Since the advent of the swap market, Eversheds Sutherland has advised on complex derivatives transactions and development of derivative products, helping clients meet their business needs.

Eversheds Sutherland’s attorneys have been advising clients on the full spectrum of derivatives and structured products for more than 25 years. Our clients, including insurance companies, hedge funds, energy companies and non-profits, are some of the largest, most sophisticated players in the market. These clients turn to us for our deep, thorough knowledge and creative approaches. We negotiate transactions; advise on collateral and credit support; guide through settlement, close-out and valuation; advise on tax matters; and counsel regarding regulatory compliance, investigations and enforcement actions, as well as other disputes. We know how changing regulations and trends can impact industry players, and we actively influence reform efforts. To ensure our clients don’t trip up over compliance issues, we closely track trends and developments.

We take particular pride in monitoring regulatory changes and advising our clients on how to comply with the rules once they are finalized and become effective. We closely monitor and participate in Dodd-Frank rulemaking and assist clients with implementation and compliance. For example, we provided comments on aspects of each of the Commodity Futures Trading Commission’s Title VII rulemakings.

Backed by the strength of a full-service firm, our team possesses the scope to review every aspect of the derivatives market. It is critical that our clients understand the business issues addressed in their trading agreements and do not regard derivatives documentation as “legal boilerplate.” We believe an understanding of both the economics of a transaction and how a transaction can affect risk management or investment objectives is an integral factor in the success of a client’s business.

Why Eversheds Sutherland?

**Comprehensive service.** Our practice encompasses the entire range of matters, including derivatives use policies, oversight and controls; trading documents; tax; financial disclosure; new products; settlement, close-out and valuation; bankruptcy, restructuring and insolvency; regulatory compliance, investigations and enforcement; and dispute resolution.
Regulatory knowledge. We have played an active role in regulatory reform efforts related to Dodd-Frank, monitoring rulemakings for our clients and advising them on how to comply with the rules once finalized and effective.

Thought leadership. An active member of several organizations, our team is heavily involved in International Swaps and Derivatives Association (ISDA) groups that are addressing collateral segregation and tax issues, revisions to the Credit Support Annex, and changes to OTC documentation mandated by the Dodd-Frank Act. We are advising individual clients, an insurer working group, and two government-sponsored enterprises on revisions to ISDA OTC documentation. We are also participating in a Futures Industry Association working group that is formulating a template addendum to futures account agreements to allow for cleared swaps. We also are working with clients to develop their own template documentation to engage in cleared swaps and negotiate these agreements with virtually all major Futures Commission Merchants.

Deep industry experience. Since the swap market was introduced more than 25 years ago, Eversheds Sutherland has advised prominent clients on the best ways to achieve optimal returns while complying with constantly changing regulations.

Familiarity with all types of products. We regularly advise clients on all types of derivative and structured products, including interest rate and other fixed-income hedging products; credit derivatives and synthetic securitisations; equity derivatives, including variance swaps, contracts for differences and total return swaps; energy and commodity derivatives; currency hedging; weather derivatives; freight derivatives; and cleared swaps and futures.

Team approach. Our attorneys take pride in our collaborative, integrated approach to problem-solving that provides creative and business-oriented solutions.

Nuts and Bolts
A core group of Eversheds Sutherland lawyers is dedicated to the derivatives and structured products practice. Our work encompasses:

- Documentation and Negotiation
  - Evaluate and negotiate master agreements, including those using documentation developed by ISDA (both the 1992 and 2002 Master
Agreements), IFEMA, EEI and BMA, with all the major derivatives dealers

- Collateral and Other Credit Support
  - Advise on both standardized collateral agreements and other credit support arrangements, including customized transactions that employ operating assets, physical commodities and restricted securities as collateral

- Regulation
  - Monitor applicable statutes including the Commodity Exchange Act, federal banking laws, federal and state securities laws, federal energy laws, federal and state bankruptcy and insolvency laws, and state insurance laws

- Bankruptcy
  - Advise on close-outs of derivatives transactions and portfolios

- Tax
  - Advise on all tax considerations, including income recognition, constructive sales, straddle rules, hedging transactions, non-functional currency issues, dividend-equivalent payments, recharacterization, withholding taxes, reporting and compliance and FATCA.

- Dispute Resolution and Litigation
  - Litigate derivatives-related matters in both state and federal courts and federal administrative tribunals, and actively engage in dispute resolution through mediation, arbitration and negotiated settlements

**Take Action**
To help clients optimize results from derivatives and structured products, Eversheds Sutherland attorneys immerse themselves in the regulatory changes, latest products and technical legal issues facing this market.

**Experience**
Represented FHLBs in new derivatives regulations of the Dodd-Frank Act.

Advised public companies on OTC derivatives transactions and Dodd-Frank Act compliance.

Represented major commercial energy firms in Dodd-Frank Act implementation and compliance.