The sanctions imposed on Russian individuals and entities by the U.K., EU and the U.S. over the previous months are the most far reaching seen in modern times.

In a recent webinar Reorg hosted with lawyers from Pallas Partners LLP on the impact of sanctions on the loan agreements, we highlighted that sanctions do not act as a route around parties' agreed contractual arrangements. Lenders who find their arrangements are caught by the sanctions will be forced to act quickly to avoid being fined, while some borrowers may be prevented from making payments easily. Additionally, wrongful termination of contracts could have costly consequences.

Elsewhere, we have seen some judicial criticism of challenging creditors in the U.K. Courts. Creditors were accused of "shouting from the sidelines" in Smile Telecoms' recent restructuring plan, rather than engaging in a proper challenge. We expect the comments to dissuade creditors with weak grounds of challenge from obstructing future plans.

Regards,
Shan Qureshi

Our European teams are delivering the most in-depth data, analysis and reporting on thousands of credits that are either stressed, distressed, performing, going through restructuring or post-reorg. Below is a glimpse into our editorial offering:

SMCP

GLAS, as trustee to **European TopSoho**'s, or ETS's, defaulted €250 million convertible bond, has brought a claim of fraudulent transfer against the company, seeking to trace and recover 12 million unpledged shares in French fashion retailer **SMCP**. The shares were last known to be in a **JPMorgan** account in Singapore in December, transferred via the British Virgin Islands. The U.K claim is one front in a dispute that has been litigated in France, Luxembourg and Singapore **» Continue Reading**

Smile Telecoms

Lord Justice Snowden sanctioned **Smile Telecoms**' Part 26A Restructuring in early April. Smile's Part 26A Plan is novel for two main reasons: i) The Plan was the first to use section 901C(4) of the Companies Act, 2006, which allowed Smile to exclude it "out-of-the-money" creditor and member classes who did not have a genuine economic interest in the company from voting on the Plan; and ii) The Plan successfully altered the capital structure and constitution of a foreign company. Reorg hosted lawyers Damien Gomez and Rebecca Jarvis from **Linklaters** in a two-part podcast discussing the name. **» Listen here**

Lukoil

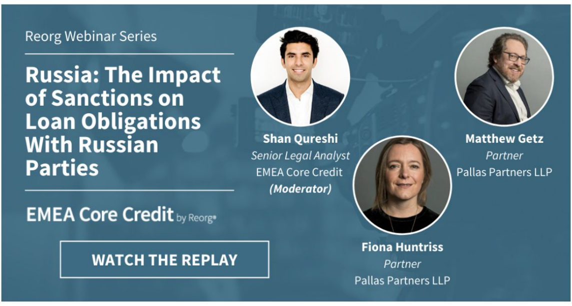
Lukoil faces several upcoming coupon payments in April, followed by the maturity of its $500 million senior unsecured notes in June, which are currently priced at about 71. Reorg's analysis notes that the Russian energy giant has ample cash on the balance sheet to address these maturities - the key problem for investors is whether the company will be able to make the payment because of restrictions imposed by the Russian government in response to Western sanctions following Russia's invasion of Ukraine. **» Continue Reading**

Corestate

Should German real estate manager **Corestate** choose to use proceeds from an asset sale to solely redeem its 2022 bonds while the 2023 bonds remain outstanding, this may be restricted by the asset sale covenant of the 2023 bonds. Reorg looks at the asset sales covenant and its implications under the 2022 and 2023 bonds' indentures. We also consider whether redeeming the 2022 bonds with proceeds from the cash conversion plan without finding a solution for the 2023 bonds could have implications for its directors under the German insolvency regime. **» Continue Reading**

Registration Discounted Offer: Starting two weeks today, May 4, in partnership with **FTLive**, Reorg will be hosting a two-day **Global Alternative Credit Summit**. The event will bring together over 50 expert speakers from leading investors, borrowers, lenders, regulators and advisors. Join us to learn more about how private credit is evolving and shaking up debt markets, assessing the key drivers behind its current rate of growth, and where the industry will go from here.

You and your colleagues can register today for your discounted digital pass (15% off) using Reorg's exclusive discount code, **Reorg15**.



On Thursday, March 24 Reorg's Shan Qureshi hosted a discussion with partners Fiona Huntriss and Matthew Getz from law firm **Pallas Partners LLP** to examine the impact of sanctions on loan and other financial obligations owed to and by Russian parties. **Watch the replay here.**