
Listing debt in London

A practical guide to listing debt in London

A world-class market for listing and trading securities

1.0 London – your first choice for international capital raising

Issuers can gain a London listing through many types of securities. Each of these brings access to London's deep pool of capital and wide investor base. But they are quite different in terms of their characteristics and listing requirements.

This publication gives you a practical overview of why and how domestic and international companies list the following debt securities:

- Eurobonds
- Convertible and Exchangeable bonds
- Medium-term note programmes (MTN)

The London Stock Exchange also produces informative guides describing in detail other routes to a London listing i.e. shares and depositary receipts. You can download these documents from www.londonstockexchange.com

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2.0 Listing Eurobonds in London

A London listing gives issuers access to one of the world's deepest pools of investment capital and a wide and diversified investor base.

Most buyers of Eurobonds are investment funds, and the regulations that govern their activities often require that a high proportion of the securities in which they invest be listed on a regulated stock exchange.

Most Eurobonds are bought by major institutions looking for a sound long-term investment, delivering a fixed rate of return. Eurobond prices in the secondary market tend to be less sensitive than a company's shares to changes in its commercial performance or business prospects. Instead, Eurobond prices are more sensitive to wider economic shifts, such as changes in interest rates and currency fluctuations. London's Eurobond listing requirements take these characteristics fully into account.

Technically, a London listing consists of admission to listing by the United Kingdom Listing Authority (UKLA) – a division of the Financial Conduct Authority (FCA), and admission to trading on a Recognised Investment Exchange such as the London Stock Exchange.



Eurobonds are specialist debt securities predominantly offered to institutional investors. As such, listing requirements for issuers of debt issued with a minimum denomination of at least €100,000 are less onerous when compared to issues of debt securities offered to retail investors

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3.0 The benefits of a London listing

London's Eurobond listing rules are based on European Union (EU) capital markets directives, which apply in all EU member states. However, as the global centre for origination, execution and listing of Eurobonds, London offers a number of significant benefits.

The prestige of a globally respected exchange

The UKLA has a worldwide reputation as a fair, effective and efficient regulator. By complying with its well respected standards of regulation and supervision, an international company can enhance its standing within the global investment community.

And by having its debt securities traded on a highly visible and liquid market such as London, an international company can make its name, products and services more familiar to investors worldwide.

Competitive costs – no annual fee

The listing charges for Eurobonds are competitive and easy to calculate. London is the only major listing venue not charging bond issuers an annual fee – particularly advantageous for long maturity instruments.

Professional, consistent, efficient and fast

The UKLA and the Exchange are aware of the challenging time pressures under which issuers and their advisers have to operate in the Eurobond market.

The UKLA has a specialist Debt team with primary responsibility for reviewing bond documentation: they ensure that documents are promptly allocated and comments are returned within two clear business days from the date of receipt.

Home to the common language of Eurobonds

English is the common language for virtually all Eurobond documentation. This means that misunderstandings and delays, which might arise when Eurobonds are listed on an exchange where the first language is not English, are avoided by listing in London.

Direct access and geographical location

The UKLA and the Exchange's proximity to London-based Eurobond lead managers and legal advisers means documents can be transmitted faster and more easily than in other centres. Issuers and their advisers applying for a London listing can contact the UKLA directly to discuss proposed transaction timetables or technical matters without the need for an intermediary.

Use of existing registration documents

In certain circumstances, documents prepared for US Securities and Exchanges Commission (SEC) registration or other regulatory filings may be used as part of the London listing document. Although the disclosure requirements of the UKLA contained in the Listing Rules differ from these forms, there are areas of similarity.

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The UKLA's Technical Helpdesk can provide technical advice and guidance on any part of this route to listing. Contact details can be found at <http://www.fca.org.uk/firms/markets/ukla/phonelines>

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4.0 Conditions for listing

There are a number of principal requirements, which should be fulfilled for Eurobonds including euro-denominated securities:

- **Two-year trading and financial record**
A company issuing nonconvertible Eurobonds should normally have at least a two year trading record and should be able to present independently audited accounts covering the past two years. The financial information included in the listing document need to be consistent with the International Financial Reporting Standards (IFRS).
- **Listing Document**
The issuer must prepare a listing document (Prospectus) complying with the UKLA's listing rules, and with the Exchange's Admission and Disclosure Standards. The issuer will need to publish the relevant information and documents in English.
- **Transferability**
The debt securities subject to the listing must be freely transferable.
- **Market Capitalisation**
The market capitalisation of the class of the debt securities to be listed must be at least £200,000.
- **Whole class to be listed**
The application for listing must relate to all debt securities of that class, either issued or proposed to be issued, except for those securities already listed. All further issues of securities of that class must also be listed.

Medium-term note programmes (MTNs)

The conditions for listing medium-term notes and other debt issuance programmes are similar to those for Eurobonds. A listing for a programme is effective for one year and must be renewed annually.

The complete rules and conditions for listing securities in London are set out in the Listing Rules, commonly known as the Rule Book, and in the Admission and Disclosure Standards. The Listing Rules are maintained by the UK Listing Authority, whereas the Admission and Disclosure Standards are maintained by London Stock Exchange.

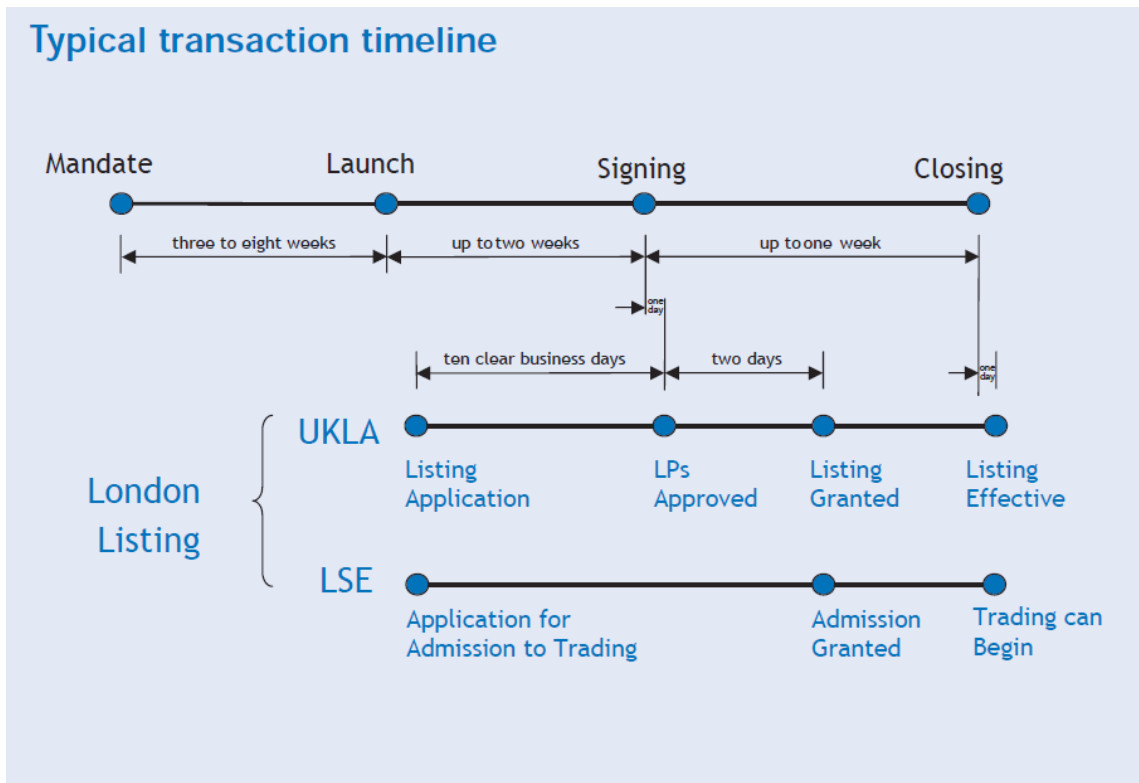
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5.0 The listing process

Outline timetable

The listing process for Eurobonds can take as little as three days depending upon the complexity of the transaction and the completeness of the listing document submitted for approval. Appointing advisers with extensive experience of listing, and agreeing the timetable well in advance, should help shorten the process.

At any time during the process, the UKLA and the Exchange will discuss with the company and its advisers the interpretation of listing and admission to trading requirements.



As provisioned in the Financial Services and Markets Act 2000, a London listing consists of admission to listing by the UK Listing Authority, a division of the Financial Services Authority, and admission to trading by a recognised investment exchange in the United Kingdom, such as London Stock Exchange.

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Cost of listing bonds

The charges associated with a London listing consist of three components: the application fee, the vetting fee and the admission to trading fee. The application and the vetting fees are charged by the UKLA and cover all administrative expenses associated with the review and approval of the listing document.

The listing charges for Eurobonds are clear and competitive. For each issue there is an initial charge, which is based on the gross proceeds of the issue.

Unlike in most other listing venues in the world, neither the UKLA nor London Stock Exchange charges an annual fee for a bond listing.

Other fees will arise, principally for the services of professional advisers: the authorised adviser, or any financial adviser, accountants and lawyers. These fees will vary with the amount of work required to prepare the information for a listing.

For further information on listing debt securities in London please contact our **Fixed Income Team / +44 7797 3921 / bonds@lseg.com**

This note is for guidance purposes only and it is not intended and should not be used as a substitute for professional advice in any specific situation. For further information on the Professional Securities Market or any aspect of listing and trading debt, convertibles and DRs in London, please contact us: Fixed Income Team / +44 7797 3921 / bonds@lseg.com