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Structured Thoughts

News for the financial services community.

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Canadian Bail-in and TLAC Rules: Impact on Structured Notes Offered in the United States

Introduction

In June 2017, the Canadian government released draft regulations relating to "bail-in instruments" issued by Canadian domestically systemically important banks ("D-SIBs"). The proposed regulations are a key part of Canada's new bank recapitalization plan; under the plan, certain bank instruments, including many debt securities, may convert into the issuer's equity securities if an issuer becomes non-viable. In addition to the bail-in regulations, Canada's Office of the Superintendent of Financial Institutions ("OSFI") also published for comment its draft Total Loss Absorbing Capacity ("TLAC") guideline.

Once finalized, these regulations will have a significant impact on how Canadian banks issue debt securities around the world. We discuss in this article the principal impact of the proposed regulations on Canadian banks that issue structured notes into the U.S. market.[1]

Timing of Effectiveness and New Issuances

Under the draft regulations, D-SIBs would have 180 days following the publication of the final versions of the bail-in regulations (the "effective date") to prepare for their initial issuances of bail-in-able instruments. (The final versions of the regulations are currently expected to be published before the end of 2017.) Thereafter, each D-SIB will be required to

[1] Most of the Canadian banks that are D-SIBs have registered note programs in the United States under which they issue structured notes. Several banks also have unregistered bank note programs and Rule 144A programs.

maintain a minimum capacity to absorb losses, consisting of regulatory capital and debt that is subject to the possibility of conversion, effective the first fiscal quarter of 2022. (See the section below, “Canadian TLAC.”)

Notes and other instruments that are issued before the effective date will not be subject to the bail-in rules except in limited circumstances, such as if they are amended or extended in a certain manner.

Instruments That Are Subject to the Rules

Securities and other instruments would be subject to the bail-in provisions if they satisfy all of the following criteria:

- they must have an initial term to maturity greater than 400 days;
- they must be unsecured and unsubordinated; and
- they must be assigned a CUSIP or ISIN (or similar security identification) number in order to facilitate their trading.

If a conversion of the bail-in debt occurs, the holders of the bail-in debt must receive more common shares per dollar of claim than the holders of the issuer’s subordinated debt and preferred shares.[2]

Structured Notes and Other Exclusions from the Bail-in Regime

Covered bonds, other secured debt, derivatives, structured notes and certain other liabilities are explicitly excluded from the bail-in regime. Deposits (other than deposit notes[3]) with a D-SIB will also be outside the scope of the bail-in regime.

As is the case in connection with the U.S. TLAC regulations, the definition of “structured note” is significant. The proposed regulations would define “structured note” as:

> “…a debt obligation that (a) specifies that the obligation’s stated term to maturity, or a payment to be made by its issuer, is determined in whole or in part by reference to an index or reference points, including (i) the performance or value of an entity or asset, (ii) the market price of a security, commodity, investment fund or financial instrument, (iii) an interest rate, and (iv) the exchange rate between two currencies; or (b) contains any other type of embedded derivative or similar feature.
>
> However, the following debt obligations are *not* structured notes [emphasis added]: (a) a debt obligation in respect of which the stated term to maturity, or a payment to be made by its issuer, is determined in whole or principally by reference to the performance of a security of that issuer; and (b) a debt obligation that (i) specifies that the return on the debt obligation is determined by a fixed or floating interest rate or a fixed spread above or below a fixed or floating interest rate, regardless of whether the return is subject to a minimum interest rate or whether the interest rate changes between fixed and floating, (ii) has no other terms affecting the stated term to maturity or the return on the debt obligation, with the exception of the right of the issuer to redeem the debt obligation or the right of the holder or issuer to extend its term to maturity, and (iii) is payable in cash.”

Under this definition, typical equity, commodity linked and currency linked structured notes and ETNs linked to a reference asset will be outside of the bail-in regime. However, as in the U.S. context, market participants need to understand how this definition applies to simpler rate-linked notes (which are sometimes referred to as “lightly structured notes” or “lightly structured rate-linked notes”[4]):

- *Floating rate linked notes linked to CMS*[5]: the second paragraph of the definition above would appear to remove these instruments from the definition of “structured note,” as CMS is an “interest rate.” Accordingly, notes of this kind would be subject to the bail-in regime.
- *Fixed to floating rate notes*[6] appear not to be “structured notes” by virtue of the second paragraph above.
- *Floating rate notes with a capped interest rate and/or a floor*: the second paragraph appears to remove those notes with a minimum interest rate from the definition; however, it is silent as to the impact of a maximum rate. It would be helpful for the regulator to clarify this distinction in the final rules.

[2] The proposed regulations set forth detailed provisions as to the bail-in process and valuation, which are beyond the scope of this article.
[3] For the avoidance of doubt, a deposit note that is also a “structured note” would not be subject to bail-in.
[4] Some examples are briefly described in the following footnotes for the sake of illustration.
[5] For example, a floating rate note that pays interest quarterly, based on the level of CMS10, plus or minus a spread.
[6] For example, a note that pays interest quarterly, initially at a fixed rate of interest, and then at a rate based on USD 3M LIBOR, plus a spread.

- *Step up callable notes*: these appear not to be "structured notes" by virtue of the second paragraph above. This result would be consistent with the discussion below relating to TLAC, in which the proposed rules appear to contemplate that step-up callable notes could be eligible for TLAC.[7]
- *Inflation-linked structured notes:*[8] the first paragraph of the definition would appear to include this instrument in the "structured note" definition due to its embedded derivative. Since inflation rates are not "interest rates," the second paragraph would not seem to remove them from the definition. Accordingly, these instruments would probably not be subject to the bail-in regime.
- *Range accrual notes linked to an interest rate*,[9] or *notes with a single bullet payment at maturity that is tied to the level of an interest rate,*[10] would appear to be "structured notes" under the first paragraph set forth above.

Required Disclosures and Disclosure Documents

The offering documents for new instruments must disclose whether those instruments are subject to the bail-in regime. We would anticipate that, particularly for notes subject to bail-in, these disclosures would follow the practice of certain European issuers of notes into the U.S. market; that is, the offering documents would include prominent cover page disclosure about the bail-in feature, as well as related risk factor disclosure as to the nature of the bail-in regime.

Required Contractual and Other Terms

To facilitate the enforceability of the bail-in power, and to help ensure that any legal issues would be resolved in a Canadian court, an instrument subject to the bail-in regime will need to include the following in its terms:

- the holder of the instrument is bound by the Canada Deposit Insurance Corporation Act, often called the "CDIC Act" (including the conversion of the liability into common shares and the resulting termination of the instrument), and by the laws of Canada or of a province of Canada in respect of the operation of the CDIC Act;
- the holder of the instrument is subject to the jurisdiction of Canadian courts as to the CDIC Act and those laws; and
- the above two bullets are binding on the holder of the liability despite any other terms of the liability, any other law that governs the liability and any other agreement between the parties.

Issuers of registered notes or bank notes would need to amend their indentures (or paying agency agreements, in the case of unregistered programs) and forms of notes to address these terms.

Steps to Be Taken

If the amendments are adopted in the form proposed, then prior to the effective date, Canadian issuers into the U.S. market will need to take a number of steps as to structured notes, such as "lightly structured notes," that are subject to the rules:

- Amending their existing registration statements (or filing new registration statements) to:
  - Add the required bail-in disclosures.
  - Amend and supplement their indentures and forms of notes to include the required bail-in provisions discussed above and the required TLAC provisions discussed below.[11]
- Updating their forms of pricing supplements and product supplements to include the required disclosures.
- Updating any relevant brochures and marketing materials for the relevant notes to explain the bail-in provisions.
- Underwriters and other distributors of these notes may wish to update the forms of underwriting agreements and program agreements to address the issuer's compliance with the new regulations.

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[7] See the discussion below, relating to footnote [13].
[8] For example, a note that pays quarterly interest based on year-over-year changes in the U.S. Consumer Price Index.
[9] For example, a note that pays quarterly interest based on the number of days that USD 3M LIBOR is above a certain level.
[10] For example, a note that does not pay interest before maturity, but pays a digital coupon at maturity if the CMS10 exceeds a certain level, and is subject to full or partial loss of principal if the CMS10 is less than that level.
[11] In the case of unregistered bank note programs and Rule 144A programs, comparable changes would need to be made.

As discussed above, many “structured notes” (such as equity-linked notes) will not be subject to the bail-in regime. Depending upon its issuance plans, an issuer may wish to consider whether it useful to maintain two separate issuance programs: one program for use with notes that are subject to the bail-in regime and to continue to use their existing programs for notes that are not subject to the bail-in regime. For example, an issuer could elect to continue to use an existing shelf registration statement exclusively for notes that are not subject to the bail-in regime until that shelf expires and to establish a new shelf for use with notes that need to comply with the new requirements.

Canadian TLAC

In connection with the proposed bail-in regulations, OSFI also published for comment its draft Total Loss Absorbing Capacity Guideline (the “TLAC Guideline”). Similar to U.S. and European regulatory changes, the TLAC Guideline is intended to ensure that D-SIBs have sufficient loss absorbing capacity to support the recapitalization of a non-viable D-SIB.

Beginning in the first fiscal quarter of 2022 (which may start in the fourth calendar quarter of 2021 for many Canadian banks, due to their accounting periods), D-SIBs would be required to maintain a TLAC ratio of at least 21.5% of risk weighed assets and a minimum TLAC leverage ratio of 6.75%. For these calculations, TLAC would consist of eligible capital instruments and eligible bail-in-able debt. Accordingly, a debt instrument, including a “lightly structured note,” would need to comply with the standards discussed above in order to qualify as TLAC.

In addition, in order to qualify as TLAC:

- the security must be directly issued by the Canadian parent bank, as opposed to an operating subsidiary or a financing subsidiary;[12]
- except in limited cases, the security must not provide the holder with acceleration rights as to principal or interest except in the context of a bankruptcy, insolvency, wind-up or liquidation;[13]
- the security must have a remaining maturity of more than 365 days;[14]
- if the security can be called at the issuer’s discretion, and where that redemption would lead to a breach of the issuer’s minimum TLAC requirements, the call would require the prior approval of the Superintendent of Financial Institutions;
- the security may not have credit-sensitive coupon features that changed based on, for example, the issuer’s credit rating; and
- if an amendment of the security’s terms would affect the security’s status as TLAC, that amendment will only be permissible upon receipt of the Superintendent’s prior approval.

Next Steps

The final bail-in and TLAC regulations are currently expected to be released before the end of 2017. However, most market participants do not expect significant revisions to be made. Canadian issuers and their underwriters will need to plan for offering these instruments after the effective date.

[12] This is the current practice for Canadian issuers and would not necessitate any material changes to market practices.
[13] Accordingly, as in the case of TLAC issued by U.S. issuers, the relevant indentures will need to be revised to remove a variety of events of default that currently can trigger an acceleration event, such as a covenant breach.
[14] Where a security has a step-up or other incentive for the issuer to redeem, the security is deemed to mature on the date on which the incentive to redeem becomes effective, such as when the interest rate steps up.

FINRA: May 2018 Effective Date for Mark-Up Rules

As previously discussed in this publication, the SEC has approved FINRA's amendments to Rule 2232. The rule will require broker-dealers to disclose on retail customer confirmations the "mark-up" or "mark-down" for most sales in corporate and agency debt securities.

FINRA has announced that the amended rule will become effective on *May 18, 2018.* Accordingly, broker-dealers are working to update their systems to ensure that their confirmations can include the required disclosures. FINRA's regulatory notice as to the effective date may be found here.

Under the new rule, if a broker-dealer buys or sells a corporate fixed-income security (including a structured note) to or from a retail customer, and on the same day buys or sells the same security as principal from another party in an equal or greater amount, the firm will be required to disclose on the customer confirmation the firm's mark-up or mark-down from the market price. The confirmation would also have to provide the execution time and access to trade-price data in the TRACE system.

The new rules do not apply to securities purchased in fixed-price offerings, such as most initial offerings of structured notes.

FINRA has indicated that broker-dealers may have specific implementation questions about the requirements of the rule and that it is committed to working closely with the industry during the implementation period, including to provide any needed further guidance.

For additional discussion of these rules, please see the September 14, 2016, edition of this publication, which can be found here.

Structured Products Educational Materials

Introduction

Just about everybody agrees: investors in structured products should understand their risks and rewards prior to making a purchase, and many of these investors would benefit from clear materials that explain the products and their risk factors. Accordingly, many market participants have attempted to create these types of materials in order to help educate these investors. They have created websites, brochures and other materials in furtherance of these goals. This article discusses the treatment of these types of educational materials under the federal securities laws.

The principal issue is that, under certain circumstances, written materials about securities, other than the "statutory prospectus," can be deemed to be a "free writing prospectus" under the Securities Act of 1933. As a result, even though these materials can be created with noble purposes in mind, using them may have legal consequences. These consequences include potential filing requirements, the possibility of addressing comments from the SEC or FINRA, and even potential liabilities if these documents are deemed to be misleading offering materials.

What Is a Prospectus, and What Is a Free Writing Prospectus?

In "plain English," a "prospectus" is a carefully prepared document (often somewhat long) organized in the manner required by the securities laws, which offers a securities and contains a significant amount of legally required language about them. In addition, we have Section 2(a)(10) of the Securities Act—it defines a "prospectus" (subject to a variety of exceptions) as: "any prospectus, notice, circular, advertisement, letter, or communication, written or by radio or television, which offers any security…"

We would like to think that this statutory definition is consistent with the "plain English" definition. However, the U.S. SEC has historically viewed the matter quite differently, such that a wide variety of written materials produced by an offering participant that described or discussed the relevant securities could be deemed to be offering the securities and, therefore, could be a "prospectus."

What was the practical impact of this broad definition? Until December 2005, when the SEC's "Securities Offering Reform" regulations became effective, just about the only written materials that were created and provided to potential investors in connection with a securities offering was the statutory prospectus. Little else could be created in connection with a registered offering.

The Securities Offering Reform regulations introduced the new document known as a "free writing prospectus." Revised Rule 405 under the 1933 Act provides that a "free writing prospectus" is "any written communication…that constitutes an offer to sell or a solicitation of an offer to buy the securities relating to a registered offering…made by means other than…" certain specified types of documents, including the statutory prospectus. The new rules made these documents subject to a variety of requirements relating to content, filing, liability and record retention. To the extent that the SEC had historically applied a relatively broad reading of the word "prospectus," practitioners tend to believe that a wide range of materials may be deemed to be a "free writing prospectus."[15]

When Are Educational Materials Deemed to Be Free Writing Prospectuses?

With this in mind, we have set forth a variety of illustrative factors (note this is not intended to be an exhaustive list) to consider in making the determination as to whether any particular document constitutes a free writing prospectus. As you can see, this may be a fact-specific determination, based on the relevant circumstances.

Who Is Preparing or Distributing the Document? The U.S. securities laws are focused on offering participants, such as the issuer, the underwriter, a distributor or an entity acting on their behalf. In contrast, news publications and investor information services may have a variety of obligations under applicable laws, but they are not typically regulated by the Securities Act.

Who Are the Intended Recipients of the Materials? Educational materials may be intended for "internal use only," such as a broker-dealer's financial advisors. Alternatively, they may be intended for use by retail investors. The more likely it is that the materials will come into the hands of retail investors, the more likely it may be that they will be deemed to be free writing prospectuses, because the recipients are in greater need of the protections of the securities laws and may be less well equipped to differentiate between the educational materials and actual offering documents. Accordingly, materials intended for internal use only, or use for financial professionals only, should be marked as such, and policies and procedures should be implemented to prevent them from being forwarded to retail investors. In contrast, the inclusion of these materials on a website that is accessible to the public, without password protection, would render them more likely to come into the hands of retail investors.

Is the Document Being Used in Connection With an Actual Offering? Educational materials may take on an entirely different characterization when furnished to investors in connection with a live offering. For example, if a financial advisor provides the materials to an investor in connection with the prospectus for that offering, the materials are more likely to be deemed to constitute a free writing prospectus. Accordingly, materials that are intended to be used solely for educational purposes are typically created under policies that prohibit financial advisors from furnishing them simultaneously with, or alongside, the prospectuses for current offerings.

How Closely Does the Document Relate to any Offered Securities? Educational materials may vary from actual offerings in a variety of ways:

- the educational materials will not reference a specific offering or CUSIP, and they are designed to be "generic" about the relevant products;
- the educational materials will not reference a specific issuer but instead will focus on the nature of the relevant securities and their terms; and
- to the extent that the educational materials are included on a website, they will be separated from any offering documents for actual offerings through different menus, and an "exit menu" or similar means will be used to make it clear to anyone viewing the educational materials that they are separate and apart from any offering materials on the website.

[15] For more detailed information about Securities Offering Reform, free writing prospectus and the structured products market, please see our article, "Impact of the SEC's Securities Offering Reform Rules on the Registered Structured Products Market," which may be found here.

(Far) Eastern Exposure: MSCI to Include Chinese A-Shares in Major Indices

In June 2017, MSCI, a leading index provider, announced that beginning in June 2018, it will include China "A shares" in the MSCI Emerging Markets Index and the MSCI ACWI Index.[16] This move has been under consideration for several years, and MSCI indicated that the decision was based in part on its conclusion that China A shares had become increasingly accessible by international investors.

The MSCI Emerging Markets Index is a leading benchmark for equity securities in the international developing markets. Together with an ETF that tracks it, the iShares MSCI Emerging Markets ETF, this index is an underlying asset for a significant amount of structured products, and it is a key means by which U.S. investors gain exposure to these markets, including mainland China.

MSCI indicated that it plans to add 222 China A large capitalization stocks, which would represent approximately 0.73% of the weight of the MSCI Emerging Markets Index. MSCI indicated that it may increase the number of securities, and/or change the timing of implementation, in the future.

What Are "A Shares"?

A shares are shares of mainland China companies that trade on the two Chinese stock exchanges and are traded in Chinese renminbi. Historically, A shares were only available for purchase by mainland Chinese citizens; accordingly, they were not included in major international equity indices. However, the relevant rules have evolved, and, since 2003, many non-Chinese institutional investors are permitted to purchase these securities through China's "Qualified Foreign Institutional Investor" ("QFII") system.

In contrast, B shares are shares of these companies that trade in currencies such as the U.S. dollar. These securities may be purchased by both Chinese and non-Chinese investors; however, many Chinese investors have difficulty purchasing them due to currency exchange limitations. Some Chinese companies have equity securities that are listed as both A Shares and B Shares; however, since many Chinese investors can only purchase the B Shares with difficultly, the A Shares at times trade at higher valuations than the B Shares.

While the MSCI indices currently include Chinese stocks, the relevant stocks are those that are listed outside of China, in markets such as Hong Kong, where the "H Shares" of Chinese companies are listed. Accordingly, while these indices do provide exposure to Chinese stocks, these stocks are not necessarily representative of the Chinese market as a whole.

Potential Impact

As of May 2017, Chinese companies constituted approximately 27.66% of the MSCI Emerging Markets Index. The new change will, slightly at first, further increase the concentration of the index in Chinese stocks. Some investors, who are critical of China's domestic securities markets, may be displeased by the fact that the index change indirectly "forces" them into investing in China as a result of the multitude of instruments that track the MSCI Emerging Markets Index; for example, some analysts believe that the Chinese stock markets are characterized by significant amounts of insider trading and price manipulation, and the potential for governmental intervention. However, the move is an important step in the integration of the Chinese capital markets into the international economic system, and it may be a precursor of similar steps in the future.

DOL Issues Request for Information Regarding Fiduciary Rule

On June 29, 2017, the Department of Labor ("DOL") issued a Request for Information ("RFI") in connection with its examination of the Final Fiduciary Rule, which was published on April 8, 2016, and became applicable on June 9, 2017.

[16] MSCI's press release announcing the decision may be found here.

The RFI was issued in response to President Trump's February 3, 2017, memorandum directing the DOL to prepare an updated analysis of the likely impact of the Fiduciary Rule on access to retirement information and financial advice. The RFI was released in the same week that Secretary Acosta of the DOL and Chairman Clayton of the SEC pledged to work together to address the Fiduciary Rule.

The RFI is broad in scope and will likely generate a wide range of responses, many of which will be of interest to market participants in the structured products sector. Accordingly, as many observers have noted, a variety of aspects of the new rules may be subject to change; the form of the final version may not be knowable at this time but may vary significantly from the rules that were originally enacted.

To read our blog post on the RFI, please click here.

FINRA Permits Related Performance Information in Institutional Communications for Registered Closed-End Funds

In an interpretive guidance letter issued to a registered closed-end fund in June 2017, FINRA permitted the use of "related performance information" in communications that are distributed solely to institutional investors. In connection with their marketing processes, funds with limited or no track records often seek to display the performance history of other accounts managed by the adviser and employing a substantially similar investment strategy.[17]

In the letter, FINRA made clear that the use of this type of information would only be permitted in institutional communications. FINRA restated its position that furnishing this type of information to retail investors would not be consistent with the standards of Rule 2210, FINRA's communication rules. This outcome is similar to FINRA's views relating to, for example, pre-inception ("backtested") performance for proprietary indices.[18]

Our more detailed article about FINRA's new guidance may be found here.

Upcoming Events

Regulatory Burden Relief: What to Anticipate
Tuesday, July 25, 2017
IFLR Webinar
Oliver Ireland and Anna Pinedo, Morrison & Foerster LLP; Paul Kupiec, American Enterprise Institute
10:00 a.m. – 11:30 a.m. EDT

Join us as presenters share their views and predictions regarding:

- the Presidential Orders relating to deregulation;
- the Treasury Department's initial report regarding the core principles of financial regulation;
- the Financial CHOICE Act and its principal provisions;
- the areas of regulatory reform as to which compromise may be possible; and
- the likely path forward for regulatory reform and what you should expect in 2017.

For more information, or to register, please click here.

CLE credit is pending for California and New York.

[17] Generally, substantial disclaimers and disclosures accompany these communications so that investors are aware that the differences in fees, expenses, investment restrictions and flows, among other things, may result in performance differences.
[18] Please see the article set forth in the April 26, 2013 issue of this publication, which may be accessed here.

Packaged Retail and Insurance-based Investment Products: Final Preparations
Wednesday, July 26, 2017
PLI Webinar
Peter Green and Jeremy Jennings-Mares, Morrison & Foerster LLP
12:00 p.m. – 1:00 p.m. EDT

After one false start, the PRIIPs Regulation will finally become effective at the beginning of 2018 and will herald a new approach for pre-contractual disclosure in the form of a Key Information Document ("KID") in relation to retail packaged investment products. The Regulation will impact upon many different types of product including transferable securities, derivatives, funds, structured products and insurance-based products. Although many firms have already undertaken significant work to be ready to comply with the new rules in 2018, significant challenges remain. Not least of these, the "level 3" guidance, to be in the form of Q&As, which is expected to provide important assistance in the preparation of KIDs, has not yet been published.

During the presentation, we will highlight:

- principal issues in connection with the implementation of the PRIIPs Regulation including its scope;
- challenges in completing the KID, particularly in relation to complex products; and
- its impact on secondary sales of relevant products.

For more information, or to register, please click here.

PLI will provide CLE credit.

SAVE THE DATE: Structured Products Washington Conference 2017
Wednesday, October 4, 2017
Morrison & Foerster Sponsorship

Hyatt Regency Washington on Capitol Hill
400 New Jersey Ave NW
Washington, DC 20001

The 5th annual Structured Products Washington D.C. conference will be returning to the capital on October 4, with the program showcasing the latest developments in the legal, regulatory and compliance landscape for structured products.

DOL Fiduciary Rule Resource Page

The first phase of the Department of Labor's ("DOL") new fiduciary rule ("Fiduciary Rule") was implemented on June 9, 2017. The Fiduciary Rule greatly expands the categories of persons who are deemed fiduciaries when dealing with retail retirement investors. It was adopted by the DOL in April 2016, together with new prohibited transaction exemptions: the Best Interest Contract Exemption ("BIC Exemption") and the Principal Transactions Exemption ("Principal Transactions Exemption").

For more guidance relating to the DOL's new fiduciary rule, please visit our BD/IA Regulator blog: http://www.bdiaregulator.com/the-dols-fiduciary-rule/.

Join Our *Structured Thoughts* LinkedIn Group

Morrison & Foerster has created a LinkedIn group, *StructuredThoughts.* The group serves as a central resource for all things *Structured Thoughts*. We have posted back issues of the newsletter and, from time to time, will disseminate news updates through the group.

To join our LinkedIn group, please click here and request to join, or simply email Carlos Juarez at cjuarez@mofo.com.

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We have again been named "Best Law Firm in the Americas" by StructuredRetailProducts.com at the 2017 StructuredRetailProducts and EuroMoney Americas Wealth Management and Derivatives Conference.

Additionally, for the third year in a row, *GlobalCapital* has named us the Americas Law Firm of the Year at their 2017 Americas Derivatives Awards. We were also named 2016 Global Law Firm of the Year by *GlobalCapital* for its Global Derivatives Awards.

When it comes to advising financial institutions, whether it's bank regulatory advice, debt or equity offerings, derivatives, securitization, or structured products, Morrison & Foerster leads the way.

For more updates, follow Thinkingcapmarkets, our Twitter feed: www.twitter.com/Thinkingcapmkts.

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Because of the generality of this update, the information provided herein may not be applicable in all situations and should not be acted upon without specific legal advice based on particular situations.