

WFW ADVISES ROYAL CARIBBEAN CRUISES LTD ON ECA FINANCING OF ICON 1 AND ICON 2

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International law firm Watson Farley & Williams (“WFW”) advised long-standing client Royal Caribbean Cruises Ltd (“RCCL”) in relation to the ECA (“Export Credit Agency”) financing of two Project ICON cruise ships under order at Meyer Turku in Finland. It has been agreed not to disclose the value of the loan facilities.

The ships of over 200,000 gross tons each are due to deliver in 2022 and 2024 respectively.

The ECA financing covers 80% of the contract price for each ship plus 100% of the Finnvera and Euler Hermes guarantee premiums. Finnish ECA Finnvera is providing a 100% guarantee for the larger Finnish portion of the project with BNP Paribas Fortis SA/NV as Finnvera agent. Germany’s Euler Hermes has agreed to provide a 95% guarantee for the smaller German portion of the project with KfW IPEX-Bank GmbH as Hermes agent.

Each loan will amortize semi-annually and has a 12 year maturity from vessel delivery with a mix of fixed and floating rate interest.

The London-based WFW Maritime team advising RCCL was led by Finance Partner Lucy Shtenko, assisted by Senior Associate Patrick Moore and with tax advice provided by Associate Rob Firth. German law advice was provided by Frankfurt Senior Associate Tom Hartung. In New York, Tax Partner Dan Pilarski and Finance Partner Leo Chang advised on the US tax and Liberian law aspects of the deal respectively.

Lucy commented: “We are delighted to have assisted RCCL on this high profile ECA financing. The involvement of two ECAs, Finnvera and Euler Hermes in this transaction, coupled with the large lending syndicate, gave rise to a number of interesting challenges but given our extensive experience in working on ECA financings in shipping, particularly within the cruise sector, we were well placed to help RCCL finalise what is clearly a very significant deal for them”.

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