



BANK OF ENGLAND

SOVEREIGN DEBT RESTRUCTURING: THE ROAD AHEAD

Organized by

Financing for Development Office, Department of Economic and Social Affairs, United Nations
and the Bank of England

to be held at The Bank of England, London, UK

AGENDA

25 April 2014

9:30 – 9.45am

Welcome remarks: Andy Haldane, Executive Director, Bank of England

9:45 – 11:15 am

Session 1. What are the problems in sovereign debt restructuring we are trying to resolve? How do we prioritize them?

To what extent have sovereign debt restructurings been ‘too little and too late’? To the extent that this has been a problem, what factors have contributed most to it and what should be the focus of potential reform efforts? Does the current approach to resolving sovereign debt crises deliver a fair burden sharing between different private sector creditors and between the private and public sector? Is lack of legal predictability a problem?

Speakers:

Reza Baqir, Division Chief, Strategy and Policy Review Dept., IMF

Robert Gray, Chairman, Debt Financing & Advisory Group, HSBC Bank plc. & Chairman, Regulatory Policy Committee, International Capital Market Association

Andrew Powell, Principal Research Advisor, IDB

Discussant:

Sergio Chodos, Alternate Executive Director, IMF

11:15 – 11:30am

Coffee break

11:30 – 1:00pm

Session 2. Could sovereign debt restructurings be made more efficient and more equitable?

Should the role of the IMF in sovereign debt restructurings be revised, through changes in the relationship between debt sustainability assessments and IMF programmes? Is there a need for sovereigns to release more information about their debt and for the IMF to be more transparent about its debt sustainability assessments? Could contractual modifications to sovereign debt like automatic maturity extensions deliver improved outcomes? What should be the institutional basis and design for engagement with the private sector? Is the lack of a centralized dispute resolution mechanism and lack of organized representation of all stakeholders a reason for delay in sovereign debt restructurings? Should the IMF’s lending into arrears policy be revised?

Speakers: **Rosa Lastra**, Professor, Queen Mary's College, London
Marc Balston, Managing Director, Deutsche Bank AG
Eric Santor, Chief of International Economic Analysis Dept., Bank of Canada

Discussant: **Hung Tran**, Executive Managing Director, IIF

1:00 – 2.15pm **Lunch**

2:15 – 3.30 **Session 3: What role for improvements to contractual arrangements?**

There are many different pari-passu clauses, collective action clauses and exit consents. Given the lessons from recent sovereign debt restructuring cases, is there a case for more standardized contractual provisions in these areas? If so, what forms for these contractual clauses would be most appropriate and are they likely to be accepted by market participants? Should there also be consideration of standstill provisions within bond contracts? Are other innovations worth considering? What are the problems in aggregation and how can they be resolved? What is the experience with the consultation process and creditor committees? What lessons can we draw from experience in suggesting the way forward for streamlining process and sequencing in a sovereign debt restructuring?

Speakers: **Deborah Nache-Zandstra**, Partner, Sovereign Debt Restructuring Group, Clifford and Chance, London

Lee Buchheit, Partner, Cleary Gottlieb Steen & Hamilton LLP, New York:

Timothy B De Sieno, Partner, Bingham McCutchen LLP

Discussant: **Eli Whitney Debevoise II**, Partner, Arnold and Porter, LLP

3:30 – 3:45 **Coffee break**

3:45 – 5:30 **Session 4: Options for enhancing the debt restructuring architecture**

Reflecting on the three previous sessions and introducing any additional ideas, a panel will discuss what steps can be taken to improve the current arrangements for sovereign debt restructuring and what the most productive avenues to pursue would be, including the question whether we need some statutory arrangements

Speakers: **Amar Bhattacharya**, Director, G24
Lee Buchheit, Partner, Cleary Gottlieb Steen & Hamilton LLP, New York
Willem Buiter, Chief Economist, Citi
Sean Hagan, General Counsel and Director Legal Department, IMF

5:30 – 5:45 **Closing remarks**