

Dentons advises the EBRD on a US\$200 Million Swap Transaction with the Central Bank of Azerbaijan

May 19, 2020

Dentons' Baku office advised the European Bank for Reconstruction and Development (EBRD) on the negotiation and execution of a 2002 ISDA Master Agreement for a swap transaction with the Central Bank of Azerbaijan worth a total of US\$200 million. Having secured reliable access to local-currency liquidity in Azerbaijani manat (AZN) (in the form of swap transactions), the EBRD intends to expand its lending to Azerbaijani businesses.

Azerbaijani companies can now benefit from loans denominated in Azerbaijani manat provided by the EBRD thanks to the agreement.

Of the US\$200 million, US\$50 million will be channeled this year to local companies, including smaller viable enterprises experiencing temporary difficulties.

The agreement is part of the EBRD's efforts to step up support for Azerbaijani companies as the country's economy faces the double challenge of the COVID-19 outbreak and the global oil market shock.

The EBRD has made available a Solidarity Package to help companies in 38 emerging markets deal with the economic impact of the pandemic. The EBRD stands ready to provide support worth €21 billion over the 2020-21 period.

The package includes short-term liquidity, working capital and restructuring of exposure for existing clients, as well as trade finance and an emergency support program for key infrastructure providers. The Bank will also ramp up its local currency, capital markets and equity offers.

The EBRD is an important institutional investor in Azerbaijan. To date, the bank has invested €3.3 billion through over 170 projects in the country. It also provides business advice to local small and medium-sized enterprises and has helped more than 1,000 companies to improve their performance and growth.

The Dentons team was led by partners **Ulvia Zeynalova-Bockin** and **James Hogan** in Baku, with valuable input from partner **Timothy Stubbs** in Moscow.

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