

Syndicated loan in Syrian law

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Abstract

Syndicated loan contract, which was originated in the countries that apply common law, appeared in Syria 5 years ago when private banks financed relatively huge projects such as cement factory and the construction of 5 star hotel and commercial center. The value of investment in such projects is over 300 million US dollars which is over the capacity of one bank. It is why the projects owners as well as the banks were obliged to conclude syndicated loan agreements.

From legal point of view, syndicated loan contracts, are credit / debit agreements with specific aspects. The specificity is related to the existence of many banks as creditor in the agreement. These banks are not jointly liable. Additionally, the processes for concluding the agreements are quite complicated and long. Therefore, the special aspects of syndicated loan agreement along with others legal clauses such as the applicable law and the appropriate jurisdiction should be developed in (part I).

As for (part II), it deals with the parties of the syndicated loan agreement: creditors, borrower and agent bank. The relationship between these parties should be clarified along with the duties and responsibilities of each one of them toward the other in accordance with the Syrian law and regulations.