

PRESS RELEASE

European Leveraged Finance Association provides Best Practice Guide to Syndication Process to help borrowers

7 December 2022: The European Leveraged Finance Association (ELFA) Engagement Committee has today released a Guide to best practice on bank-led syndication processes from the perspective of ELFA members. The aim of the Best Practice Guide is to provide support to borrowers in the leveraged finance asset class at a challenging time, namely: volatile market conditions, condensed timelines and a deteriorating macroeconomic outlook.

The Guide makes several recommendations on ‘crossing the wall’ including the following:

1. Wall crosses should be designed to minimise the time that investors are restricted on a name ahead of formal announcements, deal launches and/or meetings with Management.
2. Banks should ensure that Management are available to engage with prospective investors and share a full company and transaction summary promptly when with investors agree the once the wall cross has been agreed upon.
3. The Lender Presentation should be made available at least 24 hours before investors meet the management prior to the first management meeting.
4. A Syndication Term Sheet covering all defined referenced points in the guide should be provided during premarketing.
5. Meetings should be moderated by an experienced banker and of a reasonable group size.
6. Clear disclosure around material events should be provided during trading restriction, including reporting, ratings action, M&A etc.
7. Indicative ratings should be shared (both corporate and ESG, as applicable).
8. KYC packs (sponsor + borrower) should be shared as soon as available.
9. A minimum of 5 days should be provided to review the long-form SFA, and a redline of the updated Syndication Term Sheet should be provided.

The Guide also makes twenty recommendations on what Term Sheets should detail beyond the usual economic terms, which can be read [here](#).

Sabrina Fox, Chief Executive Officer, European Leveraged Finance Association, commented: “These guidelines provide complete clarity on bank-led syndication processes and outline the precise requirements of investors from borrowers seeking leveraged finance. This Best Practice Guide is designed to improve efficiency and understanding between borrower and investor for the good of both parties, as well as the resilience of the leveraged finance market and all its participants.”

End

About ELFA

ELFA is a trade association comprised of European leveraged finance investors from over 60 institutional fixed income managers, including investment advisers, insurance companies, and pension funds. ELFA seeks to support the growth and resilience of the leveraged finance market while acting as the voice of its investor community by promoting transparency and facilitating engagement among European leveraged finance market participants. For more information, please visit ELFA’s website: www.elfainvestors.com.

European Leveraged Finance Association

35 Ballards Lane, London N3 1XW

T +44 (0)7921 384457

E support@elfainvestors.com