AFME responds to investor concerns with new High Yield Guidelines and a permanent forum for discussion

New disclosure guidelines have today been published by the Association for Financial Markets in Europe (AFME), in response to investor concerns regarding structure and disclosure in high yield transactions.

Discussions between buy-side and sell-side market participants have resulted in AFME updating its 2008 recommended disclosure guidelines to promote best practices in such transactions. The guidelines provide disclosure recommendations for issuers of non-investment grade debt and will provide additional transparency to investors in Europe’s high yield sector.

They have been developed after consultations between investors and high yield syndicate teams at the major European investment banks.

Ongoing discussions will continue via the High Yield Investor Issues Committee set up by AFME’s Leveraged Finance Division. The committee will help to maintain a dialogue between buy-side and other market participants, including the banks’ high yield and loan syndicate teams, and will also monitor and debate key industry issues that are uppermost in the minds of investors.

Commenting on AFME’s developments, Gary Simmons, director of the Leveraged Finance Division, said:

“Revising our disclosure guidelines and providing a platform for continued discussions between our investor and sell-side members form part of AFME’s ongoing commitment to fostering dialogue between market participants and encouraging our members in the use of best practices. This is part and parcel of AFME’s role in helping to maintain effective and efficient markets.

“Despite the slowdown in the high yield market since the second quarter of 2011, regulatory restraints and other factors - including the large amount of debt that will mature and require refinancing over the next few years - support our belief that the market will improve in the near to mid-term.”

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Notes:

1. The Association for Financial Markets in Europe advocates stable, competitive and sustainable European financial markets that support economic growth and benefit society.

2. AFME (Association for Financial Markets in Europe) promotes fair, orderly, and efficient European wholesale capital markets and provides leadership in advancing the interests of all market participants. AFME represents a broad array of European and global participants in the wholesale financial markets. Its members comprise pan-EU and global banks as well as key regional banks, brokers, law firms, investors and other financial market participants. AFME participates in a global alliance with the Securities Industry and Financial Markets Association (SIFMA) in the US, and the Asia Securities Industry and Financial Markets Association through the GFMA (Global Financial Markets Association). For more information please visit the AFME website, www.afme.eu

3. AFME publishes quarterly data – the ‘High Yield and Leveraged Loan Finance’ report – which provides a snapshot of the market environment and details of issuance over the previous quarter. Latest Q3 High Yield & Leveraged Loan Finance Report

4. Click here to see AFME’s High Yield disclosure guidelines