

Daily COVID-19 Bulletin – April 9, 2020

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Gibson Dunn's lawyers regularly counsel clients on issues raised by the COVID-19 pandemic, and we are working with many of our clients on their response to COVID-19. The following is a round-up of today's client alerts on this topic prepared by the Gibson Dunn team. Our lawyers are available to assist with any questions you may have regarding developments related to the outbreak. As always, for additional information, please feel free to contact the Gibson Dunn lawyer with whom you usually work, or any member of the firm's **Coronavirus (COVID-19) Response Team**.

GLOBAL OVERVIEW

Treasury and Fed Release High-Level Terms of Main Street and Paycheck Protection Lending Facilities

Today, the Board of Governors of the Federal Reserve System ("Federal Reserve") announced that, as part of the "programs or facilities" the *Coronavirus Aid, Relief, and Economic Security Act* ("CARES Act") directs the Federal Reserve to establish to provide "liquidity to the financial system that supports lending to eligible businesses, States, or municipalities," it would establish two new facilities to promote lending to businesses with up to 10,000 employees or up to \$2.5 billion in 2019 annual revenue. The Federal Reserve also announced a lending facility for depository institutions that originate loans under the CARES Act's Paycheck Protection Program ("PPP"). This alert discusses these three facilities.

[Read more](#)

Analysis of Small Business Administration Memorandum on Affiliation Rules and FAQs on Paycheck Protection Program

The U.S. Small Business Administration ("SBA") recently published a memorandum (the "Memorandum") and new Frequently Asked Questions ("FAQs") (available [here](#)) clarifying the size standards and affiliation rules applicable to the Paycheck Protection Program (the "Program" or "PPP"). As described in greater detail in our previous client alerts, [SBA "Paycheck Protection" Loan Program Under the CARES Act](#), [Small Business Administration and Department of Treasury Publish Paycheck Protection Program Loan Application Form and Instructions to Help Businesses Keep Workforce Employed](#), [Small Business Administration Issues Interim Final Rule and Final Application Form for Paycheck Protection Program](#), and [Small Business Administration Issues Interim Final Rule on Affiliation, Summary of Affiliation Tests, Lender Application Form and Agreement, and FAQs for Paycheck Protection Program](#), the Program provides \$349 billion to help small businesses impacted by COVID-19 keep their employees on the payroll and their businesses solvent.

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Considerations for PIPE Transactions

Given the current volatility of the capital markets and uncertain outlook for stability, one attractive option for public companies seeking to raise capital quickly is a "PIPE" transaction – or private investment in public equity. This article highlights some key considerations that a company should consider in connection with a PIPE transaction, including information on waivers of certain rules of the New York Stock Exchange (NYSE) recently approved by the SEC in connection with the COVID-19 pandemic.

[Read more](#)

COVID-19 UK Weekly Webinar Series - April 14, 2020

The COVID-19 pandemic is undoubtedly the biggest public health crisis of our times. Like many other countries, the UK Government has exercised broad powers and passed new laws that impact how we do business and interact as a society. To address the pandemic, the Government announced several sweeping regulations and ushered through the Coronavirus Act 2020. These actions have a broad impact on law, public policy and daily life, impacting areas including health, social welfare, commerce, trade, competition,

employment and the free movement of people.

Join our team of Gibson Dunn London lawyers, led by partner and former Lord Chancellor Charlie Falconer QC, for a discussion of these changes and to answer your questions on how they will affect British businesses and community, including the impact on new and ongoing business relationships.

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Emergency Lending: Federal Reserve Expands Primary Market Corporate Credit Facility, Secondary Market Corporate Credit Facility and Term Asset-Backed Lending Facility

Today, the Board of Governors of the Federal Reserve System (Federal Reserve) [announced](#) that it was expanding three of the facilities created earlier this spring in reaction to the economic dislocation caused by COVID-19: the Primary Market Corporate Credit Facility (PMCCF), the Secondary Market Corporate Credit Facility (SMCCF) and the Term Asset-Backed Securities Loan Facility (TALF).

The PMCCF and SMCCF will be upsized significantly and will be able to purchase certain non-investment grade securities. Although the size of the TALF remains the same, it will now purchase highly rated asset-backed securities where the underlying instruments are equipment leases, leveraged loans and commercial mortgages. The expansion for commercial mortgage backed securities (CMBS) is for "legacy" CMBS, those issued before March 23, 2020.

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Perspectives from One Month into the COVID-19 U.S. Outbreak: Public Company Disclosure Considerations

The COVID-19 outbreak is creating a great deal of uncertainty in the global economy and in our daily lives. Companies worldwide are facing unique legal and operational challenges related to the outbreak and the downturn in the economy. In the midst of this constantly evolving landscape, U.S. publicly traded companies must continue to consider how the situation impacts their disclosure. One month into the outbreak in the United States, Gibson Dunn has been tracking disclosure among public companies as practices develop. This client alert provides observations and guidance for companies preparing disclosure in areas that are influenced by the COVID-19 outbreak. (This client alert does not address disclosures in proxy statements or shareholder meetings, which present their own set of issues.)

[Read more](#)

ISS Provides Policy Guidance in Light of COVID-19 Pandemic

On April 8, 2020, Institutional Shareholders Services ("ISS") released guidance regarding the application of its policies amid the COVID-19 pandemic (available [here](#)). In the guidance, ISS discusses various governance issues in light of the COVID-19 pandemic and states that it will be flexible in its application of its policies, while requiring disclosure of the rationale for certain actions that companies may take. Four main topics are covered in the guidance for companies in the United States.

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