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How Did Arbitrage "Rebate" Get its Name?: Squire Patton Boggs

Rick Weber of Norton Rose Fulbright is the Editor-in-Chief of The Bond Lawyer, NABL's quarterly journal. He writes a wonderful column on language that introduces each issue, and in the Summer 2016 issue, he posed the following question: When issuers are required to pay arbitrage profits earned on investments of tax-exempt bond proceeds to the federal government, why is it called "rebate," when the arbitrage profits were not the federal government's money in the first place? "In order to have a "return" or "refund" or "pay-back" of funds to the US government," Weber notes, "the funds must start there." We venture an explanation below.

Continue reading.

Squire Patton Boggs

By Johnny Hutchinson on November 21, 2016

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