Private issuance

V2.5 — J. Steenhout

costs

- cost simulator
  - Simulation issuance fees.xlsm
  - issuance fees — annex 19.1
- billing
  - handling charges: month after creation issuance program
  - on maturity or anniversary of asset
  - inactive program (one year without outstanding amount): 250 €/year
- handling charges
  - standard issuance
    - € 1000 — treasury- depositcertificats
    - bond (dematerialised)
      - € 1 000
      - convertible — € 1 500
    - global note
      - € 1 500
      - not Belgian law
    - € 2 750 — bond with pool factor
    - €3 000 — existing isin (issuance date in the past) entering from outside NBB-SSS (e.g. from register)
  - non-standard issuance
    - min € 2 000
    - proportional to complexity — multiple of € 250
  - additional issuance
    - € 250 — with or without a new contract (e.g. increase of program size)
  - replacement of old program with new program
    - same cost as described in "standard issuance"
    - new isins are charged with current custody fees (can be cheaper than old ones!)
  - 500 € — change of Paying Agent

outgoing notifications

- push
  - paying agent — notice to participants
    - takes initiative
    - delivers note to be sent to NBB-SSS
    - timing: 2 hours in advance
    - same day sending only possible if receipt before 15hrs
  - e.g. pool factors — notice to participants
- pull (only if participant has opted for receiving this message)
  - e.g. MT564/MT566 — SWIFT

Mandatory documents www.nbbsss.be

- prospectus (draft)
  - at least one week before start of inscription period
  - IP summary delivered by paying agent
  - sent to SSS@nbb.be
  - STEP?
- issuer information form
  - creation of the issuer in NBB-SSS
  - at least two Target open days before start of inscription period
  - signatures of the issuer
  - Issuer Information
  - LEI
  - Issuer is located in EEA-country, CH or US?
    - Yes — no legal opinion needed.
    - No — legal opinion can be requested
- contract
  - prospectus final version — IP summary final version
  - creation of the issuance program
  - ORIGINAL FORM: signed by issuer - paying agent - NBB-SSS
    - current version is preferred (downloaded from NBB-SSS site)
    - annex 19 Service contract for the issuance of fixed income securities
    - paraph on each page
    - sent to NBB - Service BE - Boulevard De Berlaimont 14 - 1000 Brussels
  - max 1 issuer
  - max 1 paying agent
    - must be member of NBB-SSS — creation of the asset on its account
    - must have a DCA
      - corporate actions
      - fed by T2-account
  - at least two Target open days before start of inscription period
- asset/coupon information form
  - creation of ISIN
    - SWIFT messages for trades in this ISIN can be accepted (as long as ISIN is not created: rejected)
    - important in case inscription period is significantly earlier than issuance date
  - current version is required (downloaded from NBB-SSS site)
  - fillable pdf — Securities Information Form
  - if specific issuance procedure: mention it in comment
  - at least two Target open days before start of inscription period
- send in ISSU instruction
  - NBB-SSS match-instruction if 1 up to 4 ok — creation of nominal
  - NBB-SSS does follow up of primary sales
  - creation on own or client account (X-only)
  - at the latest at 2 PM on issuance date — if later
    - mail to NBB-SSS about sending in after deadline
    - no timely matching by NBB-SSS is guaranteed

conditions to be full XN

- check on yield increase 0.75%: when applied?
  - full XN-LT-assets
    - additional issuance
    - merge of 2 isins
    - execution of a put by investor, described in prospectus
  - NOT checked:
    - early redemption by issuer
    - only X
    - short term
- accrued interest must be calculable daily
  - issuance price + redemption price + coupon — coupon is
    - fixed between coupondates
    - known at least 1 Target open day before start couponperiod
  - zero coupon: average rate
- interest formula available in NBB-SSS — Interestformules.doc
- alternative: X-only

corporate actions

- coupon/redemption
  - foreign ccy
    - payment done by NBB-SSS (possible from 01/01/2020)
      - paying agent has declared cash account
        - foreign currency account to be debited
        - transfer account
      - NBB-SSS instructs CA's towards
        - Paying Agent account (D) to transfer account (C)
        - transfer account (D) to investor accounts (C)
      - immediately after EoD of record date
    - payment done by paying agent
      - NBB-SSS informs paying agent of oustanding portfolios
      - inter participant positions are frozen (INTRA not!)
      - at EOD of the open day before the record date
      - paying agent informs NBB-SSS about interest amount before 3PM the open day before the corporate action date
        - SWIFT
        - mails
        - attestation issuer
      - coupons: positions on N-accounts: WT calculated and charged
  - record date is open day before corporate action date
  - EUR/DKK
    - all payments organised by NBB-SSS
      - NBB-SSS debets paying agent
      - NBB-SSS credits investors (AFTER)
    - portfolio is situation at EOD record date (open day before coupon/redemption date)
    - payment date
      - if coupon date is on a Target2/KRONOS2 closed day: payment on next Target2/KRONOS2 open day (coupon amount is not modified)
        - no special treatment on a change of month possible (e.g. take previous Target open day in that case)
        - only possible change: change the coupondate to a Target open date
- Early redemption
  - mentioned in prospectus?
    - Yes: no extra charge
    - No: € 250 per isin
  - full or partial?
    - full
      - 'CALL' => maturity date advanced => redemption done by NBB-SSS to participants having the asset in portfolio
      - transactions with ISD after call date deleted
    - partial
      - paying agent collects nominal to be redeemed in own account and instructs NBB-SSS to delete it
      - OR
      - paying agent instructs NBB-SSS with amount to redeem per denomination, delivers pool factor and NBB-SSS applies the pool factor (nominal remains)
- Additional issue
  - if poolfactor present: only possible when poolfactor is still 1 — in same ISIN code