The Eurozone Crisis

An indicative approach to contingency planning

DECEMBER 2011

SLAUGHTER AND MAY

The Eurozone Crisis – an indicative approach to contingency planning

APPROACH TO CONTINGENCY PLANNING

Last week's EU summit appears to have provided no definitive solution to the ongoing crisis in the eurozone, which now seems likely to continue well into 2012. Commercial entities which have not yet embarked on a review of how the crisis could impact their business may take the view that now is an appropriate time to undertake some level of contingency planning.

This briefing outlines an indicative approach to contingency planning for issues arising out of the eurozone crisis, which may assist in the design of a due diligence and risk mitigation exercise. It contains an overview of the issues to consider, and (at pages 14-15) a high level contingency planning checklist based on those factors.

There are many facets to the eurozone crisis: the risk of eurozone sovereign defaults; intense liquidity and capital pressures on eurozone financial institutions, reducing the availability of credit and increasing the risk of financial sector failures; and the risk of one or more eurozone member states leaving the single currency, bringing the possibility of capital and exchange controls and uncertainty about the impact on contracts.

A robust contingency plan will look at all aspects of the crisis, including contagion effects that may reach beyond eurozone institutions, affecting obligations in jurisdictions outside the eurozone and in currencies other than the euro.

EURO BREAK-UP OR FRAGMENTATION

A break-up or fragmentation of the euro is no longer a topic of purely academic interest. The FSA has publicly urged banks to consider the possibility and certain corporates are starting to take a similar view.

While sovereign defaults and financial institution failures have happened before, the break-up of a common currency is relatively uncharted legal territory. It is therefore the possibility of euro break-up in one form or another on which this briefing is particularly focussed.

Contingency planning may include a consideration of the extent to which contractual exposures will be affected by a break-up of the euro ("**break-up**") or the withdrawal from the euro ("**withdrawal**") by one or more eurozone member states (each an "**EMS**") and, if so, in what way.

The many years it took to design and implement the eurozone are testament to the complexity of the legal and practical issues that would arise if that process were reversed in whole or in part. Whether and, if so, how any particular exposure is affected will be influenced by a number of variables. In particular:

- The express terms and circumstances of each exposure will be important – for example, although in many cases, existing contracts will not cover break-up or withdrawal specifically, many types of contract may contain more generic terms which may operate or be relevant in this context.

- The outcome may vary depending on the eventual factual scenario. The manner in which any break-up or withdrawal is effected, which countries are involved and the nature of the accompanying legislative measures are all likely to have an impact on both the types of contract affected and the effectiveness of any contingency planning measures.

Nonetheless, it is possible to identify particular features which might influence the extent to which an exposure is affected. It may not be possible to draw definite conclusions, but due diligence should help to clarify whether and in what circumstances it might be appropriate to take steps in an attempt to preserve the desired outcome should the relevant scenario materialise.

FURTHER INFORMATION

This briefing contains a summary of a selection of issues to which we have given and continue to give consideration in relation to this crisis. We will shortly be circulating a further briefing which will provide an analysis of the possible impact of certain contingencies on several key forms of financing documents including LMA loan documents and eurobond terms. If you would like more detailed advice on the matters covered by this briefing or other legal issues arising out of the eurozone crisis, please contact your usual adviser at Slaughter and May or one of the following:

Charles Randell
E charles.randell@slaughterandmay.com

Ian Johnson
E ian.johnson@slaughterandmay.com

Andrew McClean
E andrew.mcclean@slaughterandmay.com

Sanjev Warna-kula-suriya
E sanjevwks@slaughterandmay.com

Tolek Petch
E tolek.petch@slaughterandmay.com

Kathrine Meloni
E kathrine.meloni@slaughterandmay.com

Approach to contingency planning

Concerns with regard to the eurozone crisis may arise from a number of different perspectives. For example, regulated entities such as banks and insurance companies may have different concerns from corporate groups. There is no "one size fits all" approach to contingency planning. The precise scope will clearly depend on the type of business and the extent of the group's exposure to weaker EMSs and/or counterparties. However, in broad terms it might be expected that contingency planning could be broken down into three phases:

- **Preparation and scope**: The allocation of responsibility for monitoring the development of the crisis followed by a preliminary assessment of the extent of the group's exposure to weaker EMSs and/or counterparties and the scope of any more detailed review. The latter requires the identification of the factual scenarios of concern (e.g. EMS default, counterparty default, euro break-up and withdrawal) and the key exposures of the group to be considered in the context of those scenarios ("**Phase 1**").

- **Legal and commercial review**: A review of the terms of the key exposures identified in Phase 1 to determine whether they might be "at risk" of disruption in the scenarios to be addressed. This might include consideration of the preferred outcome for "at risk" exposures and the likelihood of that outcome based on existing terms ("**Phase 2**").

- **Risk mitigation**: A review of what steps might be taken to mitigate the impact of the relevant factual scenarios on "at risk" exposures. This may comprise practical steps (e.g. the reduction of the relevant exposure) and/or the amendment of contractual terms with a view to preserving the preferred outcome. It may also involve formulating guidelines for new exposures/transactions and developing more detailed contingency plans to deal with certain scenarios and a consideration of related operational risk issues ("**Phase 3**").

Each phase is described in more detail below.

PHASE 1 – PREPARATION AND SCOPE

Preliminary issues

The main purpose of Phase 1 is to identify key exposures and pressure points and to set up an appropriate internal process to ensure that the contingency planning exercise is proportionate to the size of the business and its exposures.

In larger businesses, or businesses with significant eurozone revenues or assets, it is likely to be desirable to establish an internal eurozone committee or task force. Even where a business has no significant eurozone business or assets, the treasury team should be thinking about the possible impacts on funding and counterparty risk. The remit of any committee or task force would need to be agreed – for example, responsibility for monitoring political and economic developments, the identification of the group's material exposures and/or interests in the eurozone and the design and implementation of the group's contingency plan.

Other preliminary steps might include adding the potential impact of the crisis and contingency planning to the rolling agenda for board meetings and establishing a process for keeping audit and governance committees informed of developments.

The usual rules apply in relation to record keeping and ensuring that decisions are documented at the appropriate levels within the corporate group.

Identification of material exposures

The identification of material exposures should be considered on an entity by entity basis for groups. It is also important to ensure that intra-group exposures are analysed so that, for example, if euro exit is a concern, the risk of the re-denomination of intra-group funding balances with subsidiaries in an exiting EMS, or the devaluation of the assets of those subsidiaries in the group accounts, is considered.

This stage will therefore involve an analysis of the group's structure by reference to an up-to-date group structure chart and a consideration of whether there are subsidiaries and/or joint venture arrangements in vulnerable EMSs. In the context of the group structure, corporates should consider in particular whether there is scope for any conflict issues if, in certain scenarios, the interests of the parent and any subsidiary/joint venture were to diverge.

Funding and investment arrangements should be reviewed, for example, the scope and nature of:

- intra-group funding arrangements (e.g. inter-company loans, guarantees, comfort letters and shareholder agreements);
- external funding arrangements and guarantee/security arrangements (e.g. liquidity facilities, loans, bond/note issues, swaps, repos and hedging arrangements);
- investments (e.g. cash deposits, securities, government bonds and money market funds); and
- the group's exposure to particular financial institutions, funds and custodians.

The group's other material contracts will also need to be identified. These might include key commercial contracts such as supply agreements, purchasing agreements and/or licensing agreements, as well as template and standard form documentation (e.g. standard form terms and conditions; standard form loans; standard form ISDA schedules etc.) and internal guidelines/policies in relation to new contracts/documentation.

It should be noted that it may not be appropriate to limit any review of material exposures just to euro exposures. Exposures in other currencies could be affected by issues arising out of the crisis. For example, events of default or termination events could be triggered. If the counterparty is located in a defaulting EMS or an EMS which exits the euro, new legislative measures in that EMS could inhibit performance of the obligations as intended (this is explained further below).

Identification of factual scenarios

The factual scenarios which are of most concern to any particular group will vary.

A comprehensive contingency planning exercise might consider, EMS by EMS, the possibility of sovereign default and bank failure, as well as the possibility of each leaving the eurozone (and could go on to consider the impact of withdrawal by particular combinations of EMSs and complete euro break-up).

Alternatively, more limited factual scenarios might be considered. For example, if euro break-up or withdrawal is a key concern, a first step might be to consider the impact of withdrawal by those countries considered as most at risk or to which the group is most exposed. For example, if a group has a significant proportion of business in a particular EMS compared to the rest of the eurozone, it may choose to focus its efforts on a withdrawal from the euro by that EMS.

Capital and exchange controls

The ability of an EU member state to impose capital and exchange controls is constrained by the Treaty of Lisbon, which guarantees the free movement of capital and payments within the EU. However, restrictions are permitted where justified on the grounds of public policy or public security, and it might be strongly argued that capital or exchange controls imposed to safeguard financial stability leading up to or following sovereign default, a serious banking crisis or eurozone exit might be justifiable on this basis provided they are non-discriminatory and proportionate.

Therefore, in formulating a factual scenario for contingency planning purposes, it may be prudent to assume that a defaulting EMS or an EMS which exits the euro imposes capital or exchange controls in some form to protect its banking system and/or its new currency. For example, a weaker EMS which is at risk of default or which exits the euro might impose controls on euro outflows to protect its new currency against depreciation and to protect its banking sector. If a stronger EMS were to exit the euro, it might impose controls on euro inflows to protect its new currency against appreciation. In a break-up scenario, it is possible that most if not all EMSs might feel compelled to impose such controls. If nationals of the imposing state are unable or restricted in their ability to invest abroad or make payments in euro, this may inhibit their ability to perform pre-existing obligations as originally intended.

The imposition of capital and/or exchange controls can also result in certain contracts within their scope becoming unenforceable. For example:

- An English court is likely to refuse to enforce an English law contract if performance has become illegal in the required place of performance as a result of the imposition of exchange or capital controls.
- The courts of all IMF members (including the English courts) are likely to refuse to enforce certain contracts which breach exchange controls imposed by an IMF member as a result of legal obligations arising out of their IMF membership[1].
- An English court is likely to refuse to enforce a contract if performance is restricted or prohibited by the imposition of exchange controls in the country whose law governs the contract (regardless of the place of performance).

PHASE 2 – LEGAL AND COMMERCIAL REVIEW

Phase 2 is to review, in conjunction with legal and financial advisers as appropriate, the terms of the group's key exposures, to identify contracts which are likely to be at risk in the assumed factual scenarios, in each case, as identified in Phase 1.

The following covers only the impact on contracts and the legal issues which may be relevant for due diligence purposes, but it is recognised that Phase 2 is also likely to include a financial analysis (e.g. to consider the impact of the different scenarios on the group's balance sheet and on its capital and liquidity position).

It will be important for those involved in the Phase 2 review to understand the manner in which contracts might be affected in the assumed scenarios. It may be helpful to develop a briefing paper or checklist of issues to assist those undertaking the Phase 2 review.

The contents of that document will depend to some extent on the factual scenarios which are to be addressed. By way of example (and because, as already mentioned, this may be less familiar territory), set out below is an outline of the features of contracts that might be considered "at risk" in the event of euro break-up or withdrawal.

LEGAL AND COMMERCIAL REVIEW – EURO BREAK-UP/WITHDRAWAL

Risk category A: Exposures with a nexus to an EMS

Although, it is possible that any contract could be affected by euro break-up, in general, it is assumed that contracts with a nexus to an exiting EMS (in a withdrawal scenario) or an EMS (in a break-up scenario) are particularly likely to be affected.

[1] This will apply only if the relevant contract and the controls fall within the scope of the provisions of the IMF Agreement as interpreted by the courts in question. The current approach of the English courts is to interpret these provisions narrowly.

Some key factors which are likely to create a sufficient nexus to put particular exposures at risk in this context (and which should be analysed in the course of the legal review) are as follows:

Governing law and jurisdiction	Contracts governed by the law of an EMS are likely to be more at risk of re-denomination/disruption if the EMS exits the euro. For example, if, hypothetically, Italy were to withdraw from the euro, it might be expected that contracts governed by Italian law (expressly or by implication) would be interpreted to reflect the new Italian monetary law, which would form part of Italian law. Contracts adjudicated before the Italian courts, regardless of their governing law, might also be expected to be interpreted in accordance with the new monetary law on the basis that the change in law would form part of the mandatory rules of the forum. The choice of governing law and jurisdiction[2] is therefore an important feature to take into account.
Place of payment/ performance	The place of payment or performance of a contract is an issue which may influence the *lex monetae* (see below). It is also a factor to consider in the context of the counterparty's continuing ability to perform in the event of break-up or withdrawal. Illegality in the place of performance is generally treated as an aspect of the contractual doctrine of frustration under English law. Again, hypothetically, if Italy were to leave the euro, faced with a contract governed by English law but to be performed (or partly performed) in Italy, an English court would have regard to the laws of Italy as to the manner of performance. If performance in euro had become illegal as a matter of Italian law (e.g. by virtue of capital or exchange controls), the obligation would be unenforceable in euro before an English court.
Place of residence/ incorporation of counterparty	The place of residence or incorporation of the counterparty is less likely to influence the *lex monetae* analysis but is relevant to an assessment of likely default risk. If, for example, it becomes illegal under the law of the place of residence or incorporation of a particular party for it to perform its obligations, in euro or otherwise, it is likely that those obligations will not be performed.

[2] In this regard it should be borne in mind that even if a contracting party benefits from an exclusive jurisdiction clause which designates the English courts, those courts will not be able to assume jurisdiction if proceedings have been initiated in the courts of another EU member state which has not declined jurisdiction.

Location of counterparty's assets	An enforceable contract may be of little practical assistance to the creditor if the debtor nonetheless a) decides to comply with the laws of its home jurisdiction and b) thus fails to perform (or perform in the manner required by the contract) if the domestic restrictions which inhibit his performance also prevent the creditor from enforcing a foreign judgment against the creditor in its home jurisdiction. In other words, a claimant's ability to recoup its loss on break-up or withdrawal may depend not only on whether the contract is enforceable, but on whether the defendant has assets in a jurisdiction that will recognise the judgment obtained. By way of example, it would be surprising if the courts of a country imposing exchange controls were to recognise a judgment given by the English courts in breach of such controls.

Risk category B: Exposures at risk of re-denomination

Re-denomination risk will not affect all exposures denominated in euro, at least in a withdrawal scenario where the euro continues to exist.

As explained above, contracts governed by the law of an exiting EMS or subject to the jurisdiction of its courts might be considered at risk of re-denomination in the event of euro break-up or withdrawal. There may also be other categories of contract which are potentially at risk.

According to the legal principle of "nominalism", where a monetary obligation is expressed in a particular currency, there is an implicit choice of the law of the country of that currency, the "*lex monetae*", to determine what that currency is[3].

The "*lex monetae*" principle is the key to any analysis of the extent to which obligations expressed in euro in an English law contract are likely to be construed in accordance with the monetary laws of an exiting EMS and thus potentially re-denominated. The question is whether the parties expressly or impliedly intended to contract by reference to the *lex monetae* of a particular EMS.

Lex monetae applicable to obligations in euro

The *lex monetae* principle is of straightforward application when used to identify currencies which are used only by a single country. A simple reference to the relevant currency in a contract (by words or symbol), in the absence of evidence to the contrary, provides the link to the country of the *lex monetae*.

[3] The *lex monetae* country provides the currency in which the nominal amount of the obligation is calculated. This is to be distinguished from the currency of payment, the currency in which the payment may be discharged, which may be different depending, for example, on the place of payment. By way of example, where US dollars are the currency of account, if payment is permitted to be made in London, the obligation may be discharged (absent provision to the contrary) by payment of the sterling equivalent of the dollar amount.

Example: non-euro currency obligations

An Italian borrower enters into a single currency Japanese yen loan facility governed by English law.

Japanese law provides the *lex monetae*. The money of account is yen or whatever other currency the laws of Japan determine is legal tender in Japanese territory at the time of payment.

When the euro was adopted, each EMS surrendered its monetary sovereignty and allowed EU law to provide its *lex monetae* and to designate legal tender in its territory. Therefore, while it might not be technically accurate (based on the principle of nominalism as it has been interpreted historically) to refer to the EU as providing the *lex monetae* applicable to a particular contractual obligation (as it is not a country), by virtue of eurozone membership, the *lex monetae* of each EMS is the same.

If an EMS withdraws from the euro, the preliminary step in the legal analysis of whether a particular obligation in euro might be affected is to consider whether the exiting EMS is the country of the *lex monetae* applicable to that obligation. Does EU law continue to provide the *lex monetae*, or does the exiting EMS?

If the exiting EMS provides the *lex monetae*, it will be necessary to consider whether the circumstances of its withdrawal and the legal framework in place at the relevant time result in the obligation being re-denominated and/or otherwise affected.

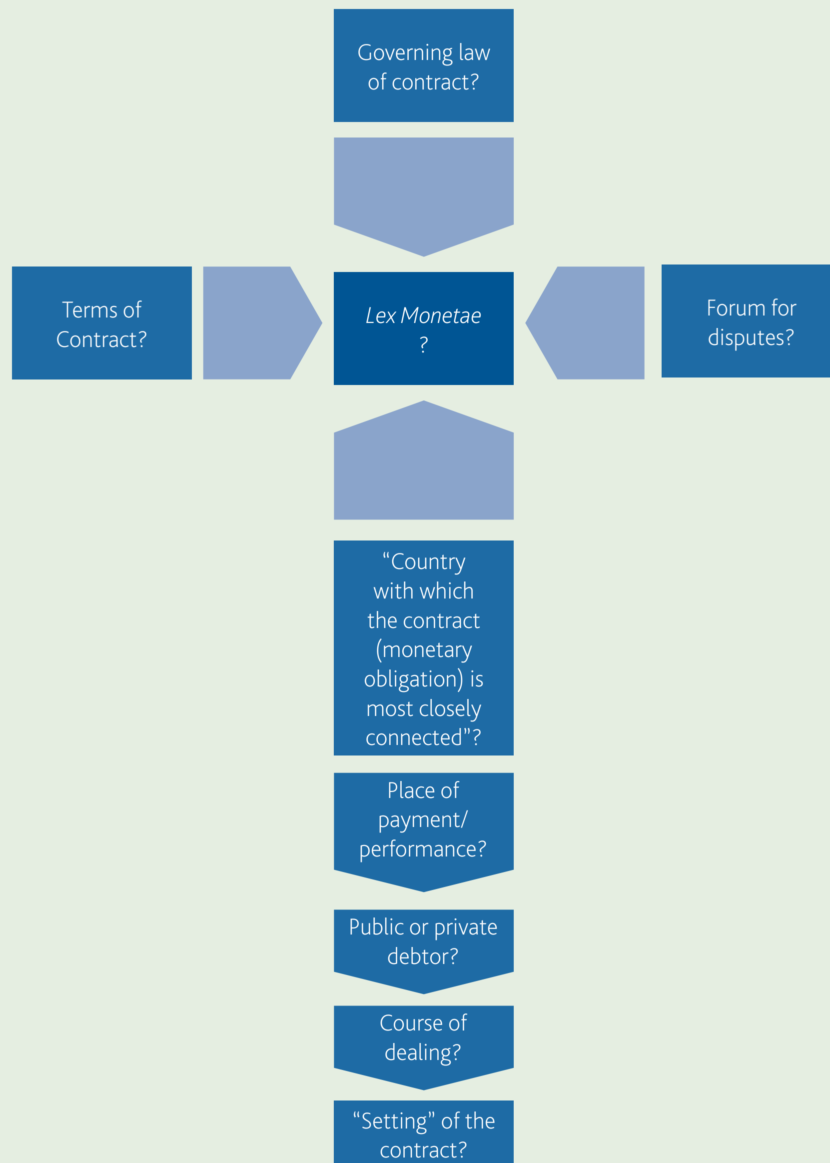
Factors that influence the *lex monetae*

As a general proposition, the *lex monetae* must be determined by construing the contract in accordance with the law applicable to it. This means that, if the contract containing the relevant monetary obligation is governed by English law, the *lex monetae* must be identified according to the intentions of the contracting parties at the time the contract was entered into.

The parties' intentions will probably need to be inferred. Upon entry into a contract denominated in euro, the parties may have given careful thought to the governing law of the contract, but will probably not have directed their minds specifically to the applicable *lex monetae* in the event that one or more EMS should withdraw from the euro.

As a single currency adopted by many countries without full fiscal and economic union, the euro has been a unique experiment. Historically, English case law relating to the *lex monetae* principle has generally involved countries with their own currencies, although in some cases these currencies traded at parity or fixed rates of exchange under the gold standard. So there is, therefore, a strong argument for disregarding this case law and asserting that parties who contract for payment in euro (at least in contracts that are not purely domestic) intend the monetary law of the (remaining) EMSs to continue to govern payment obligations, regardless of the exit of one or more countries. However, the problem that lawyers face is that, unless and until the issue is decided by the courts, the risk that this argument will not prevail cannot be disregarded in contingency planning.

FACTORS THAT INFLUENCE THE *LEX MONETAE*



It is therefore necessary to look at the old case law and academic writing on the *lex monetae*. This provides that where the intentions of the parties with regard to *lex monetae* under a contract governed by English law have to be inferred, the *lex monetae* is presumed to be provided by the country which has the closest connection with the obligation in question.

There are a number of factors which the English courts have highlighted in the case law as potentially indicative of a "close connection" for this purpose. These include the following (also summarised in the diagram on the previous page):

- the designated place of payment;
- the status of the debtor (government entities and public authorities might, in some cases, be presumed to intend to contract in their home currency);
- a course of dealing between the parties (this could be a relevant factor in long-term contracts which pre-date the euro and were originally performed in the national currency of the exiting EMS); and
- the "setting of the contract" – in other words, taking all of the circumstances of the contract into account, which country would the parties have had in mind?

However, these factors are presumptions rather than legal principles and may not be conclusive in any particular case.

In relation to some commercial contracts, the argument may prevail that, if the parties have expressed their obligations in euro, their intention is to maintain those obligations in euro for as long as the euro exists, notwithstanding the departure by one or more EMS. It will therefore be helpful to consider which, if any, provisions of key exposures in euro might assist in this regard.

Risk category C: Exposures vulnerable to termination/disruption

The impact on contractual arrangements of euro break-up or withdrawal will depend on the terms of the contract. For example, any type of contractual obligation could provide for termination in that event, although it might not be expected that large numbers of existing contracts would fall into that category.

Accordingly, it may be appropriate to consider in relation to key exposures, how the terms of the contract would operate in a withdrawal or break-up scenario.

Relevant terms might include currency and payment provisions, costs indemnities, variation rights and termination rights.

For example, a fragmentation of the euro might be considered (in the same vein as other world events with the potential to impact global economic conditions) in the context of "material adverse effect" or "force majeure" clauses. If such provisions are phrased by reference to circumstances which have an adverse impact on the parties'

ability to perform their obligations under the contract, it is possible to envisage that they might be triggered by restrictions, for example, on the ability of a party resident in an exiting EMS to perform its obligations in euro. Other events of default or termination or cancellation rights might also be triggered.

In relation to important euro exposures, where the extent of re-denomination risk is unclear (which may be the case in many circumstances), some may take the view that it is worthwhile considering the operation of the terms of the contract based on two alternative assumptions (i) that it is re-denominated and (ii) that payments continue in euro.

Risk category D: Connected/related exposures

If an exposure is at risk of re-denomination and/or termination as a result of the assumed factual scenarios, it will also be necessary to consider the consequential impact on related exposures. For example:

- could cross-default provisions be triggered?
- would credit support/CDS protection/related contracts be affected?

PHASE 3 – RISK MITIGATION

Having identified those contracts most at risk of disruption and determined whether the likely outcome is the preferred outcome, as well as the likely impact of the assumed scenarios on the group's financial position, Phase 3 of the contingency planning process is to consider whether it is appropriate and possible to address the issues identified.

Contractual issues and disclosure

Risk mitigation might be achieved by the reduction or termination of certain potentially affected exposures or by amending their terms to include express contractual provision for particular contingencies in an attempt to preserve the parties' desired outcome should the relevant scenario materialise. It may also be useful to put together a checklist of provisions to be considered for inclusion in new contracts.

Clearly any such measures might be overridden by legislative measures, but parties may take the view that doing something is better than doing nothing.

A further issue is whether members of the group need to make any additional disclosures in public documents such as financial statements or prospectuses (e.g. in the context of EMTN programme updates). For example, if the corporate group has material exposures to, or interests in, the eurozone, risk factors are likely to require further thought.

Operational risk issues

A further aspect of Phase 3 may be the development of more detailed contingency plans to deal with certain scenarios. For example, for some clients it may be appropriate to consider the full range of internal and external operational risk issues (including the impact on systems, such as IT and settlement systems, and infrastructure) and the preparation of communication plans (e.g. how to interact with key stakeholders and counterparties).

Risk mitigation – break-up/withdrawal

In considering risk mitigation options in relation to break-up or withdrawal, clients should bear in mind the slow speed at which governments have moved to contain the eurozone crisis, and the fact that withdrawal of an EMS from the eurozone may occur a number of years hence. There is, therefore, every reason to look at future business policies and contract terms as much as existing exposures.

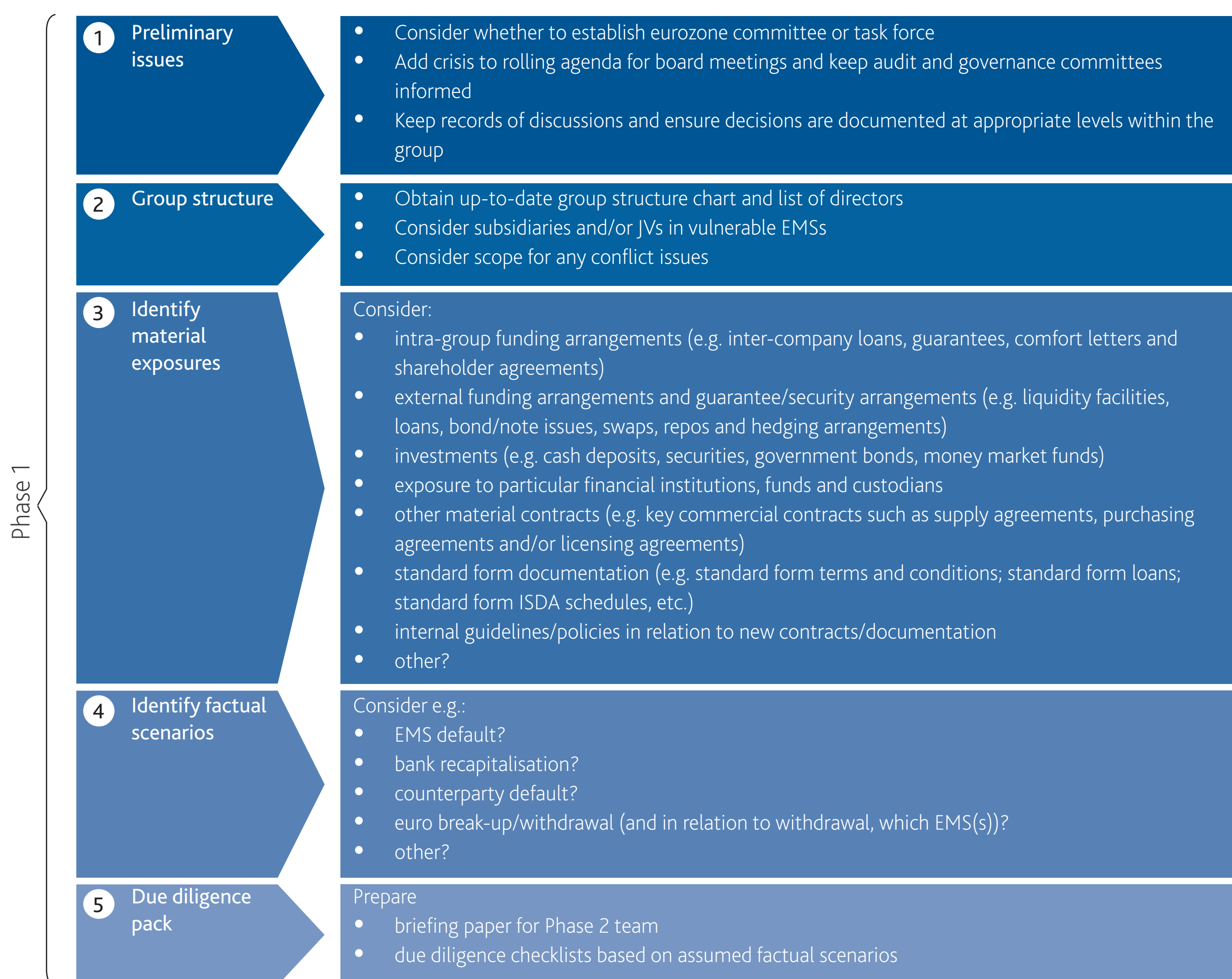
The sorts of contractual provision that might warrant attention include the following:

- governing law and jurisdiction provisions to take the contract outside the eurozone;
- express specification of currency of account/payment (e.g. a definition of "euro");
- designation of multiple places of payment, a single place of payment outside the eurozone or rights to unilaterally alter the place of payment;
- tailored force majeure/MAC clauses to address the scenario required;
- provisions for termination/continuity/variation/re-negotiation in particular scenarios, including illegality and change in law;
- indemnities and other protective provisions designed to allocate the risk of increased costs/losses; and/or
- restrictions on the assignment/novation of rights and obligations by the relevant counterparty.

What will be relevant in any particular case may vary. There are multiple ways in which such provisions might be drafted. We have given these issues detailed thought, in particular as they might be applied to financing documentation (including LMA, ISDA and eurobond documentation), and will be releasing a separate briefing on that topic shortly.

AN INDICATIVE APPROACH TO CONTINGENCY PLANNING

The non-exhaustive checklist below summarises the key aspects of the contingency planning process described in this briefing (with an emphasis on the impact on contracts of euro break-up or withdrawal):



Phase 2

Step	Considerations
6 Nexus to EMS	Consider with which country (or countries) key exposures are most closely connected by reference to e.g.: • governing law • jurisdiction • place of payment/performance • place of residence/incorporation of counterparty • location of counterparty's assets
7 Preferred outcome (currency)	In relation to material exposures in euros consider e.g.: • Which country should provide the *lex monetae*? • Should payments continue in euros if euro continues to exist? • Might an alternative/substitute currency be agreed (e.g. £ or US$?)
8 Preferred outcome (continuity)	In relation to material exposures consider e.g.: • Should/could the contract continue? • Should it continue on the same terms? • Should any terms be varied and/or re-negotiated (e.g. interest rates, monetary amounts, payment conventions etc.)? • Who should bear the costs of any disruption/uncertainty?
9 Terms of contract (currency)	Consider how existing terms of material exposures would operate, e.g.: • currency and payment provisions • costs indemnities • variation rights • termination rights • any other relevant provisions? (NB the answer may be uncertain)
10 Terms of contract (continuity)	Consider how existing terms of material exposures would operate, e.g.: • termination rights/events of default • MAC/force majeure provisions • provisions which prescribe consequences of illegality/change in law • any other relevant provisions? (NB the answer may be uncertain)
11 Terms of related contracts	Consider impact on related obligations e.g.: • cross-default provisions • credit support/related contracts

Phase 3

Step	Considerations
12 Risk mitigation measures	Consider: • reduce exposure? • amend terms with a view to preserving preferred outcome? e.g.: – express specification of currency of account/payment (definition of "euro") – governing law/jurisdiction outside eurozone – place of payment outside eurozone – provision for termination/continuity/variation/re-negotiation in particular scenarios – allocation of risk of increased costs/losses – restrictions on assignment/novation by counterparty • additional disclosures in public documents such as financial statements or prospectuses? • further contingency planning for operational risk issues e.g.: – impact on systems/infrastructure? – communication plans? • other action?

London	Brussels	Hong Kong	Beijing
One Bunhill Row	Square de Meeûs 40	47th Floor, Jardine House	2903/2905 China World Office 2
London EC1Y 8YY	1000 Brussels	One Connaught Place	No.1 Jianguomenwai Avenue
United Kingdom	Belgium	Central	Beijing 100004
		Hong Kong	People's Republic of China
T +44 (0)20 7600 1200	T +32 (0)2 737 94 00	T +852 2521 0551	T +86 10 5965 0600
F +44 (0)20 7090 5000	F +32 (0)2 737 94 01	F +852 2845 2125	F +86 10 5965 0650

© Slaughter and May 2011

This material is for general information only and is not intended to provide legal advice.
For further information, please speak to your usual Slaughter and May contact.