

## **Explanatory note regarding the second amendment to the EFSF Master FFA for Greece**

### **1. Introduction**

This note explains the key aspects of the envisaged amendment to the Master Financial Assistance Facility Agreement between, among others, Greece and the European Financial Stability Facility dated 15 March 2012, as further amended on 12 December 2012 (the 'Master FFA'), in respect of a 2 month extension of the Availability Period for the Loan Facility under the Master FFA.

### **2. Background**

The Availability Period for the Loan Facility is currently due to expire on 31 December 2014. Following the Eurogroup statement on Greece dated 8 December 2014, in which it was mentioned that the Euro Area Member States were favourably disposed to an extension of the Master FFA, Greece, in a letter from the Minister of Finance of Greece dated 9 December 2014, officially requested a technical extension of the Availability Period of the Master FFA. The terms of the request by Greece and of the Eurogroup statement refer to a technical extension of 2 months.

### **3. The scope of the second amendment to the Master FFA**

The second amendment to the Master FFA extends the Availability Period of the Loan Facility under the Master FFA. It also contains minor subsequent and consequential changes to the agreement. These changes are set out in more detail below.

#### **A. Primary amendments: Extension of the Availability Period of the Loan Facility**

The Availability Period shall be extended by 2 months. Therefore, the second amendment agreement amends this aspect in two places in the Master FFA:

- The definition of the "Availability Period" under Clause 1 (Definitions) of the Master FFA by deleting '*which shall in no case extend beyond 31 December 2014*'. The amended definition will therefore read:

**"Availability Period" for any Facility means the period specified as such in the applicable Facility Specific Terms.**

- Clause 2(c) in Schedule 1 to the Master FFA (Loan Facility: Facility Specific Terms) by deleting the current date of 31 December 2014 and replacing it with 28 February 2015. The amended Clause 2(c) of Schedule 1 will therefore read:

**"The Availability Period in respect of this Loan Facility shall commence on (and include) the date on which these Facility Specific Terms enter into force in accordance with Clause 3 and shall expire on (and include) 28 February 2015."**

## **B. Consequential amendments to the Master FFA**

In order to reflect the above changes and the fact that the Master FFA is being amended for a second time (following the earlier amendment agreement dated 12 December 2012), the following shall also be amended:

- a. A new paragraph 11 shall be added to the Preamble to reflect that the Master FFA has already undergone a first amendment on 12 December 2012 with respect to, among other things, deferral of interest and change of the level of the Margin charged, and will have undergone a second amendment with respect to the extension of the Availability Period;
- b. The definition of “Amendment Agreement” under Clause 1 (Definitions) of the Master FFA shall be renamed to “First Amendment Agreement” to reflect that there now will be a second amendment. All references to “Amendment Agreement” shall be changed throughout the Master FFA accordingly; and
- c. The definition of “Effective Date” shall be removed as it is no longer used.

## **4. Boiler plate provisions**

The remainder of the second amendment agreement are so-called ‘boiler-plate’ provisions, including (among other things) clauses on the governing law, on the entry into force of the amendments, on representations and it contains the standard legal opinions.