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CAREY AND OTHERS IN INAUGURAL GREEN BOND

Milbank, Clifford Chance, Carey and Claro in inaugural green bond

Lily Squires

Milbank in New York and Carey in Santiago have helped Chilean electricity company Sociedad de Transmisión Austral (STA) issue its first green bonds, raising US$390 million.

The bookrunners hired Clifford Chance LLP in New York and Claro & Cía in Santiago.

The bonds carry a 4% coupon and mature in 2032. The offering closed on 14 January.

STA will use the proceeds from the offering to refinance debt and for general corporate purposes, including capital expenditures related to transmission projects classified as green projects.

STA is the transmission branch of Chilean power group Sociedad Austral de Electricidad (SAESA).

Green bonds are used by issuers to raise funds for eco-friendly projects and are a popular financial instrument among Latin American businesses. At the start of the year, Jalles Machado, a Brazilian sugar producer, issued its first green debt for 451 million reais (US$79 million). In November, Brazilian agribusiness Caramuru Alimentos raised 355 million reais (US$63 million) in a green bond offering, while Chilean utility company Colbún made a US$600 million green offering a month prior to finance the construction of renewable energy projects.

Counsel to Sociedad de Transmisión Austral (STA)

Milbank

Partners Carlos Albarracín and Andrew Walker, associates Mandeep

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