

AFME Recommended Listing Practices for Non-Investment Grade Debt Securities

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The Association for Financial Markets in Europe recommends that the following practices are followed in connection with listing of non-investment grade debt securities to the extent practicable.

I. General

The Issuer should be reminded of the purpose and necessity for listing the securities (i.e., withholding tax purposes and/or compliance with certain requirements of institutional investors).

The Issuer's legal counsel should also advise the Issuer as to certain additional requirements which may be imposed by the relevant Stock Exchange or regulatory body in connection with the listing (i.e. the Market Abuse Regulation (MAR)), public disclosure of the listing particulars on the Stock Exchange's website and ongoing reporting requirements, among others).

II. Structuring Considerations

The structure of the offering and the nature of the Issuer's and guarantors' (if applicable) business and financial information should be considered early in the process to address timing, levels of disclosure, as well as any interpretative guidance from the relevant Stock Exchange. The presence of guarantees, collateral and other credit enhancement mechanisms may require additional disclosure to satisfy specific rules of the Stock Exchange and/or materiality concerns. Of specific concern are situations where guarantees provided come from some but not all of the subsidiaries of the group or where guarantees come from holding companies, as financial information of the guarantor group compared to the non-guarantor group may be required under relevant Stock Exchange rules.

It is important to raise any potential issues and concerns early in the transaction in order to avoid last minute surprises and keep an open dialogue with the Stock Exchange and/or listing agent who can provide assistance and guidance in navigating the relevant rules and policies.

III. Timing of Listing of Securities and Selection of Stock Exchange

Decide early in the process the appropriate Stock Exchange for listing the notes and whether a listing agent will be engaged/required. Issuer's counsel to confirm with the listing agent and/or stock exchange a review timeline and list of ancillary documents to support the listing. Where an Issuer decides to list on a European Stock Exchange, the market practice is for European HY bonds to list on the unregulated markets of the European Exchanges (e.g., GEM, Euro MTF).

For issuers with no existing securities listed in the EEA, MAR applies once a request for admission to trading has been made with an EEA exchange. Listing securities for trading on the International Stock Exchange in the Channel Islands has become increasingly common for issuers that are not otherwise subject to MAR. In addition, some issuers

have chosen to register on the Securities Official List of the Luxembourg Stock Exchange without admission to trading.

If practicable, depending on transaction timeline and the relevant Stock Exchange, Issuer's counsel should aim to submit an initial draft of the listing particulars in time to receive initial comments from the Stock Exchange prior to the launch of the offering (i.e., prior to printing the preliminary offering memorandum).

Where timing considerations are such that obtaining comments prior to launch is not possible or where the relevant Stock Exchange will not accept an application to list prior to closing, reasonable effort should be made to obtain comments and complete the listing as soon as is reasonably practicable after closing, and in any event prior to the first interest payment.

IV. Initial Purchasers

To the extent permitted by the listing rules of the relevant exchange, the names of the initial purchasers should not be included on the cover of the listing particulars unless, on a case-by-case basis, the relevant initial purchasers agree otherwise.

V. Purchase/Underwriting Agreement

If the listing particulars are completed at the date of the purchase agreement and the initial purchasers are named in the document, it may be appropriate to include a 10b-5 representation to cover the disclosure in the listing particulars.

The parties should also negotiate an appropriate representation and a corresponding covenant that the parties will complete the listing process as soon as reasonably practicable after closing, and in any event prior to the first interest payment.

VI. Disclosure

Where practical, the disclosure in the offering memorandum and the listing particulars should be substantively the same. However, where the listing occurs after the closing of the offering, there will often be a range of differences owing to timing and to changes made in response to comments from the Stock Exchange. To avoid or minimize differences between the offering memorandum and the listing particulars, consideration should be given to completing the listing as soon as reasonably practicable following pricing of the offering.

