



8 January 2015

Press release

The Euro PP Steering Committee releases two model agreements for Euro PPs (Euro Private Placements), responding to needs of both issuers and investors

(Under the auspices of the Banque de France and the French Treasury)

The Euro PP Steering Committee, consisting of major Paris market professional associations along with other Euro PP market participants, is releasing on 8 January 2015 two model private placement agreements for use on the growing Euro PP market and responding to the needs of French and international investors and issuers of all sizes. By providing these model agreements to market participants, the goal is to promote the development of new funding tools through the emergence of a more efficient and integrated European Private Placement market via the standardization of the contractual documentation.

The Euro PP model agreements cover the entirety of the Euro PP market, whether in the form of loans or bonds, while taking into account the particularities of each segment.

The agreements complete the Euro PP Charter, which was published in 2014 and established a frame of reference for the market and provide a documentation standard for the market. Nevertheless, the attention of market participants is drawn to the fact that the contractual terms are intended to be adapted as part of the Euro PP negotiations, based on the profile of the borrower/issuer, the characteristics of the transaction and market conditions.

The Euro PP model agreements were developed through a consensual market consultation, with active representation by all industry participants (borrowers/issuers, investors, intermediaries) and aiming at taking into account the respective interests and the constraints of the various parties. It benefited from the practical experience of the market's major actors.

The Euro PP model documentation is drafted in accordance with French law and may be adapted to other legal systems. It was indeed also developed for international use, which for the bond document will be coordinated with the International Capital Market Association (ICMA).

The Euro PP Steering Committee's work is significantly contributing to the development of the private placement market in Europe. ICMA, which coordinates a European private placement working group, is also working to establish and structure a pan-European private placement market, building in particular on the Euro PP Charter. The Euro PP Steering Committee is participating in this effort alongside the Loan Market Association (LMA), which has also produced template documents for European PP transactions, drafted under English law. By promoting these model agreements, the European working group coordinated by ICMA hopes to facilitate the emergence of this new market in Europe.

The EuroPP and LMA initiatives relating to new corporate financing options complement each other and thereby offer a range of tools, adapted to local laws and doctrines, to participants in this burgeoning market. These reference documents are intended to evolve as transactions develop and become more international in scope.

These initiatives benefit from the support of the direction générale du Trésor (French Treasury) and the Banque de France. French governmental authorities aim to support the emergence of new corporate financing instruments while ensuring that a robust market framework develops and promotes financial stability. They also participate in European endeavors to ensure coherence and provide a European and international dimension to the market, as reflected in the objectives of the Capital Markets Union project recently announced by the European Commission.

In this perspective, the Euro PP Steering Committee is engaged in a process of active promotion via:

- its website www.euro-privateplacement.com, on which the two new model agreements will be available in French and English;
- *Premières Rencontres Euro PP*, an industry event organized for 13 March 2015 at the Maison de la Chimie in Paris, which will allow professional, issuers, investors and intermediaries to meet and exchange experiences and points of view. The Governor of the Banque de France is scheduled to provide the closing address.

As a reminder :

The industry's work on Euro PPs started at the end of 2012 in light of a joint initiative by the CCI Paris Ile-de-France and the Banque de France to encourage best practices in the emerging private placements market.

Since 2012, this market has mobilized approximately 12 billion euros, essentially benefitting medium-sized companies, with the first transactions carried out by foreign issuers in Paris in summer 2014.

The industry's efforts, involving collaboration among professionals active in the market (issuers, investors, arrangers, lawyers) and with support of governmental authorities (direction générale du Trésor, Banque de France) resulted in the completion of a Charter defining market standards in December 2013. They also fall within the framework of the Paris Marketplace Committee 2020.

By invitation of the Ministers of Finance and Economy, the Euro PP Charter was endorsed in April 2014 by all relevant associations (Af2i, AFG, AFTE, AMAFI, ASMEP-ETI, FBF, FFSA, GEMA, MEDEF, PARIS-EUROPLACE), which committed to promote it to their members. The Euro PP Steering Committee, consisting of the same associations, was established in this context to organize these efforts (with the assistance of the law firms CMS Bureau Francis Lefebvre, Gide Loyrette Nouel and Kramer Levin Naftalis & Frankel) and support development of the market.

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