

Convertible and AT1 debt

Convertible, contingent and AT1 debt securities can be admitted to ISM without equity-like disclosure, thus providing issuers with a streamlined process.

ISM benefits for Convertible bond issuers

The ISM Rulebook has outlined some specific guidance around disclosure requirements for convertible debt products which ensure issuers are not required to produce unnecessary documentation.

On that basis, any type of convertible debt can be admitted to ISM without the requirement for equity-like disclosure. Additional Tier 1, or Contingent Convertible debt securities can also be admitted to ISM without the need for equity-like disclosure.

Additional benefits for issuers:

- Use of local GAAP, as opposed to IFRS
- Schedule 9 admission for issuers with existing regulated market listings – this means securities can be admitted to ISM with reduced disclosure requirements
- Enhanced future incorporation by reference provisions
- Enhanced flexibility around pricing supplements
- Debt listings in London are supported by a range of London Stock Exchange (LSE) marketing and PR initiatives, tailored to suit the needs of issuers, fully integrating them into London's financial community
- Admission to LSE's debt markets allows international governments and companies to access a deep pool of liquidity.

“We are delighted to support the new International Securities Market at the London Stock Exchange. The new market will improve the competitiveness of UK primary debt markets and support the requirements and demands of issuers and investors alike. Additional choice for debt issuers should attract future issuance and provide an efficient, broader and deeper market in the UK.”

Jayne-Anne Gadhia, CEO of Virgin Money, 12 May 2017, ISM market launch welcoming the admission of their existing issue of AT1 capital securities, issued on 8 November 2016



ISM overview

ISM is an exchange-regulated market for primary debt issuance, operating alongside LSE plc's other markets.

This innovative market is targeted at professional investors from around the world. ISM has been designed to meet the demands of issuers and investors to improve the effectiveness and competitiveness of the UK primary debt markets, providing greater choice for a variety of fixed income issuers.

