

TITULO: GO and CC in IDB Invest's \$1.8bn tariff stabilisation purchase				
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Guerrero Olivos and Clifford Chance have advised IDB Invest on the structuring of a financing facility, including an A/B bond of up to USD 1.8 billion, to mitigate the impact on power generation companies in Chile resulting from the deferred payments established by Law No. 21,472, known as the MPC Law.

The MPC Securities were issued by a segregated fund administered by the Chilean Treasury as part of a programme created under the MPC Law to temporarily protect Chilean consumers from electricity tariff hikes, and establishes a deferral of payments to generating companies backed by the issuance of payment documents from the Tariff Stabilisation Fund (FET), created by that law. Through the financing facility, IDB Invest will purchase all eligible payment documents under the FET.

This transaction was closed on 30 August and involved the jurisdictions of Chile, the US (New York) and Luxembourg. Other participating firms include White & Case and Shearman & Sterling as international advisors to International Generators, Claro & Cía as advisor to International Generators in Chile, Morales & Besa as advisor to Enel, Hinckley Allen as advisor to Citibank, and Kunstmann Spiess as advisor to Amicorp in Chile.

This is the first-ever multi-tranche B bond, structured to accommodate and mobilise a broad investor base under (i) Rule 144A/Regulation S and (ii) Section 4(a)(2) private placement formats. In addition to being one of the largest private placements in the Latin American capital market, the transaction reflects an effective public-private partnership to design and execute tailor-made, customised and scalable financial solutions that contribute to improving the quality of life of consumers.

The financing mechanism through the A/B Facility includes Facility A, which will be provided by IDB Invest with its own resources for US\$180 million, and Facility B, which will be financed through bond issues under Rules 4(a)(2) and 144A/Reg S for an amount of approximately US\$1.62 billion.

Clifford Chance also advised Goldman Sachs, as arranger, sole global coordinator and bookrunner, and J.P. Morgan Securities and Itau BBA USA Securities, as bookrunners, in connection with the securitisation of the MPC securities and Amicorp Group, as onshore administrative agent, onshore verification agent and onshore calculation agent and issuer manager of the B bond issuer.

Guerrero Olivos' team was led by partner **Clemente Pérez** (pictured left), with support from partners **Miguel Coddou**, **Felipe Fruhling**, **Alejandro Chechilnitsky** and **José Gabriel Undurraga**, and associates **Sebastián Marambio**, **Roberto Burgos**, **Pablo Escobar**, **Joaquín Rojas** and **Javiera González**.

Clifford Chance's team included partners **Fabrizio Longhin** (pictured centre) and **Jonathan Zonis** (pictured right), supported by law clerks **Paula Ferreira** and **Agata Radajczyk**, associate **David Rondon**, and special legal consultant **Pedro Buchanan**. The team advising Goldman Sachs, as placement agent, and Goldman Sachs, JP Morgan and Itaú, as joint bookrunners, included partners **Hugo Triaca** and **Mariana Estévez**, associates **Joyce Moore** and **Emely Luna**, and law clerks **Adriana Cabal Gutierrez**, **Mariana Gutiérrez Ruiz** and **Alessia Saracino**. The team advising Amicorp included counsel **Alberto Haito** and associate **Mari Correa**. Additional support from Clifford Chance's international network was provided by: partner **Avrohom Gelber** and associate **Wei Bin Tan** (New York) from the Tax team; partners **Gareth Old**, **Darren Littlejohn**, **Mark Pessio** and **Andrew Young**, and associate **Andrés Berry** (New York) from Derivatives, Security and True Sale Matters; partner **Paul Koppel** and associate **Thomas Koh** (New York) from ERISA; partner **Marc Mehlen**, counsel **Maxime Budzin**, senior associate **Yolanda-Alma Ghita-Blujdescu**, and associates **Marie-Elise Gueble** and **Patrizio Merotto** from Luxembourg; and counsel **Nolan Groenland** and senior associate **Robin Houtveen** from Amsterdam.