

Press Release

ASIFMA ENDORSES PRIVATE BANK REBATE DISCLOSURE

July 3, 2014, Hong Kong – Today ASIFMA released the following statement regarding private bank rebate disclosure:

We have reviewed disclosure in Asian Rule 144A/Regulation S and Regulation S-only debt capital markets offerings in which the offering circular specifies that a rebate or commission may be paid to private banks as intermediaries in the distribution of the offered securities. This disclosure typically appears in the “Subscription and Sale” or “Plan of Distribution” section.

In this context, ASIFMA is pleased to endorse a suggested model form of disclosure for these situations and wish to publish guidance to members on this point. Specifically, ASIFMA is of the view that the following form of disclosure should be appropriate for most such offerings:

In addition, we have agreed with the Initial Purchasers that we will pay a commission to certain private banks in connection with the distribution of the Notes to their clients. This commission will be based on the principal amount of the Notes so distributed, and may be deducted from the purchase price for the Notes payable by such private banks upon settlement.

Please note that the appropriate disclosure for any particular offering will depend on the prevailing facts and circumstances and accordingly, the statement may need modifications to address them.

Where the responsibility for the cost of the rebate or commission has not been finally determined at the time the disclosure is made, or where the Initial Purchasers will bear the cost of the rebate or commission, it may be advisable to use an alternative formulation (i.e., “we have agreed with the Initial Purchasers that certain private banks will be paid a commission ...”). In either case, this disclosure assumes that the purchase agreement or subscription agreement for the offering will include express contractual language providing for a rebate that is within the customary range for broker compensation in these circumstances.

Furthermore, the aggregate amount of the rebate or commission (or an estimate of the same) should be reflected in the net proceeds figure disclosed in the final offering circular.

For media queries, please contact:

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About ASIFMA

[ASIFMA](#) is an independent, regional trade association with over 60 member firms comprising a diverse range of leading financial institutions from both the buy and sell side, including banks, asset managers, law firms and market infrastructure service providers. Together, we harness the shared interests of the financial industry to promote the development of liquid, deep and broad capital markets in Asia. ASIFMA advocates stable, innovative and competitive Asian capital markets that are necessary to support the region's economic growth. We drive consensus, advocate solutions and effect change around key issues through the collective strength and clarity of one industry voice. Our many initiatives include consultations with regulators and exchanges, development of uniform industry standards, advocacy for enhanced markets through policy papers, and lowering the cost of doing business in the region. Through the [GFMA](#) alliance with [SIFMA](#) in the United States and [AFME](#) in Europe, ASIFMA also provides insights on global best practices and standards to benefit the region.

More information about ASIFMA can be found at: www.asifma.org.