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## "New LSTA Par/Near Par Buy-In/Sell-Out Procedures" by Paul Haskel and James Ohlig

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The LSTA's newly-released (effective February 6, 2009) Standard Terms and Conditions for Par/Near Par Trade Confirmations contains a new and powerful set of provisions that, under certain circumstances, permits a party to terminate its obligations under an open trade confirmation for par bank loans if its counterparty fails to perform its settlement obligations in a timely fashion. While the terminating party would not be relieved of its loss or gain on the trade, it would thereafter be able to effect a cover transaction with a third party. The attached memorandum describes the details of these new buy-in/sell-out procedures and discusses whether they will be effective in encouraging more expeditious settlement of par bank loan trades.

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