

Taking your chances

Jennifer O'Connell

Head of structured products and derivatives legal
Crédit Agricole CIB

We all follow an individual path into law. And Jennifer O'Connell, head of structured products and derivatives legal at Crédit Agricole Corporate Investment Bank in London and a former senior associate of the firm, is the first to admit hers was more a product of instinct than of design.

But, however she eventually came to the profession, Jennifer has taken her opportunities. Whenever obstacles are placed in her way – regulatory or otherwise – she finds ways to surmount them.

An international relations graduate of Georgetown University, she flirted with law as a paralegal at the Paris offices of Gibson, Dunn & Crutcher, before decamping to Geneva to earn a masters degree at renowned diplomat factory, the Graduate Institute of International and Development Studies.

Big hitters

“I was fortunate enough then to work at the World Economic Forum for four years, as part of the team responsible for the Davos Conference. There was one session between Yasser Arafat and Shimon Peres and I had to tell them what they could and couldn't talk about.

A crazy situation for someone in their early twenties, but I soon understood where cults of personality come from. Luckily, they both played nice.”

Grasping the nettle

Jennifer moved to London and took on a head-hunting role. But, law continued to gnaw away at her until she committed to a Common Professional Examination conversion course. She finally had her law degree. Now what she needed was a job. Enter Hogan Lovells.

“The firm was very open to someone like me – a mature student with a few different experiences. I had to tick the boxes but I didn't fit the normal profile. I was ten years older than most of my intake. Still, it wasn't easy.

Two weeks before my third seat – in private equity – the whole department walked to another firm. And the week before I started my fourth – capital markets in Paris – my intended supervisor upped and left. I thought ‘maybe there's a theme here,’ but in reality, those two experiences defined my career.

I ended up in the same office as Sharon Lewis, now the global head of the finance practice, so I had great exposure. But, I really had to deliver.”

Ringside seat

Fast forward to September 2008. As Lehman Brothers went down, the firm was swamped with work unravelling synthetic collateralized debt obligations. Jennifer was back on the seventh floor of Atlantic House in London and, with the right skillsets, eyes turned to her.

“Unlike a lot of firms, we never had a trough. I actually got busier as the crisis wore on, drawn into restructuring ‘unwind’ work, which was instructive – analyzing where things had gone wrong, rather than drawing up similar documentation, as I had previously.

That was a gruelling few years. But, I'd built a solid foundation and, although I have so much to thank people like Sharon, David Hudd, James Doyle, and Andrew Carey for, it was time for a change.”

A new way of working

Change came in 2013. Jennifer moved in-house, as legal counsel, structured finance, credit and rates at Crédit Agricole. And just over a year later, she assumed her current role as head of the Paris-London team covering structured products and derivatives.

“Our deals could be structured in London, while the sales guy could be somewhere in Asia selling to someone in Latin America. By definition, law is local but capital markets are incredibly global, so you have to deal with local law for what is a global business. That's something we grapple with daily.

My team does 90% of its own legal work. External counsel only comes into it for specific transaction types and after we've helped the front office work out what's feasible and what's not.

So, we have to be nimble and creative. There's a start and an end point, but the question is how we get between them in a way that maximizes results for the bank and stays on the right side of the law and regulation. A real balancing act.

It's like, when you drop a boulder in a river, the water finds a path around it. That's what we do. No matter what, my role stays fresh as there's new things to learn, new products, and new ways to do things.”

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New tools

Speaking of renewal, we asked whether Crédit Agricole was helping out with any new toys. Jennifer's response was unequivocal.

"There's clear leadership on innovation at the bank, with the automation of processes critical to future success. Electronic trading platforms are also a major theme. I've seen a lot of progress with my team working with external partners to get them up and running.

Regulation like the Markets in Financial Instruments Directive pushes that agenda forward in its drive to protect retail customers who invest in structured products. Even when you sell products that aren't remotely complicated, the directive is very descriptive about what you must disclose.

To comply, it requires an automated workflow that embeds the regulations and speeds up the decision-making process. So, a salesperson or trader inputs information about the deal and the system quickly raises a red flag if there's an issue.

Tech has also developed interesting ways to reduce systemic risk. If you have big books of derivative exposure, now there are companies offering a matching exercise where you can compress your overall exposure, helping with regulatory compliance."

The future

Of course, it's not just technology driving things forward. Jennifer shed light on other patterns she believes might shape tomorrow.

"We already see some convergence of laws governing financial services, particularly with the EU and things like the BASEL III Treaty. In my specific area, for example, certain contractual architecture, like International Swaps and Derivatives Association documentation, is used throughout the world.

So, we're increasingly moving towards a global picture. Whether that comes by way of legislation or through industry bodies, I think the trend will continue.

Sure, there'll be bumps in the road like Brexit. But, regulation has been very burdensome and expensive for the banks, so the UK has an opportunity to do it better. Some of the rules don't always make sense. The intentions are good, but that often doesn't fit with how it plays out in practice.

The Crédit Agricole group is cash-rich and in growth mode. It's renewed the lease on our building and there's a feeling that we're here to stay in the UK. I've got multiple open headcounts and my work is constantly growing and evolving. I see less systemic risk and doubt another big crash is coming."

One gets the impression that, in whatever environment Jennifer O'Connell finds herself, she'll be like that water in the river – finding a way past the boulder and on to the right path.

