

BAKER MCKENZIE FOR TRANSITION FROM LIBOR TO SARON IN THE SWISS SYNDICATED LOAN MARKET

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In a pro bono project for the Swiss National Working Group on Swiss Franc Reference Rates (NW/G), Baker McKenzie prepared a Form of Amendment Agreement for Swiss law governed syndicated credit facility agreements using CHF LIBOR as base rate for the calculation of interest.

The Amendment Agreement introduces a mechanism for the switch from CHF LIBOR to Compounded SARON based on the NW/G's recommended conventions.

The Baker McKenzie team consisted of Lukas Glanzmann (pictured), Samuel Marbacher and Markus Wolf.

The Amendment Agreement was drafted against the background of the anticipated discontinuation of CHF LIBOR on 31 December 2021 and growing regulatory pressure on financial institutions to deal with their LIBOR legacy books. On 4 December 2020, FINMA issued a LIBOR transition roadmap which proposes ambitious target dates for supervised institutions' transition to alternative reference rates such as SARON. The Amendment Agreement was discussed at the 26th meeting of the NWG on 1 February 2021 [and published on its website](#).

The NWG is the key forum to foster the transition from LIBOR to SARON and to discuss the latest international developments. It is co-chaired by a representative of the private sector and a representative of the Swiss National Bank (SNB). Baker McKenzie is at the forefront of the documentary implementation of the shift to risk free rates.

Most notably, the Firm acted as lenders' counsel and drafted the documentation for the CHF 525m credit facility for dormakaba group that was signed in early December 2020 and that marked the first Swiss law governed syndicated facility agreement with an in-built switch mechanism to SARON.