other of the bank subsidiaries. At the holding company level, the effect of a bail-in is therefore to raise new equity which can be employed to create new equity into the bank which has suffered the loss by forgiving intra-group debts owed by the subsidiary to the holding company in respect of funding previously received. However, if there is insufficient debt at the holding company and in the troubled subsidiary bank (or insufficient intra-group debts to be forgiven), there could *in extremis* arise the possibility of bailing-in creditors of solvent bank group members in order to resolution the troubled bank.

The permutations in this regard are complex and difficult. Considering the group above; if Bank A gets into trouble and its own bail-in capital is insufficient to get it out again, should the bail-in-able creditors of Bank B be called on? If they are, how does the capital get transferred from Bank B to Bank A? What if Bank C (which has no bail-in-able debt) gets into difficulties - should bail-in creditors of Banks A or B be bailed-in to resolve it? To complicate matters further, if the bail-in of bank A results in majority control of bank A being transferred to the bailed-in creditors of Bank A, those creditors may take advantage of their status as controller of the bank to restrain the new capital thus created from being transferred elsewhere within the group.

This will require a good deal of goodwill between the resolution authorities in the various jurisdictions – a commodity which tends to be in short supply in these situations.

4. The "financial conglomerate".



Here an insurance company owns the bank parent.

In the context of the financial conglomerate, analysis tends to run into the sands. If the parent of the bank is a regulated entity it is highly unlikely that the creditors of that regulated entity will be permitted to be bailed in in order to resolve the bank. This may be felt to be reasonable, in that even if the parent has provided equity to acquire the bank, it is most unlikely that it will have raised and downstreamed funding. Thus in such cases we might hope to find that the senior funding of the bank had been raised primarily within the bank itself, and if this does indeed turn out to be the case then the outcome will be similar to the "big bank" situation.

It is clear that these are no more than illustrations of broad classes of group structures, and it should also be clear that in each case the theoretical deployment of exposures would be dependent primarily on the type and volume of funding raised at each stage within the group.

Transmission of capital within groups

A further problem potentially arises within groups as regards the transmission of capital. In general, where a member of a group has surplus capital, if another member of the group is in need of capital, a number of mechanisms exist for transferring that capital within the group.

At its simplest, the transferring entity can subscribe for new shares in the transferee entity. However, this is generally not permitted where capital is to be transmitted upwards, since subsidiaries generally cannot buy shares in their own parent. Alternative mechanisms exist - the entity which is in surplus can pay its extra capital up the chain in the form of dividends until it reaches the group holding company, at which point it can be downstreamed

again to the entity which is short of capital. Between subsidiaries subscription is possible but can create complexities where subsidiaries of a common holding company have crossholdings in each other.

An alternative is the indirect creation of capital by the forgiveness of intra-group debt. This is an effective mechanism (cancellation of debt results in an automatic increase in shareholders funds), but relies on there being forgivable debt in place, and on the directors of the company which is to forgive the debt being confident that the "giving away" of a company asset is within their powers and duties.

Another alternative is the capital contribution – a straightforward gift of money between one company and another – although there are sometimes accounting difficulties with having capital contributions recognized as capital.

In practice there are a host of tax, accounting and regulatory rules which an inhibit the use of any of these mechanisms. These rules are difficult enough in one jurisdiction, but rapidly become a major obstacle when transfers between a number of different jurisdictions are involved.

Plan "B" for "Balkanisation"?

At the outset of this note we ventured the hypothesis that the industry fails to develop a plausible mechanism for ensuring that private funding is available to finance bank resolution, a likely governmental response may be to move towards breaking up the global banks into national ring-fenced local entities, and that the loss of economic growth resulting from that development would be regarded as – politically - as a price well worth paying to avoid the risk of being forced into further taxpayer-funded bail-outs. Although we are optimistic that this can be achieved, we must contemplate the possibility that it may not be.

Worldwide contact information
33* offices in 23 countries

Abu Dhabi
Clifford Chance
9th Floor, Al Sila Tower
Sowwah Square
PO Box 26492
Abu Dhabi
United Arab Emirates
T +971 2 613 2300
F +971 2 613 2400

Amsterdam
Clifford Chance
Droogbak 1A
1013 GE Amsterdam
PO Box 251
1000 AG Amsterdam
The Netherlands
T +31 20 7119 000
F +31 20 7119 999

Bangkok
Clifford Chance
Sindhorn Building Tower 3
21st Floor
130-132 Wireless Road
Pathumwan
Bangkok 10330
Thailand
T +66 2 401 8800
F +66 2 401 8801

Barcelona
Clifford Chance
Av. Diagonal 682
08034 Barcelona
Spain
T +34 93 344 22 00
F +34 93 344 22 22

Beijing
Clifford Chance
33/F, China World Office Building 1
No. 1 Jianguomenwai Dajie
Beijing 100004
China
T +86 10 6505 9018
F +86 10 6505 9028

Brussels
Clifford Chance
Avenue Louise 65
Box 2, 1050 Brussels
Belgium
T +32 2 533 5911
F +32 2 533 5959

Bucharest
Clifford Chance Badea
Excelsior Center
28-30 Academiei Street
12th Floor, Sector 1,
Bucharest, 010016
Romania
T +40 21 66 66 100
F +40 21 66 66 111

Doha
Clifford Chance
Suite B
30th floor
Tornado Tower
Al Funduq Street
West Bay
P.O. Box 32110
Doha, Qatar
T +974 4 491 7040
F +974 4 491 7050

Dubai
Clifford Chance
Building 6, Level 2
The Gate Precinct
Dubai International Financial Centre
PO Box 9380
Dubai, United Arab Emirates
T +971 4 362 0444
F +971 4 362 0445

Düsseldorf
Clifford Chance
Königsallee 59
40215 Düsseldorf
Germany
T +49 211 43 55-0
F +49 211 43 55-5600

Frankfurt
Clifford Chance
Mainzer Landstraße 46
60325 Frankfurt am Main
Germany
T +49 69 71 99-01
F +49 69 71 99-4000

Hong Kong
Clifford Chance
28th Floor
Jardine House
One Connaught Place
Hong Kong
T +852 2825 8888
F +852 2825 8800

Istanbul
Clifford Chance
Kanyon Ofis Binasi Kat. 10
Büyükdere Cad. No. 185
34394 Levent, Istanbul
Turkey
T +90 212 339 0000
F +90 212 339 0099

Kyiv
Clifford Chance
75 Zhylyanska Street
01032 Kyiv,
Ukraine
T +38 (044) 390 5885
F +38 (044) 390 5886

London
Clifford Chance
10 Upper Bank Street
London
E14 5JJ
United Kingdom
T +44 20 7006 1000
F +44 20 7006 5555

Luxembourg
Clifford Chance
2-4, Place de Paris
B.P. 1147
L-1011 Luxembourg
Grand-Duché de Luxembourg
T +352 48 50 50 1
F +352 48 13 85

Madrid
Clifford Chance
Paseo de la Castellana 110
28046 Madrid
Spain
T +34 91 590 75 00
F +34 91 590 75 75

Milan
Clifford Chance
Piazzetta M. Bossi, 3
20121 Milan
Italy
T +39 02 806 341
F +39 02 806 34200

Moscow
Clifford Chance
Ul. Gasheka 6
125047 Moscow
Russia
T +7 495 258 5050
F +7 495 258 5051

Munich
Clifford Chance
Theresienstraße 4-6
80333 Munich
Germany
T +49 89 216 32-0
F +49 89 216 32-8600

New York
Clifford Chance
31 West 52nd Street
New York
NY 10019-6131
USA
T +1 212 878 8000
F +1 212 878 8375

Paris
Clifford Chance
9 Place Vendôme
CS 50018
75038 Paris Cedex 01
France
T +33 1 44 05 52 52
F +33 1 44 05 52 00

Perth
Clifford Chance
Level 12, London House
216 St Georges Terrace
Perth WA 6000
Australia
T +618 9262 5555
F +618 9262 5522

Prague
Clifford Chance
Jungamannova Plaza
Jungamannova 24
110 00 Prague 1
Czech Republic
T +420 222 555 222
F +420 222 555 000

Riyadh
(Co-operation agreement)
Al-Jadaan & Partners Law Firm
P.O.Box 3515, Riyadh 11481
Fifth Floor, North Tower
Al-Umam Commercial Centre
Salah-AlDin Al-Ayyubi Street
Al-Malaz, Riyadh
Kingdom of Saudi Arabia
T +966 1 478 0220
F +966 1 476 9332

Rome
Clifford Chance
Via Di Villa Sacchetti, 11
00197 Rome
Italy
T +39 06 422 911
F +39 06 422 91200

São Paulo
Clifford Chance
Rua Funchal 418 15º andar
04551-060 São Paulo-SP
Brazil
T +55 11 3019 6000
F +55 11 3019 6001

Shanghai
Clifford Chance
40th Floor, Bund Centre
222 Yan An East Road
Shanghai 200002
China
T +86 21 2320 7288
F +86 21 2320 7256

Singapore
Clifford Chance
One George Street
19th Floor
Singapore 049145
T +65 6410 2200
F +65 6410 2288

Sydney
Clifford Chance
Level 16, No. 1 O'Connell Street
Sydney NSW 2000
Australia
T +612 8922 8000
F +612 8922 8088

Tokyo
Clifford Chance
Akasaka Tameike Tower
7th Floor
2-17-7, Akasaka
Minato-ku
Tokyo 107-0052
Japan
T +81 3 5561 6600
F +81 3 5561 6699

Warsaw
Clifford Chance
Norway House
ul.Lwowska 19
00-660 Warsaw
Poland
T +48 22 627 11 77
F +48 22 627 14 66

Washington, D.C.
Clifford Chance
2001 K Street NW
Washington, DC 20006 - 1001
USA
T +1 202 912 5000
F +1 202 912 6000

*Clifford Chance's offices include a second office in London at 4 Coleman Street, London EC2R 5JJ. The Firm also has a co-operation agreement with Al-Jadaan & Partners Law Firm in Riyadh.

CLIFFORD
CHANCE