

Directors:

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BY EMAIL

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PRIVATE & CONFIDENTIAL

Consultation Paper 142
Primary Markets and Wholesale Conduct Supervision Division
Central Bank of Ireland
New Wapping Street
North Wall Quay
Dublin 1
D01 F7X3

Re: Consultation Paper 142: Consultation on Prospectus Fees and Service Standards (the CP)

Dear Sirs,

We refer to Consultation Paper 142, Consultation on Prospectus Fees and Service Standards, and we thank the Central Bank of Ireland (**CBI**) for the opportunity to respond to the two key questions posed in the CP.

To provide some context to our response, Walkers is a leading international law firm with approximately 1,000 employees worldwide across 10 offices. Our Irish office was established in October 2010 and has offered Irish listing services since inception. Our listing agent service is a key component of our overall services offering and is managed by highly experienced, professional listing agents with over 39 years of combined experience. We have demonstrated a strong commitment to this business unit, have travelled extensively to grow this business, and are of the view that we have contributed to the overall recognition that Ireland is the premier international venue for prospectus approval and listing of debt securities.

Euronext Dublin has offered international issuers the opportunity to list debt securities on the regulated market since 1994, with a specific debt listing unit established in 2000 and, during the past 20 years, has established itself as the world's premier jurisdiction for such debt securities listing. The expertise, experience and professional manner in which the Irish eco-system operates where the listing sponsors, legal advisors, the CBI and Euronext Dublin work seamlessly and efficiently together, has contributed greatly in establishing this reputation for Ireland and directly contributes to the 3,600+ highly specialised Irish jobs across the Irish securitisation / debt capital markets industry and the estimated EUR 476 million annualised economic contribution of Irish SPVs that are active in the market.

We wish to emphasise that Ireland is recognised, and recommended, as a listing venue by all of the top international capital markets law firms including Allen & Overy, Clifford Chance and Linklaters (to name but a few) and by arranger banks such as J.P. Morgan, Barclays, Bank of America Merrill Lynch, Goldman Sachs and Morgan Stanley. Please also consider that debt securities originated from more than 100 jurisdictions and from excess 4,200 issuers have chosen Ireland as their preferred listing venue.

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The breadth of debt security products that seek approval in Ireland is not comparable to other jurisdictions as we have established expertise and framework in Ireland to cater for and approve all types of debt securities including securitisations of various asset classes, MTN programmes, sovereign eurobonds, Islamic finance transactions, project bonds etc. This reputation is well-recognised and respected by the global industry and businesses worldwide. It has been achieved through our ability to deliver reliability, consistency and certainty of execution to clients and investors while at all times ensuring robust compliance with disclosure requirements and investor protections. Recognising that we operate in a highly competitive industry, it is imperative that Ireland continues to offer the service levels and value for money that clients and advisors have come to rely-upon and indeed demand.

Considering the background information provided above, we wish to respond as follows to the CP:

Question on Funding the Cost of the Central Bank's Prospectus Approval Activities

1. Do you agree with the Central Bank's proposals for funding the cost of its prospectus approval activities? If not, what alternative fee structure would you propose recognising that the Central Bank must implement its strategy of moving toward fully recovering the costs associated with its financial regulation activities?

We recognise the intention that the CBI's prospectus approval activities should move towards full industry funding. However, the fee proposal set out in the CP effectively introduces an immediate 100% increase to the current fee structure. Clients are highly cost-conscious and will often choose one listing agent over another to save several hundred Euro. A doubling of prospectus approval fees will certainly drive issuers to review competing regulated markets or indeed to consider listing on non-regulated markets. Listing debt securities on an EU regulated market continues to be a key requirement for a wide variety of international institutional investors and issuers and it is important that we continue to attract such blue-chip issuers to Ireland. We would therefore recommend that any revision to fees be introduced over a five-year timeframe and on a phased and gradual basis. It is important that these fees continue to be benchmarked to other listing venues for equivalent products so that Ireland remains competitive.

We note the proposal to introduce a Filing Fee for Final Terms and would strongly recommend that this proposal be discarded. We are unaware of any competing jurisdiction that charges a filing fee for final terms and the introduction of such a fee will certainly set Ireland at a disadvantage causing high-frequency programme issuers to consider moving their programmes elsewhere. We respectfully submit that this approach would be very damaging to Ireland's attractiveness and competitiveness as a listing venue and would certainly result in loss of revenue (and CBI fees) for the industry.

Question on Prospectus Approval Service Standards

2. Do you agree with the Central Bank's proposals regarding the revision of the current prospectus approval service standards? If not, what alternative measures would you propose, including having regard to the Central Bank's reasons for revising the current service standards?



Walkers is recognised as a Prospectus Advisor by the CBI and has been operating under the Prospectus Advisor Agreement since its introduction in 2011. We are of the view that we have established a strong working relationship with the members of the CBI prospectus review team and have at all times endeavoured to submit a well-presented prospectus for review, with the intention of facilitating a smooth prospectus scrutiny process.

We respectfully do not agree with the CBI's proposals to extend the turnaround times to six working days for an initial submission and four working days for each subsequent submission. Ireland has offered issuers three working days for an initial submission and two working days per subsequent submission (3+2) since 2000. This 3+2 review schedule has directly contributed to the growth of the Irish listing products over the last twenty years and has been the envy of competing jurisdictions. In fact, we are aware that a number of jurisdictions have moved towards the 3+2 offering in recent years. The proposed doubling of turnaround times will, without doubt, encourage issuers to list in other jurisdictions – leading to a decline in Irish listings and ultimately a fall-off in revenue for the industry and fees payable to the CBI.

As mentioned in the CP, it is important that the CBI enables issuers to access EU capital markets in an efficient manner and the shorter prospectus approval service standards contribute to facilitate this. Leading international arranger banks and legal firms have relied heavily on the reliability, consistency and certainty that has been offered by the prospectus approval and listing regime in Ireland to date. We have been in a position to ensure that transactions could be brought to market swiftly. The introduction of a 6+4 regime will not be workable for a capital markets transaction that needs to react quickly to favourable market conditions. By way of example, in our experience it is common for an issuer to see a window in the market and only have 4-6 weeks to get to market. Given that it can take at least two weeks to prepare the prospectus, this can leave a very tight timeframe for an issuer to undertake a prospectus scrutiny process and launch its transaction. The 3+2 review schedule has always been extremely helpful to issuers who are working towards such small windows in the market and any extension of this review timeframe is likely to result in a significant number of issuers being unable to get to market and, in turn, would significantly reduce their opportunities of raising funding in the capital markets.

We acknowledge that in order to protect investors effectively the CBI needs to take into account different categories of investors and their level of expertise. However, we would strongly encourage the retention and confirmation of the 3+2 regime for wholesale market securities and deal types that require a longer timeframe (e.g. retail transactions) can be the exception on a case-by-case basis (as has been the accepted market practice to date).

In summary, we strongly recommend that no change be made to the 3+2 review schedule which has been an essential contributor in attracting issuers to list in Ireland, especially given the opportunities it provides to issuers to get to market in a relatively tight timeframe. While we note that the CBI desires to move towards a 100% self-funding model, we respectfully request that any increase in fees be managed on a gradual and benchmarked basis in order to maintain Ireland's competitive advantage.

We are available to meet with the CBI and welcome the opportunity to further discuss our responses.



Yours sincerely

A handwritten signature in black ink that reads "Therese Redmond". The signature is fluid and cursive.

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