Debt Finance Weekly

Tuesday 18th August 2026

CLIFFORD CHANCE SEMINARS AND BRIEFINGS

Clifford Chance Comment: CRD6 – new EU reporting requirements for EU branches of non-EU banks

The European Commission has adopted the technical standards detailing the new reporting requirements that apply to EU branches of non-EU banks under recent EU legislation (CRD6).

Clifford Chance has prepared a briefing paper providing an overview of the reporting requirements under the technical standards, which apply from March 2027.

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LEGAL AND REGULATORY

LMA publishes updated REF facilities agreement

The Loan Market Association (LMA) has published an updated version of its real estate finance (REF) facilities agreement for multiproperty investment transactions and accompanying optional riders that address some of the commonly negotiated positions seen across the real estate finance loan market.

The updates incorporate an extension option mechanic and the existing financial covenant cure rider, and conform updates recently published in the LMA's updated investment grade facility documentation and leveraged finance facility documentation where appropriate.

The riders include drafting for:

- minimum required ratings;
- cash trap mechanics; and
- interest reserve accounts.

Please note these documents are only available to LMA members.

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LMA publishes updated draft provisions for sustainability-linked loans

The Loan Market Association (LMA) has published updated draft provisions for sustainability-linked loans (SLLs) and accompanying term sheet.

The amendments to the provisions are intended to promote greater consistency and clarity in SLL drafting and reflect developments in market practice. They focus on areas where additional clarity or simplification was considered helpful, including provisions relating to declassification events, sustainability amendments, sustainability compliance certificates, sustainability reporting, verification reports and sustainability margin adjustments. The updates also reflect that certain provisions may need to be tailored depending on the relevant transaction, including the number and nature of KPIs, the applicable SLL reference period, the operation of the margin adjustment, and the role of any sustainability coordinator.

The revisions also add a new Part B to address 'sleeping' SLL structures, which provides two alternative approaches including a short form amendment mechanism (where the SLL provisions are agreed post-origination alongside the KPIs and SPTs) and a full form approach (where SLL provisions are included at origination and become effective post-origination once the relevant KPIs, SPTs and other outstanding amendments are agreed).

The provisions continue to be non-binding and are intended to provide a starting point for negotiation.

The LMA has also published an educational note explaining the purpose of the contractual 'guardrails' reflected in the provisions, including sustainability breach provisions, sustainability amendment mechanisms and declassification provisions.

According to the LMA, these features are intended to support the integrity of SLLs and should be considered together as part of the overall contractual framework.

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