

**PUBLICATIONS**

## On the CLO Horizon — Regulations Expected to Impact CLOs

**May 2011**

In July 2010 the U.S. Congress passed, and President Obama signed into law, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) in order to address, among other things, perceived abuses in the securitisation markets occurring during the years preceding the financial crisis of 2008. Although as of the date of this writing most of the regulations required by the Dodd-Frank Act have not been issued as final rules, the Dodd-Frank Act will have a significant effect on offerings of collateralised loan obligations (“CLOs”). Other changes in U.S. laws will also affect CLOs, such as the addition of Section 457A to the U.S. Internal Revenue Code (the “IRC”) in 2008 which affects taxation of fees that may be charged by CLO managers, and the so-called “FATCA” provisions of the U.S. Hiring Incentives to Restore Employment Act (the “HIRE Act”), which impose significant withholding, documentation and reporting requirements on certain payments made to non-U.S. entities, including most CLOs. These changes, along with other changes proposed both in the U.S. and internationally, will, if and when implemented, significantly affect the CLO landscape.

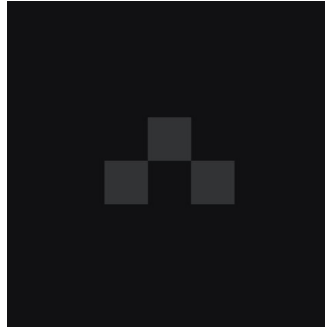
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