Securitisation and Asset-backed Finance
Slaughter and May is a leading international law firm recognised throughout the business community for its commercial awareness and commitment to clients. We have a diverse and extensive practice advising on the full range of corporate, commercial, financing and other matters.

Our firm is unique among major UK law firms. We:

- are client-focused, rather than product-focused. We work with our clients to anticipate their business needs and offer solutions
- place quality of advice before growth in numbers. Our measured organic growth is sustained by lawyers recruited, trained and developed within the firm
- have considerable continuity of personnel
- train our lawyers to be multi-specialists, with a broad skills base, so that they offer not only a depth of legal expertise but also a breadth of experience and sound commercial judgement
- manage large and complex transactions from beginning to end and deliver them on time.

They always find solutions that are very pragmatic and commercial in their advice. They think about issues in a creative and commercial way.

Chambers UK, 2018

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Our securitisation and asset-backed finance practice

We have an established history of being at the forefront of securitisation and asset-backed finance, having acted on the very first securitisation in the United Kingdom (MINI) in 1985. Our practice remains at the cutting edge of this area, advising on transactions of all kinds including term securitisations, receivables trusts and master trusts, asset-backed conduit programmes, repackagings of debt securities, asset-backed MTN programmes, synthetic/credit derivative structures (funded and unfunded), collateralised loan and bond obligations, whole business securitisations and warehouse funding, having pioneered a number of these structures.

Our expertise covers a broad range of asset classes including mortgages (residential and commercial), auto loans, personal and consumer loans credit cards (an other revolving loans), commercial property, CLOs/CBOs/CDOs, electricity and gas receivables, embedded value-of-life insurance policies, hire purchase receivables, lease receivables, leased and tenanted pub receivables, telecom receivables, trade receivables and transport receivables.

This breadth of experience means that we are sensitive to the different requirements of all parties. We work with the full spectrum of clients and counterparties including originators, issuers, underwriters and lead managers, programme or conduit arrangers, sponsors and investors (including banks issuers, financial institutions, pension and investment funds and private equity houses), liquidity facility providers, credit enhancers, security trustees, swap and derivative counterparties and rating agencies.

In addition to our transactional work, we regularly advise clients in relation to disputes associated with securitisation and asset-backed products and transactions, and on issues which arise in the context of their insolvency or restructuring.

We also advise on the changing regulatory landscape, including CRD, MiFID, AIFMD/AIFMR Solvency II, CRA, the Securitisation Regulation and the way that securitisation will be impacted by the capital markets union.

Absolutely first rate. Huge breadth of technical knowledge combined with an exceptionally practical and commercial approach to matters. Always on hand to help when needed.
IFLR1000, 2018

They have a very fresh and commercially balanced approach to all situations. They have wide expertise and deep knowledge which is deployed very effectively.
Chambers UK, 2018
The securitisation field is complex and increasingly regulated. We can deliver the necessary technical skills in addition to playing a positive and flexible role in developing (in co-operation with originators, underwriters, rating agencies and their respective advisers) innovative securitisation structures to achieve particular funding, tax and/or accounting objectives in tax-efficient and capital-efficient ways.

With our breadth of asset-backed experience, coupled with the advantages that come from being part of a firm with a pre-eminent corporate and commercial practice and an exceptional client list, our lawyers can bring the full benefit of our commercial and financial know-how to a transaction. Our securitisation lawyers can call on the assistance of their colleagues throughout the firm, including specialist departments such as financial regulation, tax and real estate, as and when required.

Our integrated approach means we are equally effective when advice is needed as part of a larger transaction, such as an acquisition or a restructuring, or on standalone securitisation and asset-backed transactions, whether market-standard or highly bespoke.

Our team regularly handles disputes relating to securitisation and asset-backed finance transactions, often of a multi-jurisdictional nature, including issues relating to contractual interpretation and validity.

At Slaughter and May, “the lawyers are knowledgeable and client-focused, always respond on time and definitely provide value for money”.

Legal 500, 2017

Really excellent work. A very short timetable was accommodated, very accessible, lots of partner involvement, good partner and board interaction, excellent technical work.

IFLR1000, 2018
We are client-focused, not product-focused. Central to our culture is the priority we give to the specific needs of our clients, with whom we develop strong professional and personal relationships.

• We ensure that our clients are advised by the same partners and, so far as practicable, the same team of associates. This allows our lawyers to acquire a knowledge of the client’s aims, policies and business, and ensures continuity of service.

• We regard partners’ ready accessibility to clients as essential to the client relationship.

• Our lawyers have a reputation for technical excellence, a strong appreciation of commercial objectives and a positive approach to legal issues. All our lawyers are kept up-to-date on developments in relevant law and practice.

• In contrast to many law firms, it is our policy to encourage commercial and finance lawyers to work on a broad range of matters. As a result, our lawyers offer a broad range of experience as well as multiples areas of expertise. They are particularly well qualified to devise creative and innovative solutions.

• We can also provide lawyers with expertise in specialist areas such as tax, financial regulation and real estate where this is required.

Our organisation and approach differentiate us from our competitors, and explain our popularity with clients who seek versatile lawyers able to provide integrated advice on all aspects of their financing transactions.
We provide a cross-jurisdictional legal service that genuinely reflects what ‘global’ means for our clients. We work with market leading firms from around the world in order to provide integrated, multi-jurisdictional advice. We share with these firms a culture of excellence and an absolute commitment to making the difference for our clients. Together, we believe we can offer the most incisive advice available, no matter how complicated the cross-border issue, and at the same time provide value for money.

Our approach works by meeting three criteria:

- **understanding the issues** - seeing clients’ challenges in their full context requires an in-depth understanding of the relevant businesses, markets and jurisdictions. We believe this depth of understanding cannot be replicated, but it can be shared. Working closely with like-minded experts in their own jurisdictions, and treating each case on its own merits, gives us a greater understanding of our clients’ requirements and gives us the ability to offer our clients better advice.

- **assembling the right team** - we are not constrained by formal alliances. We build specific teams according to individual requirements and work more efficiently by putting the right minds in the right place at the right time. We are happy to introduce clients to our contacts or work with their established preferred adviser. This flexibility gives our clients the highest quality advice possible.

- **delivering the best advice** - our advice is focused and consistent at all levels and across all jurisdictions. Clients work with a single integrated team and a single point of contact. We ensure that clear communication and understanding is maintained between firms and with clients; our coherent advice offers our clients continuity, consistency and confidence.

Our global capability /

Slaughter and May “does very good cross-border work.”
Chambers Global, 2018
Excellent, attentive client support. Good access to partners, very capable associates and pro-active engagement.

IFLR1000, 2018
We have an acknowledged record of high quality work over many years in domestic and international debt capital markets, and have a leading practice in this area (Chambers Global, 2018; Chambers UK, 2018; IFLR 1000, 2018; The Legal 500, 2017). We were also awarded Finance Team of the Year (The Lawyer Awards, 2013).

Highlights of our work in securitisation and asset backed finance include advising:

- **AEGON** as one of the syndicate of reinsurers hedging the exposure of Deutsche Bank under its longevity swap with the Trustees of the Rolls-Royce pension fund. The longevity swap relates to £3 billion of the fund’s liabilities to approximately 37,000 pensioners

- **Apollo Management LP** on their participation in an auction process to acquire a portion of the debt issued in respect of a complex CMBS transaction

- **Baupost Group LLC**
  - as junior Noteholder on the restructuring of their RMBS securitisation transaction
  - on establishing a retail autolending platform

- **Crownstone** on a number of commercial mortgage-backed securities (CMBS) facility agreements secured over real estate assets in Italy, France, Finland and the Netherlands

- **Deutsche Bank AG London**
  - as the arranger, on the repackaging of a US$100 million convertible murabaha facility between Gulf Finance House B.S.C. and Sonata Securities S.A., by way of an issue by Sonata Securities S.A. of US$100 million secured limited recourse exchangeable bonds exchangeable into the ordinary voting shares of Gulf Finance House B.S.C.

- as the arranger and purchaser of US$500 million of floating rate bonds issued by Eco Telecom Limited, guaranteed by Altimo Holdings and Investments Limited and collateralised by shares in Vimpel-Communications, a Russian mobile telecoms company listed in New York

- in relation to the sale and subsequent securitisation by the purchaser of a loan portfolio which was at first originated by Edeus, including the mortgage sale agreement and security documentation governing the period between closing of the sale and closing of the securitisation

- in relation to the sale of a £396 million portfolio of UK residential mortgage loans by DB UK Bank Limited, a UK-based subsidiary of Deutsche Bank AG, to Rochester Mortgages Limited, a subsidiary of OneSavings Bank plc, and its subsequent securitisation by Rochester Financing No.2 plc

- **Diageo plc** on a contribution of £367 million to its defined benefit pension scheme and a subsequent investment by the pension scheme in a partnership structure backed by maturing whisky assets of the Diageo group

- **Fortress Investment Group LLC** in relation to:
  - the financing of the acquisition of Finnish virtual credit card receivables
  - a warehouse facility in the context of a European CLO. This was in anticipation of the issuance of securities by the Issuer, secured by a portfolio of debt obligations to be acquired by the Issuer pursuant to the facility and supporting CLO documents
  - a residential mortgage backed securitisation involving the sale of a portfolio of re-performing residential mortgages from Canellos to Virgil Mortgage No.1 plc (Virgil) and the issuance by Virgil of two classes of sterling notes with a total nominal value of £125 million
- the acquisition of senior and junior loan interests in a loan secured by a portfolio of European real estate. The loan had previously been part of a CMBS structure
- a note financing supported by a portfolio of UK residential mortgage loans

- **Gatwick Airport Limited** (GAL) in connection with the establishment of its multicurrency secured bond programme for the issue of up to £5 billion bonds and on the debut issuance by Gatwick Funding Limited (the issuing vehicle) of two series of bonds for an aggregate amount of £600 million for the financing of Gatwick Airport. The bonds are secured over the assets of GAL and its immediate holding company. This is the second single airport securitisation in the UK and one of the first corporate securitisations that combined sizeable bank and bond debt

- **Goldman Sachs International** acting as arranger on the financing of a US$613 million note secured by a put option written by Danone over shares in a Cypriot joint venture vehicle. We advised on both the initial issue of US$500 million notes and the subsequent tap issue of US$113 million notes

- **Highbridge Principal Strategies (UK) LLP** on the receivables financing of its acquisition of CIT Group Inc.’s UK equipment leasing business

- **Hyundai Capital UK Limited** in relation to:
  - a £150,000,000 auto loan warehouse funding facility provided by Mizuho Bank Ltd
  - a £450 million warehouse transaction back by auto loans

- **HSH Nordbank AG**, as arrangers, in relation to an update of a EUR1 billion structured asset backed note programme established by Mare Baltic PCC Limited, and a contemporaneous issue of notes under the programme in the following three classes: EUR201.6 million floating rate limited recourse secured senior notes due 2015; DKK413,370,000 2% fixed rate limited recourse secured mezzanine notes due 2015; and DKK 290,050,000 2% fixed rate limited recourse secured junior notes due 2015

- **A leading chemical company** on its trade receivables securitisation programmes, including structuring such programmes to ensure risk retention compliance

- **International Finance Facility for Immunisation** on its securitisations of sovereign grants from donor countries, the proceeds of which are disbursed to the GAVI Alliance and used for the purposes of funding immunisation programmes in 70 of the world’s poorest countries. The programme has raised over US$4 billion during its first 10 years of operation

- **A syndicate of Japanese banks** in relation to a £300,000 auto loan warehouse funding facility

- **Macquarie Bank Limited** in connection with its purchase of a mortgage portfolio from a securitisation

- **Magnetar Financial LLC**
  - as junior debt investor in a new Irish auto lending platform established by First Citizen
  - as potential investor in a mezzanine tranche of synthetic credit-linked notes referenced to a Portuguese portfolio of corporate loans
  - as potential investor in a mezzanine tranche of synthetic credit-linked notes referenced to a Spanish portfolio of corporate loans

- **Magnetar Financial (UK) LLP** in relation to:
  - an investment in credit linked notes issued by Sealane III Limited, referenced to a portfolio of trade finance obligations originated by Standard Chartered Bank
• **NewDay Cards Ltd** in connection with:
  - the first public securitisation in the UK to combine credit cards, store cards, and instalment credit receivables in a single portfolio and the first transaction of this nature to be done by a non-bank originator
  - a second public master trust securitisation of credit card receivables and a related warehouse facility
  - subsequent issues off each master trust restructure
  - a public debt issue under its own-brand credit card securitisation. The transaction involved the issuance, through a master trust structure, of £247,775,000 of Series 2016-1 Floating Rate Asset Backed Notes by NewDay Funding 2016-1 plc, comprising of Class A, B, C, D, E and F Notes
  - a public debt issue under its own-brand credit card securitisation. The transaction involved the issuance, through a master trust structure, of £298,500,000 of Series 2017-1 Floating Rate Asset Backed Notes by NewDay Partnership Funding 2017-1 plc, comprising of Class A, B, C, D, R, F Notes
  - a c.£745 million variable funding loan series to be issued under each of its master trust securitisation structures and various amendments to the existing senior variable funding notes issued under each of its secondary funding facilities
  - a public debt issue under its own-brand credit card securitisation. The transaction involved the issuance, through a master trust structure, of £354,840,000 of Series 2018-1 Floating Rate Asset Backed Notes by NewDay Funding 2018-1 plc, comprising of Class A, B, C, D, E and F Notes
  - its first US dollar and 144A debt issue under its credit card master trust securitisation. The transaction involved the issuance of US$93,000,000 and £261,840,000 of Series 2018-1 Floating Rate Asset Backed Notes by NewDay Funding 2018-1 Plc. The notes have been listed on the London Stock Exchange. An innovative feature was added allowing the Issuer to reset the scheduled redemption date and rate of interest for noteholders a corresponding put option upon such reset

• **Nordea Bank AB** in connection with its synthetic risk transfer securitisation related to EUR8.4 billion of Nordea’s corporate and SME loan portfolio

• **Paratus AMC Limited** in relation to:
  - proposed warehouse financing for FHL and Keystone Mortgages originated by Paratus
  - to the establishment of the Stanlington No.1. PLC securitisation, where Paratus was the originator. The transaction involved the issuance by Stanlington of £227,600,000 Asset Backed Notes in Classes A to E, X and Z (the Notes) and Residual Certificates, which are backed by receipts from a portfolio of UK residential mortgage loans

• **Premier Foods** in relation to:
  - the refinancing and extension of its existing receivables securitisation programme
  - a new £120 million receivables securitisation programme
• **Punch Taverns** in relation to:
  - the restructuring of its £2,300,000,000 of whole business securitisation debt, spread across two securitisation structures and 16 classes of notes
  - a recommended cash offer for Punch by Vine Acquisitions Limited and the associated disposal of the Punch A securitisation group to Heineken UK Limited

• **Santander Consumer Finance Oy** as originator and **Santander Global Banking & Markets** as arranger in relation to a number of Finnish auto loan ABS transactions, including:
  - EUR513.355m Class A, B and C fixed rate notes all due 2021. This transaction represents the first time that Santander Consumer Finance Oy has used a capital relief restructure in order to improve its regulatory capital position
  - EUR517.7m Class A, B, C, D, E and F fixed rate notes all due 2023
  - EUR607.2m Class A, B, C, D, E, and F fixed and floating rate notes all due 2025

• **Santander Consumer (UK) plc (SCUK)**
  - as originator in relation to SCUK’s Motor-2016-1 UK auto loan ABS transaction. The deal involved the issuance of £600,000,000 Class A, B, C, D, E and F Fixed Rate Notes all due 2025. Certain Class A Notes and all the Class B Notes were issued to SCUK, with the remaining being publicly offered and listed on the Irish Stock Exchange. The Class A Notes received the PCS label- as originator, seller and servicer and Santander UK plc as account bank, in relation to SCUK’s Motor-2017-1 UK auto loan ABS transaction. The deal involved the issuance of US$400,000,000 Class A1 amortising floating rate notes, £245,000,000 Class A2 pass-through floating rate notes, £15,000,000 Class B pass-through fixed rate notes and a £36,000,000 Class C pass-through fixed rate note. The Notes are listed on the Irish Stock Exchange and the Class A Notes received the PCS label.

• **Santander UK plc, Holmes Master Issuer plc and Fosse Master Issuer plc** in respect of regular updates and various amendments to the Holmes and Fosse residential mortgage backed securitisation programmes. The programmes have both been awarded the Prime Collateralised Securities Label by the PCS Secretariat.
  - Santander UK plc in its capacity as sponsor, seller, servicer, cash manager and originator under the programmes. We have also advised on a number of issuances under the programmes, including:
    - Holmes Master Issuer plc on the issuance of a total of US$375 million and £340 million of senior notes and £528 million of subordinated notes, in three different classes, in May 2016
    - Holmes Master Issuer plc on the issuance of US$750 million and £600 million notes, in three different classes, in May 2013
    - Fosse Master Issuer plc on the issuance of US$850 million and £500 million notes, in two different classes, in June 2014
    - Holmes Master Issuer plc on the issuance of £500 million notes, in two different classes, in October 2017

• **Santander UK plc and Langton Securities Holdings Limited** in respect of amendments to the Langton programme

• **Santander UK plc** in relation to its EUR35 billion global covered bond programme, including on its annual updates and frequent issuances thereunder. The issuance platform was formerly that of Abbey National Treasury Services plc (in connection with which we had advised Abbey National Treasury Services plc), updated so as to comply with the Regulated Covered Bonds Regulations (‘RCB Regulations’). We were heavily
involved in the consultation process undertaken by the Financial Services Authority on the introduction and drafting of the RCB Regulations, which implement a legislative framework for covered bonds in the UK

- **Tata Steel** on various amendments to be made to a receivables purchase framework agreement, master servicing agreement, note purchase facility agreement and related documentation in relation to an existing trade receivables securitisation

- **the Trustee of Lloyds TSB Group Pension Trust (No.1) Limited** on the securitisation aspects of the disposal of its share of a portfolio of re-securitised US residential mortgage-backed securities for £1.16 billion. In the same transaction, Lloyds Banking Group (the ‘Group’) sold its share of the portfolio for £3.3 billion. The transaction is part of the Group’s continued capital accretive non-core asset reduction

- **UK Asset Resolution** (UKAR) on the sale of a £13 billion asset portfolio to Cerberus Capital Management. The sale comprised performing and non-performing residential mortgages and unsecured loans from the legacy book of NRAM, the former Northern Rock mortgage business. Due to the complex nature of the Granite securitisation programme created by Northern Rock, the transaction was structured in such a way that Cerberus acquired NRAM plc

- **UK Asset Resolution Limited** (UKAR) and **Bradford & Bingley plc** (B&B), and the UKAR legal team, HM Treasury and Treasury Legal Advisers in relation to the disposal, by way of auction, of legacy buy-to-let mortgage assets originated by B&B and its subsidiary, Mortgage Express, to Prudential plc and to funds managed by Blackstone for a total consideration of £11,800,000,000

- **Westpac** on its US$20 billion Global Covered Bond Programme, unconditionally and irrevocably guaranteed as to payments of interest and principal by BNY Trust Company of Australia Limited as trustee of the Westpac Covered Bond Trust

- **Westpac Securities NZ Limited** (as issuer), Westpac New Zealand Limited (as group guarantor and seller), Westpac NZ Covered Bond Limited (as covered bond guarantor) in connection with the establishment of its EUR5 billion global covered bond programme and the issue of EUR1 billion 3.50% fixed rate covered bonds thereunder. The cover pool consists of loans secured on New Zealand residential properties
Guy O’Keefe

Guy has a wide ranging financing practice which covers banking, capital markets, securitisations and structured finance in which he advises issuers, borrowers, lenders and counterparties of all types. He also advises governments and financial institutions, funds and lending platforms on various assignments emanating from the financial crisis, including restructurings and asset sales.

Ed Fife

Ed has a wide-ranging financing practice including debt capital markets, securitisations, acquisition finance, derivatives and non-bank lending. He has advised on numerous asset backed transactions, including both traditional and innovative structures and asset classes. Ed spent six months on secondment in Tokyo in 2005 and was also seconded to the Hong Kong office from October 2008 to July 2010.
Richard Jones

Richard has a wide-ranging financing practice covering securitisation (mortgages, credit cards, auto loans and other consumer loans), asset-backed lending, loan portfolio sales, structured finance, debt capital markets, bank lending, project finance and derivatives. He has acted for a number of high profile clients including both listed and private companies, banks and other financial institutions, pension funds, private equity firms and various governments. Richard has experience across a wide number of industries, including the banking, consumer credit and wider financial sector, insurance, leisure and hospitality and energy and natural resources.

Andrew McClean

Andrew spent four years in Frankfurt from 1999 before moving to Paris. Between 1994 and 1996 he was resident first in Tokyo and then in New York. He now works in our London office. He has a predominantly financing practice, including both banking and securitisation work.
Azadeh Nassiri

Azadeh has a broad financing practice which covers acquisition and general bank financings, structured finance, debt capital market transactions and derivatives as well as corporate recovery and restructuring matters.

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Joined firm
2005
Partner since
2014

Caroline Phillips

Caroline’s practice encompasses debt capital markets, securitisation, acquisition finance, loans and derivatives, with extensive experience in the growing non-bank lending area. Caroline has acted for a variety of clients across a number of asset classes, including trade receivables, equipment leasing, lease receivables and warehouse financing for CLOs.

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Joined firm
2005
Partner since
2015
Stephen Powell

Stephen was resident in Sweden in 1993. He has particular experience in the fields of securitisation, banking, derivative products, project and asset finance and capital markets transactions. He has been extensively involved in the development of the Swedish securitisation market. In addition to cross-border securitisation across Europe, Stephen has advised on financings backed by a range of assets in the UK.

Philip Snell

Philip has a broad finance practice covering securitisation, corporate loans, acquisition and bid financing, project financing, structured financing and restructurings, which frequently involve cross-border issues. Between 1998 and 2000 he worked in Singapore.
Oliver Storey

Oliver has a broad financing practice advising commercial, banking and public sector clients on a wide range of matters, including securitisation, debt capital markets, bank lending, acquisition financing and restructuring and insolvency. His securitisation experience includes advising on receivables securitisations (including mortgages and credit cards) as well as whole business structures (including advising leisure industry clients and regulated utilities).

Matthew Tobin

Matthew is Head of our Debt Capital Markets practice. He advises on a wide range of banking and financing work, including acquisition and bid financing, capital markets and securitisation transactions.
Oliver Wicker

Oliver’s financing practice covers a wide range of financing transactions, including structured finance, securitisations, bank deleveraging and loan portfolio transactions, on which he advises issuers, arrangers and investors. He also acts on acquisition/leveraged finance, derivatives and debt capital markets matters.

Jan Putnis

Jan’s practice focuses on matters of strategic importance to financial institutions, with particular emphasis on regulatory advice and multi-jurisdictional corporate and commercial transactions. He acts for a broad range of such institutions, including banks, investment banks, brokers, insurance and reinsurance groups, market infrastructure operators and asset managers.
Real Estate

John Nevin

John has considerable experience in a wide range of real estate work. He has acted extensively on acquisitions and disposals of all types of property interests, on significant development projects and on major lettings. He has also acted on the sale and purchase of large mortgage books and the securitisation of mortgage portfolios.

Tax

Mike Lane

Mike’s practice covers all direct taxes, stamp duties, VAT and, in particular, corporation tax. He has extensive experience in advising on mergers and acquisitions, capital markets transactions, group reorganisations and structured finance.

Dominic Robertson

Dominic advises a wide range of clients, including UK and overseas groups, and various financial institutions, on all areas of UK corporate tax law. His practice covers advice on structuring and other tax aspects of M&A and other corporate finance transactions, tax enquiries and disputes and standalone tax advisory work, including group reorganisations, CFCs, transfer pricing, and the tax treatment of IP.