

TITULO: Cleary counsels on sovereign bond linked to sustainability in Chile				
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Cleary Gottlieb has assisted the underwriters in the Republic of Chile's offering of \$2 billion in sustainability-linked bonds



Cleary Gottlieb has counselled BNP Paribas Securities Corp, Credit Agricole Securities (USA) Inc and SG Americas Securities, LLC, as underwriters, on the Republic of Chile's SEC-registered offering of \$2 billion of 4.340% sustainability-linked bonds (SLBs) due 2042.

This transaction positions Chile as the first sovereign to issue an SLB. The offering took place on 2 March 2022 and closed on 7 March 2022.

The climate change targets contemplated by Chile's SLB include meeting two maximum CO2 emission targets in line with Chile's commitments under the Paris Agreement, as well as reaching 60% of electricity production through non-conventional renewable energy by 2032.

Unlike green bonds and other sustainability-labelled bonds, SLB procedures do not target specific projects,

but bond coupons are linked to the achievement of pre-determined sustainability targets. If a target is missed, the issuer is subject to a financial penalty, usually in the form of a higher coupon.

Cleary's team included New York-based partner Jorge Juantorena (pictured top left), associate Ignacio Lagos, and international lawyers Juan Ignacio Leguizamo (pictured top right), Lara Gómez Tomei (pictured bottom right) and Micaela Mingramm, based in Buenos Aires. New York-based partner Jason Factor (pictured bottom left), associate Eugene Wei-En Woo and paralegal Daniel Solecki advised on New York tax matters.