

New aggregated collective action clauses and evolution in the restructuring of sovereign debt securities

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Abstract

Outlines the background to the enhanced collective action clauses (CACs) with an aggregation mechanism that were published by the International Capital Market Association in August 2014 for use in sovereign debt securities governed by English law, alongside a revised pari passu clause. Examines how a sovereign can seek the consent of creditors to a restructuring under the aggravated CACs. Considers the safeguards offered to noteholders.