

ISMAG

optimising your issuance and asset servicing

Why use the ICSDs as your primary place of deposit?

- €9 trillion outstanding securities
- 200,000 securities
- 650,000 corporate action events per year

By issuing in the ICSDs, you gain access to:

- **A significant number of investors** – we work with over 2,000 international financial institutions in around 90 countries
- **Multiple jurisdictions, one framework** – no need to reconcile multiple legal and operational requirements as the ICSDs offer a single framework for international securities
- **A variety of eligible instruments** – everything from plain vanilla debt to structured products
- **A wide choice of currencies** – make and receive payments to international investors in over 50 currencies

Contact

For more information contact us at:

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Reduce your costs and risks and make your securities more attractive to investors. ISMAG is leading the way in helping you achieve efficient issuance and asset servicing results for international securities primarily deposited in the International Central Securities Depositories (ICSDs).

ISMAG best practices are really catching on and the results so far for you and your investors are impressive, e.g.:

- 80% of syndicated new issues distribution is now done in real time
- Income rate provision is now 15% faster
- Reversals have been reduced by 50%

“Providing accurate, complete and transparent information is a vital step in ensuring optimal asset servicing.”

Keeping up the trend

As an issuer, ISMAG provides you with everything you need to offer the highest quality securities on the market:

- **Market Practice Book** – here you will find all the best practices on who needs to do what and by when, throughout the entire life cycle of a security (see summary on back page)
- **ISMAG checklists** – developed by end-to-end market experts, these checklists (known as the ISMAG Taxonomy) can be used by you and your legal counsels. They significantly reduce the risk of errors due to misinterpretation or missing information

Make your securities more attractive

The **ISMAG Quality Label** is awarded to securities issued by companies committed to implementing best market practices by signing a Letter of Representation.

This appeals to investors, who will benefit from:

- More transparent information about their securities portfolio and the level of related services they can expect
- Earlier and more accurate asset servicing information

What is ISMAG?

- The International Securities Market Advisory Group (ISMAG) is a major processing efficiency effort launched in 2007 by the ICSDs (Euroclear Bank and Clearstream Banking, Luxembourg).
- It focuses on end-to-end issuance and asset servicing processes for international securities deposited in the (ICSDs).
- ISMAG is supported by key market players and associations. Its recommendations are in line with those at European (AFME) and global (ISSA) levels.

Make sure your securities qualify for the ISMAG Quality Label

What	Best practices	Who
1 Provide complete issuance and corporate action documentation (final and draft)	Apply ISMAG checklists and specific recommendations (e.g. day count convention, coupon period adjustment, fixed coupon amount, payment business days, record dates, partial redemptions, units/nominal, paperless instructions)	<ul style="list-style-type: none"> • Legal Council • Issuer Agent
2 Highlight non-standard security structures	Inform Issuing Agents and/or ICSDs as early as possible of any non-standard aspects (e.g. additional paperwork requirements, TEFRA certification on registered issues, etc.)	<ul style="list-style-type: none"> • Legal Council • Lead Manager • Arranger • Dealer
3 Send Issue Final Documentation	to Issuer Agent/CD/CSP on closing/issue date	<ul style="list-style-type: none"> • IPA (drawdowns) • Lead Manager (standalones)
	to both ICSDs no later than closing/issue date +1, using the naming convention	
4 Same-day syndicated closings	Organise a closing that allows securities to be credited to ICSDs by 12:30 CET on closing date	<ul style="list-style-type: none"> • Lead Managers
5 Send amended/updated documentation	to Issuer Agent/Fiscal Agent/Trustee as soon as any errors and/or changes to the securities' T&Cs are determined, for onwards delivery to ICSDs/CD/CSP within same day of receipt	<ul style="list-style-type: none"> • Issuer and its Agents • Lead Manager • Legal Council
6 Send rate fixing notifications	to Paying Agent no later than fixing/determination date +1, for onward delivery to CD/CSP no later than 1 business day <i>See checklist for all required information</i>	<ul style="list-style-type: none"> • Calculation Agent • Determination Agent • Other relevant Agent
7 Send amended income notifications	to relevant parties as soon as there is an update to the payable amount or rate information. Inform the CD/CSP directly, providing the root cause if the amendment is known on or after payment date -2	<ul style="list-style-type: none"> • Calculation Agent • Determination Agent • Paying Agent
8 Apply payment processing flows and reconciliation processes	as described in the MPB. Perform adequate reconciliation processes to ensure discrepancies are detected early on	<ul style="list-style-type: none"> • Issuer • Paying Agent
9 Handle income-related queries	as quickly as possible	<ul style="list-style-type: none"> • Issuer • Calculation Agent • Paying Agent
10 Set up unpredictable corporate actions	Set up the operational aspects before the launch of unpredictable events with the ICSDs on a confidential basis, if authorised to do so	<ul style="list-style-type: none"> • Corporate Action Agent • Information Agent • Paying Agent
11 Use event notification templates	when sending corporate action notifications to the CD/CSP	<ul style="list-style-type: none"> • Corporate Action Agent • Information Agent • Calculation Agent
12 Send information about conditional/ triggering events	to CD/CSP as soon as possible after the event occurs (e.g. confirm deadlines and details of predictable events) <i>See checklist for all required information</i>	<ul style="list-style-type: none"> • Determination Agent • Calculation Agent
13 Send all updates/ changes throughout the life cycle of an event	to CD/CSP (e.g. suspension periods, changes to event deadlines) <i>See checklist for all required information</i>	<ul style="list-style-type: none"> • Determination Agent • Conversion Agent • Calculation Agent
14 Send event outcome notifications	to CD/CSP on the same day, or at the latest 1 business day after (e.g. result of a meeting/consent) <i>See checklist for all required information</i>	<ul style="list-style-type: none"> • Issuer • Corporate Action Agent
15 Send ICSD instruction reference and exercise date confirmation	to CD/CSP: <ul style="list-style-type: none"> • instruction reference in mark-up/mark-down instructions • confirm when exercise date is linked to an instruction for continuous processing of events such as conversions and exercise of warrants 	<ul style="list-style-type: none"> • Corporate Action Agent • Conversion Agent

CD: Common Depositary, CSP: Common Service Provider



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More information?

The Market Practice Book and all checklists and templates are available on:

www.euroclear.com/ismag
www.clearstream.com/ismag