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Dentons DCM Quick Guide: a checklist for a debut bond issuer

August 2026

This checklist is designed for a first-time corporate issuer looking to issue senior, unsecured bonds governed by English law in the international wholesale debt capital markets, with an exemption from the registration requirements of the US Securities Act of 1933.

A potential issuer might already have access to funding from equity investors and in the form of bank loans. However, tapping into the international debt capital markets by issuing bonds can offer several advantages. These markets provide a robust and accessible source of funds, usually with more lenient financial covenants and other terms than are typically found in bank loans.

Issuing bonds in these markets can enhance an issuer's public profile, foster new relationships with bond investors and underwriting banks, and pave the way for a wider array of funding options. A first public bond issue will also create a publicly observable bond yield, important for pricing future bond issues and as a reference point for private financings.

The following checklist is a concise guide, highlighting essential considerations and decisions for a first-time bond issuer before launching a bond issue. As many of these considerations may be unfamiliar to the issuer's project team, it is important to consult with legal and financial advisers and other experts as needed.

We hope this checklist serves as a helpful starting point. For more detailed discussions about the bond issuance process, please contact the Dentons DCM team (see relevant contact details at the end of this Quick Guide).

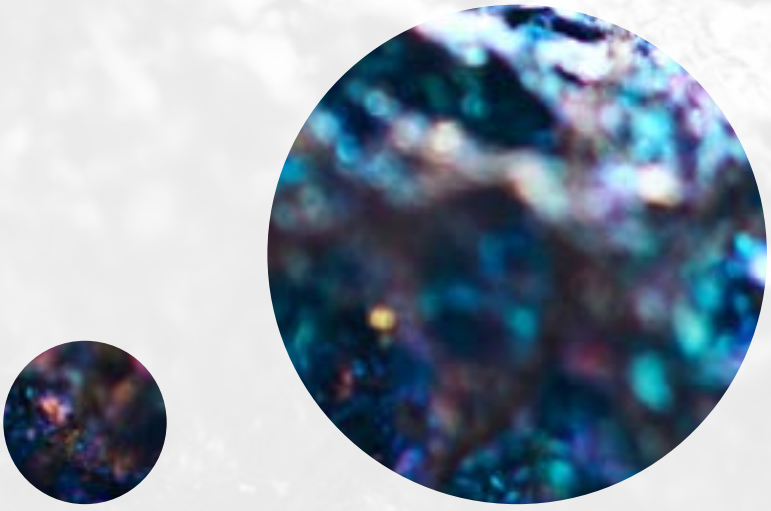


Issue	Points to consider
Internal preparatory steps for an issuer to undertake	
Identify the financing need to be met	• Consider whether the level of funding required meets the minimum "benchmark" size common in bond markets. Typically, we would expect a minimum issue size to be at least US$200 million or equivalent in other currencies. Smaller issue sizes may be available in private placement markets but are unlikely to generate sufficient demand in the wholesale bond markets. • Consider costs of carry if the proposed bond is being used to repay other outstanding indebtedness that may not fall due or be able to be repaid immediately on the bond issue date. • The size requirement will impact the likely pricing (see *"Initiate discussions with potential underwriting banks"* below) and also whether US investors (US Qualified Institutional Buyers (**QIBs**)) also need to be targeted to achieve the desired issuance size and pricing (see *"Where will you target bond investors?"* below). • Have a clear pre-determined idea of the maximum "price" (i.e. yield to maturity) that the issuer will be willing to pay on a bond issue. The yield to maturity is a function of both the coupon and any discount or premium to par at which the bond is initially sold to investors. • Consider the intended use of the proceeds raised from the financing (see also *"Is issuance in an ESG Bond format possible?"* below).
Does the issuer/the group already have public credit ratings from a major rating agency?	• Most bonds will be sold with the benefit of an issue-specific or issuer long-term debt credit rating. A credit rating from a reputable credit rating agency will assist the marketing effort for the bonds and will allow the underwriting banks to position the bond issue alongside "comparable" issuers and allow for better targeting of appropriate investors and more accurate pricing of the bond. • An issuer with an investment grade credit rating (S&P BBB-, Moody's Baa3, Fitch BBB-, or above) would normally seek to issue senior bonds with a minimal covenant package, while an issuer with a credit rating of below investment grade (S&P BB+, Moody's Ba1, Fitch BB+, or below) would usually be required to add a significant financial covenant package to support a senior bond issue (such an issue is referred to as a "high-yield" bond). As an issuer's credit rating approaches the investment grade cut-off level, the issuer is likely to need to consider including financial covenants and other investor protections for investors (such a bond is sometimes referred to as an issue by a "crossover credit"). Bonds issued by companies with similar ratings and in the same industry sector will provide a helpful indication of the covenant package that investors will expect to receive. • A bond with a high credit rating may also be eligible as European Central Bank (**ECB**) collateral (see *"Could the bonds be eligible ECB collateral?"* below), which may also mean the bond is more attractive to European financial institutions and entities that may post collateral with the ECB.

Issue	Points to consider
Internal preparatory steps for an issuer to undertake	
Which company in the group structure will act as the issuer of the bonds? ***Note, this is likely to require tax advice especially if the tax treatment of an international bond issue in the relevant jurisdiction is uncertain or there have been recent changes in tax treatment.***	• Investors will require that payments of interest and repayment of principal must be free of withholding tax. If there are any withholding taxes applied, then the terms and conditions of the bonds will require the issuer to bear these costs and "gross up" the payments. Accordingly, the issuer of the bonds should normally be an entity in the group structure that is located in a jurisdiction which will allow payments to be made free of any withholding tax. Any identified uncertainties as to tax treatment should be discussed with tax advisors. • In addition, some jurisdictions impose restrictions or other requirements on issuers of international bonds. Investigate any local filing or regulatory issues in the jurisdictions of the issuer and/or any guarantors (e.g. some jurisdictions require that, alongside any international bond offering, an offering to local bond investors must also be conducted). • Identify any local regulatory approvals or authorisations required for a bond issue and build these into the proposed bond issuance timetable. • Consider where the group's valuable and productive assets are located if they are not directly held by the proposed bond issuer. Bondholders will not want to be structurally subordinated to other creditors and so will often seek a guarantee from group companies holding the valuable/productive assets (e.g. consider how bondholders will access the assets of the issuer group in the event of a winding-up and whether there will need to be guarantees from subsidiary entities). • Whichever entity is identified as the issuer, it will need to obtain an "LEI" (legal entity identifier), a unique code used to identify a legally distinct entity that engages in financial transactions. If the issuer does not already have an LEI, the issuer should apply for one at an early stage, as the LEI of the issuer will be requested by several parties during the bond issuance process. It may also be necessary for a Guarantor to obtain an LEI, depending on the Guarantor's role in the Group, other related transactions the Guarantor may be entering into (e.g. hedging), and the market of listing.

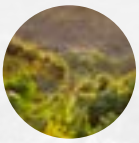


Issue	Points to consider
Internal preparatory steps for an issuer to undertake	
Is credit enhancement to be offered?	• Related to the structural subordination point above, and given the credit rating of the issuer, consider whether the issuer/the group will need to provide: (i) guarantees from group entities; or (ii) security over assets in favour of the bondholders, in order to make the bond a creditworthy investment. • Giving guarantees typically requires corporate benefit to be received by the guarantor. Depending on the circumstances of the issuer's group, corporate benefit may be satisfied if the issuer lends a portion of the net proceeds of the bond to the guarantor, and/or the proceeds of the bond are being used to fund central group services being provided by the issuer for the benefit of the guarantors and the group. • Some entities may have the option to offer guarantees from their owners/shareholders. In particular, government-owned entities may need to consider whether an explicit guarantee from the relevant sovereign may be available to support their ability to raise funds in the international debt capital markets. • Note that the prospectus will need to contain disclosure on each guarantor and, potentially, its financial statements (which may need to be IFRS financial statements depending on the stock exchange on which the bonds are to be listed). • If security is to be offered as part of the bond, the issuer should be aware of any potential impact of securing the bond on their existing financings (for example, if any of the issuer's bank facilities contain negative pledges, the issuer may need to obtain permission from their lenders prior to agreeing to issue a secured bond). In addition, the provision of security for the bond may trigger the need for current valuations of the assets being secured. Depending on the assets in question this could add costs and have timing implications.



Issue	Points to consider
Internal preparatory steps for an issuer to undertake	
Consider the availability of historical financial information and impact on issuance "windows"	• Recent audited historical financial information of the issuer (and guarantors[1]) will be included in a prospectus/offering document (a requirement for listing on the usual stock exchanges for international bond offerings). • In addition, bondholders will prefer to invest on the basis of current financial information (FY audited financial information, supplemented by more recent interim or HY results). The availability of audited and subsequent interim financial information will therefore be an important timing consideration for a potential bond offering. • If the bond is to be issued on a Rule 144A basis to US QIBs, negative assurance comfort (see "*Notify the issuer's (or parent guarantor's, if relevant) auditors of the proposed public bond issuance*" below) will not be available beyond 135 days of the most recent audited accounts (unless more recent interims have been subject to an auditor review to the required standard). As most underwriters will not proceed without negative assurance comfort, the 135 day rule therefore provides a hard deadline for Rule 144A issuance windows (unless the more recent interims are reviewed by the auditors, which has a timing and cost implication). • In addition, if the issuer is already in scope of the UK or EU Market Abuse Regulation (**MAR**) (for example, if the issuer already has an equity listing on a UK or EU stock exchange), it may be subject to other restrictions on when it can access the market. For example, an issuer may not be able to issue a bond in the international debt capital markets because it is in possession of inside information, or because the issuance would fall within a PDMR "closed period" in which underwriting banks may be reluctant to launch, price or close a transaction. See our article Dentons DCM Quick Guide to MAR issues in DCM transactions for further information.





1. Where guarantors are subsidiaries of the issuer, it may be sufficient to include the audited consolidated financial information of the issuer if the guarantor(s) results are included in the issuer's consolidation. Where the issuer is a subsidiary of the guarantor, it may be sufficient to include the parent guarantor's audited consolidated financial information if the issuer's results are included in the parent guarantor's consolidation.

Issue	Points to consider
Internal preparatory steps for an issuer to undertake	
Consider recent and pending corporate actions and any impact on need for pro forma accounts	• When an issuer has been involved in a significant transaction (for example, an acquisition or a disposal) since the latest available historical financial information or within the period covered by the latest annual or semi-annual historical financial information, "pro forma financial information" may need to be included in the issuer's prospectus/ disclosure document, to provide investors with all material information about the impact of the significant transaction on its business, financial position and prospects. Pro forma financial information is a hypothetical illustration of the effect of a transaction on an issuer's assets, liabilities and earnings, by assuming that the transaction had been undertaken at the commencement of the period being reported on. See our article Dentons DCM Quick Guide to Pro Formas for further information. • Preparing pro forma financial information can add to complexity and the time required, both for the auditors to prepare the pro forma accounts and for the relevant disclosure to be included in the prospectus/ disclosure document, which will have cost and timing implications for a bond issue. Any potential requirement for pro formas should be discussed with the issuer's lawyers, auditors and the underwriting banks as early as possible.
Has an internal "point" person to manage the bond issue been appointed?	• Similar to many large financing transactions, a debut bond issue in the international debt capital markets will involve a significant amount of project management by a key "point person" at the issuer, who will need to manage (among other things): (i) the appointment of a number of advisers and service providers; (ii) the need to direct queries from those external advisers and service providers to the appropriate contact persons at the issuer to answer queries; and (iii) the need to collate and coordinate feedback from within the issuer in response to disclosure requirements and due diligence requests. • Often a senior employee in the finance and/or legal teams of the issuer acts in this capacity. It will be helpful for the efficiency of the process if they have either the authority themselves, or ready access to those within the issuer with authority (e.g. the head of Treasury, CFO and General Counsel) to give certain confirmations and make certain decisions about how the bond issue should be documented and approached. • The point person should not underestimate the amount of time it will take to co-ordinate comments internally and from other advisors and auditors during the due diligence and documentation process for the bond.

Issue	Points to consider
Internal preparatory steps for an issuer to undertake	
Ensure board support and awareness of what directors and members of executive management will have to be involved in during the bond process	• The issuer is responsible for the accuracy and completeness of the contents of the prospectus/disclosure document, which is used to market the bond issue to investors and to list the bonds on the relevant stock exchange. The standard of liability for the accuracy of the prospectus contents (and for ensuring no material omissions from the prospectus) varies on a number of factors, including depending on: (i) the stock exchange on which the bonds are listed (i.e. whether it is a "regulated market" in the scope of the EU Prospectus Regulation or the UK Prospectus Rules: Admission to Trading on a Regulated Market (**PRM**) of the UK Financial Conduct Authority (**FCA**), or a "multilateral trading facility" (**MTF**)); (ii) what the governing law of the bonds are; and (iii) whether the bonds are offered on a Regulation S or Rule 144A and Regulation S basis (see "*To which investors will the bonds be sold?*" below). • In broad terms, for a prospectus/disclosure document subject to the UK statutory liability regime, the issuer will have a "due diligence defence" to the strict liability provisions of Regulation 30 of The Public Offers and Admissions to Trading Regulations 2024 (**POATR**) (for an LSE Main Market listing), and the recklessness standard of s.90A of FSMA (for an LSE ISM listing) if the issuer had a reasonable belief, having made such enquiries as were reasonable, that the statements in the prospectus were true and not misleading, and the matters omitted were properly omitted. For a Rule 144A/Regulation S bond which in addition is subject to the anti-fraud provisions of Rule 10b5 in the US, although no due diligence defence is technically available to the issuer, similar reasonable due diligence steps should be helpful to the issuer in both: (i) ensuring that the prospectus disclosure is accurate and complete; and (ii) countering the scienter (i.e. knowledge or intent of wrongdoing) element of a liability claim under Rule 10b-5. • Accordingly, a proper and effective due diligence process for a bond issue is important not just for the underwriting banks, but also for the issuer. The board of the issuer should be prepared to devote a material amount of management time to the bond process, including, but not limited to: (i) reading the prospectus/disclosure document; (ii) approving the prospectus/disclosure document and the entry into the bond documents by the issuer; (iii) certain board members (often the CFO and CEO, potentially alongside members of the treasury/finance team) will need to participate in investor calls and meetings during the roadshow; and (iv) participating in management due diligence meetings where the underwriting banks and their counsel will ask questions of the management of the issuer. • In summary, participation in due diligence and marketing for the bond issue is not something that the board, particularly the executive members of the board, can simply delegate, and it would be prudent to build in time for directors and other senior managers to read and comment on the bond disclosure once it is in near-final form.

Issue	Points to consider
Internal preparatory steps for an issuer to undertake	

Ensure clear understanding internally about what costs will be borne regardless of whether the bond is ultimately issued	• Before embarking on the process of a bond issuance, the issuer should understand that, regardless of whether or not the bond is actually issued (transactions may be "pulled" because of an adverse change in primary market conditions, an insurmountable diligence issue, a change of funding plans or otherwise), there will be a number of significant "sunk" costs for which the issuer will be responsible, including:
	  • the costs and expenses of the underwriting banks, including marketing, roadshow and travel costs;
	  • legal counsel fees and expenses for each of the issuer, the underwriters and the trustee (if any);
	  • rating agency fees;
	  • auditor fees (in relation to the preparation of the comfort letters);
	  • fees and expenses of the registrar and agents (and trustee, if relevant) (some of which will only be due once the bond issues and annually thereafter);
	  • competent authority/stock exchange prospectus/disclosure document vetting fees; and
	  • fees and expenses of other advisers to the issuer (e.g. third-party opinion providers for sustainable/green bonds).
	• In addition, if the bonds proceed to closing, the issuer will be responsible for further amounts, including:
	  • the base fee and any discretionary fees awarded to the underwriting banks (normally these are set in the mandate letter entered into with the underwriting banks when they are first appointed); and
	  • stock exchange listing fees.



Issue	Points to consider
Identifying the "right" type of bond issuance	
Should the bonds be issued on a "standalone" basis or by the establishment of a programme and an inaugural "drawdown"?	• A bond issue can be documented as a "standalone" bond, where the documentation all relates to a single bond issue. Alternatively, a bond issue can be documented under an issuance "programme" (a framework set of documents allowing for multiple potential issues and quicker access to market windows). The issuer would first establish a bond programme and then an individual bond is issued as a "drawdown" off the programme. • Although it is marginally more expensive to establish a programme than issue a standalone bond, and a programme will need to be updated annually and supplemented intra-year for any disclosure developments in order to keep the programme "live", for an issuer who may consider issuing multiple bonds within a 12-month period, a programme may be an effective choice from a cost and a timing perspective. Generally, any issuer seriously considering multiple bond issuances in each 12-month period (or which needs the flexibility to come to market quickly) should see advantages to establishing a programme as compared to pursuing those bonds on a standalone basis.
To which investors will the bonds be sold?	• Assuming that the bond issuer wishes to sell bonds internationally, but does not wish to be subject to the registration requirements of the US Securities Act of 1933 (the **Securities Act**), the main choice facing an issuer is whether to issue bonds either: (i) only to investors outside the US on the basis of the Regulation S exemption from registration under the Securities Act; or (ii) both to large institutions in the US which qualify as QIBs on the basis of Rule 144A as well as to investors outside the US on the basis of Regulation S. • Bonds sold in reliance on Regulation S can be bought by US investors in the secondary market, once any relevant initial "distribution compliance period" (during which sales to the US cannot be made) has passed. A debut bond issuer may not need to apply any distribution compliance period to their bond issue, as they may qualify for Regulation S "Category 1" treatment (if there is no substantial US market interest in their securities). • In practical terms, the choice between a Regulation S only offering and a Rule 144A/Regulation S offering is a choice between a less onerous liability, documentation and due diligence standard in Regulation S only, versus a more onerous standard in Rule 144A/Regulation S, which will involve additional bond issuance costs and time, but which will also allow the bond to be sold in the primary distribution to US QIBs. That additional source of demand for the bond on a Rule 144A/Regulation S bond may make the difference between an issuer achieving its bond size and pricing targets or not. A debut issuer needs to assess whether the additional liability, documentation, diligence effort, fees and preparation time are worth any additional bond size or pricing benefit. • Additional obligations apply where an issuer wishes to offer bonds to "retail" investors (i.e. ordinary individuals). However, retail bond issuance is not a common source of funding for first-time bond issuers and so is outside of the scope of this note.

Issue	Points to consider
Identifying the "right" type of bond issuance	
Consider the terms on which the bond will be offered – what is acceptable to the issuer, and what will be required by the investors?	• While certain terms of a bond will be driven by the needs of the issuer and the current market environment, including fixed or floating rate interest, currency of issuance and any related hedging etc., there are certain terms that should always be carefully considered by issuers to ensure that there is no conflict with their existing financings and no unworkable limitations on their ability to run their business. • If the issuer has decided to issue the bond in a currency other than its functional currency, the issuer should also ensure it is putting in place appropriate hedging arrangements to mitigate exposure to foreign exchange risk while the bond preparation process is underway, and also plan for hedging arrangements to ensure it can meet the interest payments and principal payments in a currency other than its functional currency. • In particular, issuers should carefully consider what limitations the bond terms and conditions may place on their ability to raise other indebtedness, either through an express covenant limiting indebtedness (usually included in high-yield bonds and many crossover credits) or via a prohibition on the ability to secure other indebtedness via a "negative pledge" condition. A negative pledge usually ranges from a "capital markets" style negative pledge restricting the issuer from securing other capital markets indebtedness on better terms (i.e. a "no better bonds" condition), to a full high-yield style "all monies" negative pledge, restricting the ability to secure any other indebtedness (not just capital markets indebtedness). See our article Dentons DCM Quick Guide to Negative Pledges for further information. • Where investors are also likely to place importance on who controls the issuer, it is likely that an issuer will be required to include a Change of Control Put Option (allowing bondholders the option, but not the obligation, to sell their bonds back to the issuer (often at par or 101% of par) upon the occurrence of a Change of Control of the issuer. Sometimes, this put option is worded such that it is only exercisable if the Change of Control is also accompanied by a negative ratings event. See our article Dentons DCM Quick Guide to Change of Control Put Options for further information. • Aiming for consistency in covenants between different financings will often be advantageous for an issuer. If an issuer has covenants in their existing financings, bond investors will usually expect to be protected by similar covenants. Even if covenants differ among an issuer's different financings, the issuer will usually need to comply with the tightest of the covenants to avoid any issues with cross defaults between their financing arrangements.

Issue	Points to consider
Identifying the "right" type of bond issuance	
	• When considering if the issuer should include other options (such as issuer calls and other unique features to their bond terms and conditions), an issuer should remember that there is usually a trade-off between achieving the best possible pricing from investors on the one hand, and maximum optionality for the issuer on the other. All things being equal, a simpler bond with minimal optionality exercisable at the discretion of the issuer should be "cheaper" for an issuer to issue on a yield-to-maturity basis compared to a bond that bears more optionality exercisable at the issuer's discretion. In essence, before deciding to add optionality, an issuer should discuss with their underwriting banks and their syndicate teams whether that optionality may have a material impact on the price at which investors are willing to invest in the bond given the uncertainty that options exercisable at the issuer's discretion add to the investor's expected return from the bond. Such pricing impact may be able to be mitigated by features such as non-call periods and make-whole options designed to compensate investors for an issuer's early exercise of call options. • Most bonds in the international debt capital markets involve bullet repayment structures, with the principal repaid in full at maturity. The "events of default" set out certain events, the occurrence of which may be used to accelerate the repayment of the bond ahead of its stated maturity date, as part of the credit protection for bondholders, allowing them to act prior to an issuer becoming insolvent and merely presenting their debt claim in the insolvency of the issuer. See our article Dentons DCM Quick Guide to Events of Default for further information on the customary events of default, frequently observed grace periods and other key considerations in relation to acceleration of bonds. • Unlike a bank loan, which can be amended by entry into an amendment agreement with the lenders, or a covenant breach quickly waived if the lenders are cooperative, it is much more difficult to amend bond terms or waive breaches of the terms and conditions of a bond. Once issued, bonds can be freely traded in the secondary market and the ultimate beneficial owners of a position in the bonds are not obliged to identify themselves to the issuer. As the issuer does not therefore know exactly who holds the economic interest in their bonds, and amendments or waivers usually require the consent of a set proportion of bondholders in a bondholder meeting, it can be a more difficult and lengthy process (approximately four to six weeks under standard bond terms) to amend bond terms or waive breaches. In addition, bondholders expect to be paid a "consent fee" for agreeing to any such amendments or waivers. For this reason, it is important that the terms of the bond, including in particular the negative pledge, financial covenants and events of default, are not phrased too restrictively – the issuer needs to be able to successfully operate its day-to-day business in a manner that does not necessitate obtaining bondholder consent for business-as-usual matters.

Issue	Points to consider
Identifying the "right" type of bond issuance	
	• When bond terms are agreed, it is also important to plan ahead for sufficient flexibility for the issuer to efficiently and effectively repay and/or refinance the bonds. For example, if an issuer is only able to repay the bonds at maturity, there may be a timing mismatch between the availability of funds to refinance the bonds and, as a result, a potentially costly period of "double-carry" of interest on the old bond and the new refinancing instrument. To avoid this, flexibility for a call option at par, exercisable in the months prior to maturity, should be considered, as well as options to clean up "waifs and strays" if most of the bondholders have exercised early repayment options (e.g. following a Change of Control). • Please see our articles Dentons DCM Quick Guide to Liability Management Alternatives and Dentons DCM Quick Guide to Cash Tender Offers for further information on techniques if the amendment of bond terms is required and options for how bonds may be efficiently refinanced by other bond instruments. • Finally, an issuer should also be aware that their terms and conditions should give them the ability to conduct open market bond buybacks (i.e. repurchases) of their bond. Issuers with available liquidity, especially in periods of depressed bond prices, often take advantage of this flexibility to repurchase and cancel portions of their outstanding bonds for less than par. See our article Dentons DCM Quick Guide to Bond Buybacks for further information.
Is issuance in an ESG Bond format possible?	• A bond can be issued with an ESG label (e.g. a Green Bond, a Sustainability Bond, a Social Bond or a Sustainability-Linked Bond) if it complies with certain recommendations published by ICMA. Alternatively, for an issuer who complies with the EU Green Bond Regulation and can commit to use the proceeds of the bond for purposes consistent with the EU Taxonomy, and who wishes to list the bond on an EU Regulated Market, the EU Green Bond label is an option. Other sustainable bond labels also exist in the market. Such ESG labels may afford marketing and pricing advantages to an issuer compared to conventional bonds, but do require additional preparatory work and disclosure and, crucially, a commitment to use the proceeds of the bond issuance to finance or refinance certain eligible projects (for ICMA Green, Social or Sustainability Bonds or for EU Green Bonds) or embed a structural change in the bonds depending on whether the issuer achieves certain sustainability performance targets as at a specified future date (for ICMA Sustainability-Linked Bonds). • An ESG labelled bond may have the potential to achieve a "greenium" (i.e. a small pricing advantage for the issuer as compared to a conventional bond without an ESG label). However, as greeniums vary between different ESG labels and between issuers, as well as being impacted by general market conditions, an issuer should discuss the likely greenium for an ESG labelled bond with the potential underwriting banks prior to deciding to issue in an ESG labelled format. • See our article Issuing an ESG-Labelled Bond in the International Debt Capital Markets for further information on how a corporate issuer can approach navigating which ESG label may be appropriate for them. • See also our articles Green bonds: growth in sustainable capital markets financing and A Quick Guide to Sustainability-Linked Bonds for further background information on what is an ICMA Green Bond and what is an ICMA Sustainability-Linked Bond.

Issue	Points to consider
Identifying the "right" type of bond issuance	
Identify potential listing venues	• Many bonds in the international debt capital markets are listed on a stock exchange in the UK or EU. These stock exchanges often have two separate markets: (i) a "regulated market", admission to which requires the publication of a prospectus meeting the requirements of the UK PRM or EU Prospectus Regulation (as applicable); or (ii) a more flexible "exchange-regulated market" which is an MTF for which the stock exchange itself sets the admission criteria. • Admission to either a regulated market or an MTF in the UK or EU will bring an issuer in scope of MAR and the resultant continuing obligations (see "*Preparation for compliance with ongoing 'continuing obligations'*" below). • By comparison, there are certain markets, such as the Qualified Investor Bond Market of The International Stock Exchange (located in the Channel Islands), which sit outside both the requirements of the PRM/Prospectus Regulation and MAR. • An issuer should have a frank discussion with their underwriting banks as to whether, given the intended target investors for the bond, it would make any material difference if the bond was to be listed on a PRM/Prospectus Regulation "regulated market", an MTF, or a market outside the scope of both the PRM/Prospectus Regulation and MAR.

Consider whether any advantage or need for a trustee structure	• Bonds may be issued either:
	  • with a bond trustee, who holds the issuer's promise to pay on behalf of all the bondholders, and who would, if the bonds are accelerated due to an event of default, accelerate all the bonds collectively. A bond trustee can also act "collectively" on behalf of bondholders to approve waivers or amendments in certain circumstances; or
	  • without a bond trustee, with a fiscal agent acting on behalf of the issuer to facilitate payments and perform certain functions. Bondholders are required to act individually, and any acceleration of bonds due to an event of default is a bilateral matter between the individual bondholder and the issuer.
	• A trustee structure is typically found: (i) in high-yield deals; (ii) whenever the bond is secured; and (iii) where issuers want a third party (the trustee) standing between themselves and the bondholders in relation to certain matters.

Could the bonds be eligible ECB collateral?	• The ECB "General Framework" (as amended by the "Temporary Framework") sets criteria for the potential eligibility of senior, unsubordinated bonds to be accepted by the ECB as "eligible collateral". If a bond is eligible collateral, it may be more desirable to EU financial institution investors. • The key criteria include factors such as: (i) the credit rating of the bond (must be investment grade); (ii) a fixed and unconditional principal amount (or an unconditional principal linked to a euro-area inflation index) and the absence of complicating coupon features (although sustainability-linked bond coupon step-ups are acceptable); (iii) the listing on an acceptable market (regulated markets and MTFs in the EU are acceptable[2]); (iv) the currency of the bond (EUR denominated bonds for EEA or non-EEA G10 issuers, or USD, GBP or JPY denominated bonds for EEA issuers); (v) the place of establishment (of the issuer (EEA or non-EEA G10 country) or guarantor (EEA)); and (vi) the form of the bond being in "new global note" (for bearer bonds) or "new safekeeping structure" (for registered bonds).

2. The London Stock Exchange has arranged a system whereby bonds admitted to the LSE Main Market will also be admitted to BondVision in Milan (which is an acceptable market for ECB purposes).

Issue	Points to consider
Identifying required external advisers and appointments	
Notify the issuer's (or parent guarantor's, if relevant) auditors of the proposed public bond issuance	• It is customary for the issuer's independent auditor to be required to deliver a "comfort letter" to the underwriting banks, on the accuracy of the financial information in the prospectus/disclosure document and providing details on certain changes in the issuer's financial position since the latest audited/reviewed financial statements. The issuer will need to discuss this requirement with their auditors, the type of comfort letter(s) required in the circumstances of the offering and should enter into arrangements with their auditors with regard to fees and costs that will be charged by the auditors for the delivery of the required comfort letter(s). • It is always better to engage with the issuer's auditors earlier rather than later in the bond process, as the preparation of a comfort letter can take a significant amount of time, and there may be complications in the historical financial information that may require additional auditor work (e.g. pro forma accounts, a change of auditors in the period covered by the historical financial information etc.). • The auditors will need access to senior management and internal accounting records of the issuer and the group in order to complete their work on the comfort letter(s). This process may be protracted and in general, the earlier it can be started, the better. • If the bond issue is to be offered on a Rule 144A/Regulation S bond issue, in particular, consider any timing impact on the bond of the "135-day rule" (pursuant to which a comfort letter containing negative assurance cannot be issued 135 days or more after the latest audited or reviewed financials). • See our article Dentons DCM Quick Guide to Auditor Comfort Letters for further information.
If not already appointed, discuss potential public credit rating with rating agencies	• As noted above in "*Does the issuer/the group already have public credit ratings available from a major rating agency?*", a public credit rating will normally be key for the positioning and marketing of the bond and, if not already appointed, credit rating appointments should be made as early as possible (potentially in advance of the "kick-off" of the bond preparation process), in order not to delay the bond issuance process. • If a public credit rating has not already been obtained one of the underwriting banks appointed for the bond will usually act as a ratings advisor, assisting the issuer with their interactions with the rating agencies.

Issue	Points to consider
Identifying required external advisers and appointments	
Initiate discussions with potential international investment banks to act as bookrunners	• The issuer should hold discussions with a number of potential underwriting banks and use these discussions to test the feasibility of the issuer's initial thoughts on bond size, bond price and bond structure with those potential underwriting banks. • In particular, potential underwriting banks should be able to offer suggestions on how they would envisage a bond by the issuer being positioned by comparison to similar credits and, through a consideration of similar credits, also be able to provide indications of a feasible pricing range for a bond (subject to market movements and other events). • When the issuer is ready to move forward and has made a decision on which underwriting banks to appoint, those banks will send a "mandate letter" for the issuer to appoint them as joint lead managers and bookrunners for the bond issue. Underwriting banks are chosen based on a range of factors, including their experience and existing relationship with the issuer, and their ability to use the contacts and expertise of their syndicate desks to reach out to a wide range of potential investors who may be interested in purchasing the bond when it comes to the marketing and roadshow phase of the transaction. • See our article Dentons DCM Quick Guide to Mandate Letters for further information on how to approach the negotiation of the mandate letter.
Appoint issuer and guarantor legal counsel and consider quotes obtained by the underwriting bank's for their legal counsel	• The issuer's underwriting banks should assist the issuer to obtain quotes from legal counsel if required, and the underwriting banks should provide fee quotes from the bank's own counsel as part of the selection process. • English law counsel will be required (if the bonds are to be governed by English law), as well as US securities law counsel (if the bonds are to be offered on a Rule 144A/Regulation S basis). The issuer and the underwriter will also require counsel in the jurisdictions of the issuer (and any guarantors). • Trustee counsel will also need to be appointed (if relevant). • If relevant, the issuer may need to appoint tax advisors to consider and confirm the taxation position with respect to the tax treatment of the bond issue.

Issue	Points to consider
Identifying required external advisers and appointments	
Appoint trustees/agents/ listing agents and choose listing venue	• The underwriting banks should also assist in the collection of quotes for the roles of trustee, agents and listing agents (if relevant, depending on the listing venue chosen). • Once the issuer has selected the trustee, agents and (if relevant) listing agents, as well as selected the stock exchange on which the bonds will be listed, all key parties for the initiation of the bond process have been identified. • An issuer incorporated outside England and Wales will need to appoint a process agent if the bonds and the documentation is to be subject to the jurisdiction of the English courts to resolve disputes. This is not required if disputes are to be resolved by arbitration. • Other appointments which may be required depending on the bond format may include: (i) a documentary data-room provider if the bond is to be offered pursuant to Rule 144A/Regulation S; and (ii) if an ESG labelled bond and if not already obtained, a second party opinion provider to give an opinion on the green, social, sustainable or sustainability-linked framework/ factsheet of the issuer under which the ESG labelled bond is to be issued.
Finalise decision on bond structure and Regulation S or Rule 144A/ Regulation S format	• Once the issuer has decided upon a bond offering pursuant to Regulation S, or a Rule 144A/Regulation S offering, and has settled on the approach to other structural aspects of the bond, a kick-off call with all parties should be scheduled by the underwriting banks to ensure that all parties are on the same page and to allow the process of preparing for and documenting the bond offering to start in earnest.
Establish clear parameters with bond issue participants for expectations as to weekly progress updates	• Following on from the kick-off call, the issuer should request update calls (often these are scheduled weekly) at which all key transaction participants attend, to ensure the preparation for the bond stays on track. The underwriting banks should lead the call and ensure progress is as expected based on the timetable prepared by the underwriting banks and shared with all parties.





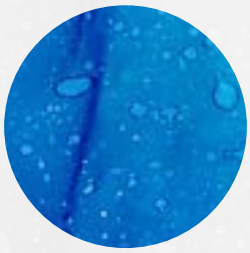
Issue	Points to consider
Due diligence, bond authorisation, marketing and documentation	
Allocate internal time and resource to the due diligence	• The timetable prepared by the underwriting banks should indicate the proposed dates of any due diligence meetings. The issuer's key point person should ensure that time for these meetings is blocked out in the diaries of the issuer's key management and finance personnel. • In addition, if the bond is being offered on a Rule 144A/Regulation S basis, the issuer's key point person should receive a documentary request list from the US counsel to the underwriters and the issuer, and the point person should: (i) allocate responsibility within the issuer for the collection of documents in response to various sections of the list; and (ii) manage the process of how the documentation is shared with the US counsels (potentially by means of a virtual data room). There may also be follow-up queries based on the documentation reviewed and so the point person will need to be responsive to these follow-ups and ensure that questions and requests are being fed into the appropriate teams/persons at the issuer and those teams/persons are responding promptly.
Offering document risk factor and disclosure drafting preparation	• The issuer's legal counsel will "hold the pen" on the business description/ management discussion and analysis (as relevant) of the prospectus/ disclosure document, and also the issuer-specific risk factors. They will draft these in consultation with the issuer and based on the materials that the issuer provides to them. In particular, the risk factors will need to consider the disclosure in the issuer's annual report and accounts in relation to internal controls and risks. • The issuer's point person and other key personnel at the issuer should review an early draft to ensure the accuracy and completeness of this disclosure, and in particular that the risks identified in the issuer's annual report and accounts (and any new risks that have emerged since the latest annual report and accounts) are addressed in the risk factors. • There are likely to be several iterations of this disclosure, and it will be commented on by the underwriting banks, and the bank's legal counsel, and further amendments may follow the due diligence exercises. • For marketing purposes, an investor presentation will be prepared that includes the key information from the prospectus/disclosure document (and must be consistent with it). Therefore, if from a marketing perspective there are certain key messages that the issuer thinks it is important to convey to potential bondholders during the marketing and roadshow, the information to support such messages must be included in the prospectus/disclosure document.

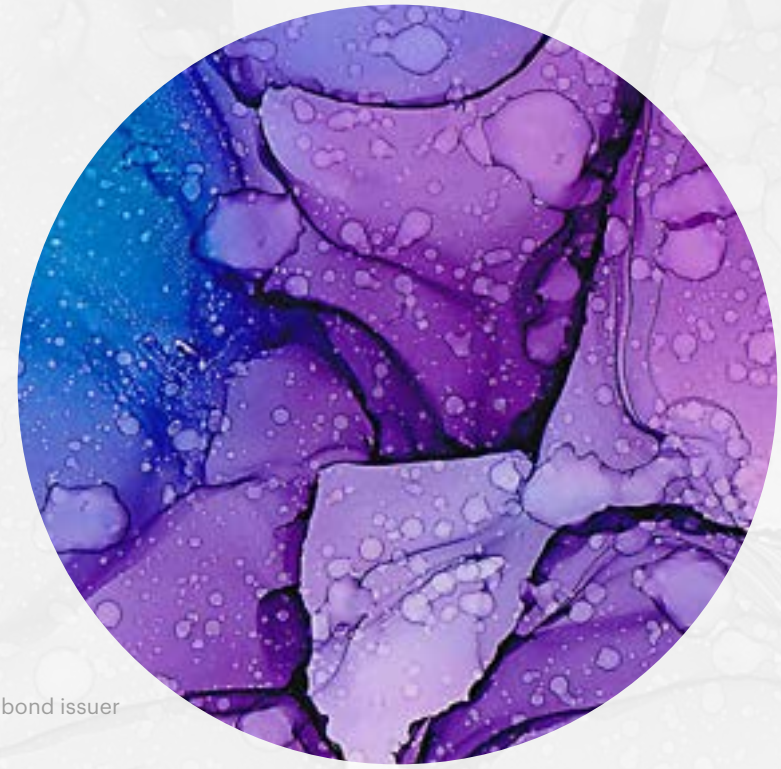
Issue	Points to consider
Due diligence, bond authorisation, marketing and documentation	
Authorisations for bond issuance	• Before the announcement of the potential bond, the underwriting banks will need to know that the issuer has properly authorised the announcement of the bond issue and, in due course, properly authorised the pricing, signing and closing of the bond issue, as well as the publication of the prospectus/ disclosure document (if required by the applicable securities laws and/or stock exchange of listing). • The issuer should consider how internal sign-off for the bond will be given. Will the board approve the project for the bond issuance at the outset and appoint a sub-committee to manage the process, review and finalise documents, agree to pricing, sign documents and issue the bonds? Will further formal board approvals be required? • The issuer should also consider whether, given its ownership structure and other factors, any external sign-offs are required (e.g. significant shareholders/stakeholders) or if any formal regulatory or supervisory approvals are required before any public announcement of the bond is made. • The same process of obtaining approvals will also need to be managed for any guarantors. • Finally, as a purely practical matter, any authorisations appointing signatories for the bond documents should bear in mind that those signatories will need to be fully available at certain times in the process, in particular upon signing and closing dates for the bond, to sign documents. • Legal counsel for the issuer, any guarantors and the underwriting banks should be involved in and have sight of the internal (and any external) authorisation documentation at an early stage, to ensure that there are no issues with the relevant legal counsel being able to provide any necessary legal opinions on the authorisation and capacity of the issuer (and guarantors, where relevant).
Availability of senior personnel for roadshows and marketing	• Based on the timetable prepared by the underwriting banks, the relevant C-suite/Finance and Investor Relations personnel of the issuer who are expected to attend the marketing and roadshow for the bond should have the relevant time blocked out in their calendars. • Whether the bond is offered on a Regulation S basis or on a Rule 144A/ Regulation S basis, there will be restrictions on what the issuer and its personnel can say in relation to the bond (including in advance of the bond being announced). These are referred to as "publicity guidelines" and apply throughout the whole timetable of the bond issue. Ensure that all personnel who are aware of the pending bond issue are aware of the selling restrictions and publicity guidelines that restrict what can be said and to whom. If in doubt, always refer to the issuer's and the underwriting banks' legal counsel for guidance. • See our article Dentons DCM Quick Guide to Roadshows for further information.

Issue	Points to consider
Continuing obligations	
Preparation for compliance with ongoing "continuing obligations"	• Once the bonds are issued continuing obligations will apply due to: (i) the terms of the bond; (ii) the requirements of the stock exchange on which the bond is listed; and (iii) if relevant, the applicability of UK or EU MAR. • The issuer should ensure that they have signed up with a regulatory information service, to allow for required disclosures to be published in accordance with the requirements of MAR. For example, in the UK, the Regulatory News Service (RNS) of the London Stock Exchange, is a frequently used regulatory information service. • The issuer should also have a process internally for updating its website with documents and announcements that it is required to make available on its website. • The issuer should be aware of its continuing obligations and, in particular, its obligations under MAR (if applicable) in relation to inside information and PDMR dealing. • See our article Dentons DCM Quick Guide to MAR issues in DCM transactions for further information.

This checklist is written in the context of a senior, unsecured bond issue by a corporate in the international debt capital markets, offered to professional investors and under an exemption to the registration requirements of the US Securities Act of 1933 (as amended), on either a Regulation S or a Rule 144A/ Regulation S basis. Additional points not set out above may also be relevant depending on the individual circumstances of the issuer and the individual characteristics of the bond transaction.

Please reach out to any of the contacts overleaf if you would like to discuss the issues raised in this checklist further.





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