

# Chapter 26

## DEBT SECURITIES

### METHODS OF LISTING

26.01 This Chapter does not apply to debt issues to professional investors only. All other debt securities may be brought to listing by any one of the methods described below.

#### Offer for subscription

26.02 An offer for subscription is an offer to the public by or on behalf of an issuer of its own debt securities for subscription.

26.03 The subscription of the debt securities need not be underwritten, provided that full disclosure to that effect is made and the minimum nominal amount of debt securities referred to in rule 27.08 is actually issued.

26.04 In the case of offers by tender, the Exchange must be satisfied as to the fairness of the basis of allotment so that every investor who applies at the same price for the same number of debt securities receives equal treatment.

26.05 An offer for subscription must be supported by a listing document which must comply with the relevant requirements of Chapter 29.

#### Offer for sale

26.06 An offer for sale is an offer to the public by an intermediary of debt securities already in issue or agreed to be subscribed.

26.07 In the case of offers by tender, the Exchange must be satisfied as to the fairness of the basis of allotment so that every investor who applies at the same price for the same number of debt securities receives equal treatment.

26.08 An offer for sale must be supported by a listing document which must comply with the relevant requirements of Chapter 29.

#### Placing

26.09 A placing is the obtaining of subscriptions for debt securities by an issuer or intermediary from persons selected or approved by the issuer or intermediary.

26.10 The Exchange must be satisfied that the placing arrangements will ensure an open market in the debt securities after listing has been granted. This will usually mean that at least two issuing houses which normally make markets (by quoting both offer and bid prices) in the relevant type of debt security must be involved in the placing. These need not be members of the management or selling group, but must be independent of each other and at least one must be independent of the issuer.

26.11 A placing must be supported by a listing document which must comply with the relevant requirements of Chapter 29.

### **Exchange, etc.**

- 26.12 Debt securities may be brought to listing by an exchange or a substitution of debt securities for or a conversion of debt securities into other classes of securities.
- 26.13 An exchange, substitution or conversion of debt securities must be effected in accordance with the terms and conditions of the debt securities to be exchanged, substituted or converted or otherwise with the consent of all the holders of such securities.
- 26.14 An exchange or a substitution of debt securities must be supported by a listing document in the form of a circular to holders of the debt securities concerned which must comply with the relevant requirements of Chapter 29.

### **Other methods**

- 26.15 Debt securities may also be brought to listing by:—
- (1) the exercise of options, warrants or similar rights to subscribe or purchase debt securities (see Chapter 33); or
  - (2) such other methods as the Exchange may from time to time approve.