

# Chapter 8 - Confirmation to Managers

## Basis for commitment and timing

- R8.1** A Confirmation to Managers should be sent to managers as soon as practicable after pricing – except for syndicated issues involving joint lead managers only, where a short form allotment document may be sent instead, and except for global offers. *September 2015*
- R8.2** The Confirmation to Managers (or short form allotment document) should be considered as the basis of a manager's commitment, subject to the signed subscription agreement. *September 2015*

## Confirmation content

- R8.3** The Confirmation to Managers, together with any annexed term sheet and the Initial Syndicate Communication, should contain such material terms of the issue and such other information as will allow the managers to confirm their participation in the transaction (including, when an issue follows a particular domestic market's customs, any key features which differ from those customary in international offerings – see R1.3, R4.1(h), R5.2 and A6). *September 2015*
- 8.4** As a guideline, the Confirmation to Managers could contain (this list is not exhaustive and the appropriate information to include should be considered carefully in the context of each issue): *November 2021*
- (a) **syndicate information** – e.g. the names of the managers in the syndicate, their respective underwriting commitments and allotments, distribution structure (e.g. pot/retention) details, the fees payable to the managers and arrangements for the payment of fees and expenses;
  - (b) the **commercial terms** – e.g. the name of the issuer and any guarantor, the currency and principal amount of the issue, the interest rate and interest payment dates, settlement and maturity dates, the form and denomination of the bonds, and an outline issue timetable;
  - (c) **documentation considerations** – e.g.
    - (i) whether the issue is under a programme or standalone (and, if under a programme, the date of the relevant offer document and any supplements);
    - (ii) how managers can obtain the programme documentation, if required, and how issue documentation will be distributed to the managers;
    - (iii) disclosure of any waiver of comfort letters, legal opinions or other significant conditions precedent; and

- (iv) confirmation of whether the ICMA Agreement Among Managers is to apply and, if so:
  - a) which version;
  - b) whether any amendments apply; and
  - c) that the execution of the subscription agreement by or on behalf of all parties will constitute a manager's acceptance of the relevant version of the ICMA Agreement Among Managers subject to any amendment notified to that manager in writing at any time prior to the earlier of:
    - 1) the receipt by the lead manager of the document appointing that manager's authorised signatory; and
    - 2) the execution of the subscription agreement;
- (d) **other significant terms** – e.g. any put or call options, negative pledge, cross default, taxation and any tax gross-up provisions, force majeure, status, ratings, stabilisation arrangements, any collective action clause, ISIN and common codes, governing law, and ranking;
- (e) **selling restrictions** – summary of relevant selling restrictions, including any prohibition of sales to EEA and/or UK retail investors pursuant to the EEA and/or UK PRIIPs Regulation; in this regard, when indicating US sales restrictions, the following short form may be used, deleting as appropriate: “US: [Not/144A eligible], [Reg S Cat 1/2/3], [TEFRA C/D]” (see 4.9);
- (f) the **form of power of attorney** to be prepared by the managers, and details of the arrangements for signing documentation; and
- (g) details of the **arrangements for payment** by the managers for any retention bonds, if applicable.

**R8.5** The Confirmation to Managers may cross-refer to a programme or preliminary offer document (e.g. “*Negative Pledge – As set out in [xxx]*”). Any material deviations from a programme should be disclosed in the Confirmation to Managers.

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2015

## Short form allotment document content

**8.6** As a guideline, any short form allotment document (see R8.2) could contain: underwriting commitment details, manager allotments, managers' fees, fee payment arrangements, whether the ICMA Agreement Among Managers is to apply and, if so, the related additional information set out in 8.4(c)(iv), the form of power of attorney (if any) to be prepared by the other managers and documentation signing arrangements.

September  
2015