



## BULLETIN – 140501/28

# ICMSA Bulletin with respect to publication of a pro forma set of Standard Provisions for Meetings and Voting in relation to Bonds/Notes for use on capital markets transactions

Issued by the International Capital Market Services Association [www.icmsa.org](http://www.icmsa.org)

In response to concerns raised by market participants about practical issues arising from bondholder meeting and voting mechanisms, ICMSA, through its Bondholder Communications Working Group, has reviewed these procedures and, following consultation with its members, has produced a pro forma set of standard provisions for meetings and voting in relation to bonds/notes that can be used or adapted for use on capital markets transactions (the “**pro forma**”).

A copy of the pro forma is available on the ICMSA website. The pro forma will need to be adapted according to the structure of the transaction for which it is to be used. For example, it provides for meetings of holders of registered bonds as well as for bearer bondholder meetings, so the provisions which are not applicable to the particular transaction type will need to be deleted.

The pro forma is intended to streamline and simplify bondholder voting procedures and includes the following key features:

- (i) the ability, by notice to bondholders, to cancel a meeting after it is convened but before it is held;
- (ii) where bonds are cleared through The Depository Trust Company (“**DTC**”) and, in the context of a consent solicitation, are eligible for DTC’s Automated Tender/Offer Programme (“**ATOP**”), bondholders may vote on the resolution which is the subject of the consent solicitation electronically through ATOP;
- (iii) where bonds are held through the clearing systems, resolutions may be passed by holders of the requisite percentage of principal of the bonds, approving such resolution by way of electronic consents communicated through the clearing systems within a specified timeframe; and
- (iv) flexible procedures for passing written extraordinary resolutions where bonds are held through the clearing systems.

By publishing the pro forma, ICMSA is seeking to establish a market standard for bondholder meeting and voting provisions that may be used on or applied to any issue of debt or equity-linked securities under English law. ICMSA believes that the pro forma will benefit its members and market participants by standardising and simplifying traditional bondholder meeting provisions and providing voting procedures and mechanics which aim to achieve speedier and effective decisions by bondholders.