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SECOND PROGRESS REPORT ON INCLUSION OF ENHANCED CONTRACTUAL PROVISIONS IN INTERNATIONAL SOVEREIGN BOND CONTRACTS

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SECOND PROGRESS REPORT ON INCLUSION OF ENHANCED CONTRACTUAL PROVISIONS IN INTERNATIONAL SOVEREIGN BOND CONTRACTS

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INTRODUCTION

1. The IMF Executive Board endorsed in October 2014 the inclusion of key features of enhanced *pari passu* provisions and collective action clauses (CACs) in new international sovereign bonds.[1] Specifically, the Executive Board endorsed the use of (i) a modified *pari passu* provision that explicitly excludes the obligation to effect ratable payments, and (ii) an enhanced CAC with a menu of voting procedures, including a "single-limb" aggregated voting procedure that enables bonds to be restructured on the basis of a single vote across all affected instruments, a two-limb aggregated voting procedure, and a series-by-series voting procedure.[2] Directors supported an active role for the IMF in promoting the inclusion of these clauses in international sovereign bonds.[3] The IMFC and the G20 further called on the IMF to promote the use of such clauses and report on their inclusion.

2. In September 2015, the IMF published a progress report on the inclusion of the enhanced clauses in international sovereign bonds as of end-July 2015.[4] The report found that since the Executive Board's endorsement, substantial progress had been made in incorporating the enhanced clauses: 41 issuances, representing 60 percent of the nominal principal amount of total issuances, had included the enhanced clauses as of July 31, 2015. The 2015 paper also provided initial observations on the patterns of incorporation, the market impact of inclusion of the enhanced clauses, and an update on the outstanding stock of international sovereign bonds.

3. This paper provides a further update on the inclusion of the enhanced clauses and on the outstanding stock of international sovereign bonds as of October 31, 2016. Section II reports on the inclusion of these enhanced provisions, finding that uptake of the clauses has continued, with only a small minority of new issuances not including them. Section III provides an update on the outstanding stock, which reveals that while an increasing percentage of the

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[1] See http://www.imf.org/external/np/pp/eng/2014/090214.pdf (the "2014 paper") and http://www.imf.org/external/np/sec/pr/2014/pr14459.htm.

[2] For descriptions of "series by series" and "two-limb" aggregated voting procedures, see paragraphs 24 and 28 of the 2014 paper, respectively. Note that with respect to a "single-limb" aggregated voting procedure, to safeguard the interests of creditors, the enhanced CAC requires all affected bondholders to be offered the same instrument or an identical menu of instruments (the "uniformly applicable" condition, see paragraphs 33-34 of the 2014 paper) and include a voting threshold of 75 percent of the aggregated outstanding principal of all affected bond series. The enhanced CAC also provides the issuer the flexibility to use the single-limb voting procedure to conduct separate votes for different groups of bond issuances ("subaggregation", see paragraph 37 of the 2014 paper). It also includes a disenfranchisement provision, which, in line with the G-10 approach, excludes for voting purposes all bonds owned or controlled directly or indirectly by the issuer and its public sector instrumentalies (see paragraph 46 of the 2014 paper) and an information covenant consistent with Fund policy (see paragraph 44 of the 2014 paper).

[3] International sovereign bonds are defined as bonds issued or guaranteed by a government or central bank under a law other than the law of the issuer (or where a foreign court has jurisdiction over claims arising under the bond), in freely traded form with fixed maturities, normally in excess of one year. Consistent with the approach taken in past papers, staff has not focused on the incorporation of the enhanced clauses in international sovereign guaranteed bonds.

[4] See http://www.imf.org/external/np/pp/eng/2015/091715.pdf (the "2015 paper")

outstanding stock includes enhanced clauses, a significant percentage of the stock still does not. Section IV reports on the use of different bond structures, and Section V describes the staff's ongoing outreach efforts. Section VI briefly reports on other recent developments relevant to the contractual approach to sovereign debt restructuring and Section VII concludes with next steps.

ENHANCED CONTRACTUAL PROVISIONS

A. Collective Action Clauses

Uptake of Enhanced Clauses

4. Substantial progress continues to be made in incorporating the enhanced CACs in international sovereign bond issuances (see Annex). Based on information available as of October 31, 2016, there have been approximately 228 international sovereign bond issuances since October 1, 2014, for a total nominal principal amount of approximately US$ 262 billion.[1] Of these, approximately 154 issuances, representing 74 percent of the nominal principal amount of total issuances, have included the enhanced CACs, as compared with only 60 percent as of end-July last year. The 49 issuers that have included the enhanced CACs are:

- *Under New York Law*: Argentina, Bermuda, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Grenada, Guatemala, Indonesia, Israel, Jamaica, Mexico, Panama, Paraguay, Peru, Qatar, South Africa, Suriname, Trinidad and Tobago, Turkey, Uruguay, and Vietnam;
- *Under English Law:* Albania, Angola, Armenia, Bahrain, Bulgaria, Cameroon, China, Croatia, Egypt, Ethiopia, Fiji, Gabon, Ghana, Jordan, Kazakhstan, Montenegro, Mozambique, Namibia, Oman, Pakistan, Romania, Tunisia, Ukraine, Saudi Arabia and Zambia.[2]

5. If only "new issuances" are considered, 85 percent (in nominal principal amount) of international sovereign bonds include the enhanced clauses, the same as of end-July last year. For purposes of this paper, "new issuances" are those bonds either issued on a stand-alone basis or under a new "shelf" registration statement or a new medium term note program established on or

[1] The figures presented in this paper are based on information available to staff through the Perfect Information database. The sample includes international sovereign bonds issued between October 1, 2014 and October 31, 2016, except: euro area sovereign issuances (as they are required by law to include euro area-specific CACs), China's domestic issuances under Hong Kong law, and GDP warrants. There may also be international sovereign bond issuances (e.g., private placements) that have not been captured by the database relied upon by staff.

[2] International sovereign bonds issued by euro area countries during the period October 1, 2014 to October 31, 2016 did not include enhanced CACs (the issuers were: Latvia, Lithuania, Cyprus, Finland, Luxembourg and Spain); as noted above, these issuers are required to include euro area-specific CACs. The euro area-specific CACs provide issuers the option of using either a series-by-series or a two-limb aggregated voting procedure, the latter of which requires that a minimum threshold of support be achieved both in each series and across all series being restructured. They do not include an option for single-limb aggregation.

after October 1, 2014. These account for approximately 86 percent of all issuances (as a share of total nominal principal amount).[1] "Reopenings" of previous issuances or "take-downs" under programs established prior to October 1, 2014, generally do not include the enhanced clauses, as issuers typically do not amend bond terms to include these clauses so as to preserve the speed of issuance and fungibility of the new bonds with their existing bond series.[2]

6. **The uptake of enhanced CACs remains slightly greater for new issuances under New York law than for those under English law.**[3] Of the new issuances, approximately 89 percent of the New York law governed bonds included the enhanced CACs, while approximately 80 percent of the English law governed bonds included them (as a share of total nominal principal amount).[4]

7. **Reasons for the lower rate of incorporation of the enhanced CACs in bonds governed by English law are multiple.** First, non-Euro area European issuers who issue under English law—such as Poland and Macedonia—include the euro area specific CACs in their issuances.[5] Second**,** Sukuk issuers, who also issue under English law, have varied in their incorporation of the enhanced CACs: while Pakistan and Bahrain included the enhanced CACs in their October 2016 sukuk issuances, Malaysia, Hong Kong, Indonesia and Turkey, have not.[6] According to discussions with certain sukuk issuers, this likely reflects differing views as to whether a single-limb aggregated voting procedure is in compliance with Shariah law. Under New York law, incorporation has been high largely because Latin American issuers, who tend to move together as a group and have incorporated the enhanced CACs, account for approximately 61 per cent of New York law new issuances. Only a few issuers under New York law have not included the enhanced clauses (Mongolia, Lebanon, Philippines, Sri Lanka). Staff has reached out to the debt management offices of several of these countries to encourage incorporation in the future.

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[1] The issuers in this category that did not include the enhanced CACs are: under English law, Cote d'Ivoire, Hungary, Poland, Macedonia and Kenya; under New York law, Lebanon, Mongolia, Philippines and Sri Lanka; and Poland and Korea under Chinese law.

[2]A notable exception to this general trend is Uruguay's November 2015 issuance, a takedown from a shelf registration statement filed before October 2014, which did include the enhanced clauses.

[3] As of October 31, 2016, of the total outstanding stock of international sovereign bonds, approximately 45 per cent are governed by English law and approximately 53 percent by New York law (as a share of nominal principal amount).

[4] Formulation of the clauses under English law and New York law governed bonds generally track the language of their respective model clauses published by the International Capital Market Association (ICMA): http://www.icmagroup.org/assets/documents/Resources/ICMA-Standard-CACs-Pari-Passu-and-Creditor-Engagement-Provisions---May-2015.pdf.

[5] During the Executive Board discussion of the 2014 paper, Directors noted that bonds issued by euro area sovereigns are required to include a CAC that allows for either a series-by-series or a two-limb aggregated voting procedure. Taking into account the fact that bond issuances by euro area sovereigns are, in most cases, governed by domestic law, and that this type of CAC has been positively received by market participants over recent years, Directors considered that this approach is appropriate for such bonds.

[6] As to the latter group, Hong Kong, Indonesia, and Turkey issuances included series-by-series CACs, while Malaysia included a two-limb aggregated CAC.

B. Pari Passu Provision

8. The modified *pari passu* clause is largely being incorporated as a package with the enhanced CACs, with some exceptions. All issuances that have included the enhanced CACs also included modified *pari passu* clauses, with the exception of those issued by Bahrain, Pakistan and Russia under English law. According to English-law attorneys that advise sovereign issuers, the non-inclusion of these clauses issued under English law may reflect the view that English courts are unlikely to follow the New York courts and interpret the *pari passu* clause as requiring that the issuer make ratable payments to creditors.[1] Several issuers—Cote d'Ivoire (English law), Mongolia, and Lebanon (both New York law)—which did not include the enhanced CACs—have included modified *pari passu* clauses in their recent issuances. Euro area sovereigns have generally not included modified *pari passu* clauses.[2] While there have been variations in the formulation of the modified clauses, they all specifically disavow the obligation to make ratable payments.[3]

C. Market Impact

9. While limited empirical analysis of the enhanced CACs has been done, analysis of traditional, series-by-series CACs has not indicated any consistent causal relationship between inclusion of CACs and market prices. For example, Bardozzetti and Dottori (2013) find that CACs have little impact on the cost of borrowing for sovereign issuers with high and low credit ratings, but generally reduce the cost for mid-rated issuers, as these countries can benefit the most from an orderly restructuring.[4] They argue that, since there is a very low probability of high-rated countries defaulting, there would be no impact from CACs inclusion. Further, since moral hazard concerns are prevalent for low-rated countries, the cost-reducing impact of CACs is at least partially offset by the higher risk premium. Bradley and Gulati (2013) found that the inclusion of CACs in a sovereign bond contract is associated with a lower cost of capital, especially for financially-weak issuers, due to an expectation of speedier restructurings.[5] Further, Ratha, De and Kurlat (2016) conclude that the sign

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[1] The Financial Markets Law Committee (FMLC), an independent body of legal experts established by the Bank of England to examine issues of legal uncertainty in financial markets, has taken the view that the interpretation of the *pari passu* clause by the New York courts is unlikely to be followed by the English courts (see paragraph 18 of the 2014 paper).

[2] Lithuania has included modified *pari passu* provisions in its new international sovereign bond issuances, while Luxembourg has not. Cyprus, Finland, Latvia and Spain did not include them in their issuances that were take-downs from pre-October 2014 note programs. Greece included a modified *pari passu* provision in its pre-October 2014 issuance.

[3] ICMA published in May 2015 two different versions of the model *pari passu* clause—one for English law and another for New York law bonds: http://www.icmagroup.org/assets/documents/Resources/ICMA-Standard-CACs-Pari-Passu-and-Creditor-Engagement-Provisions---May-2015.pdf.

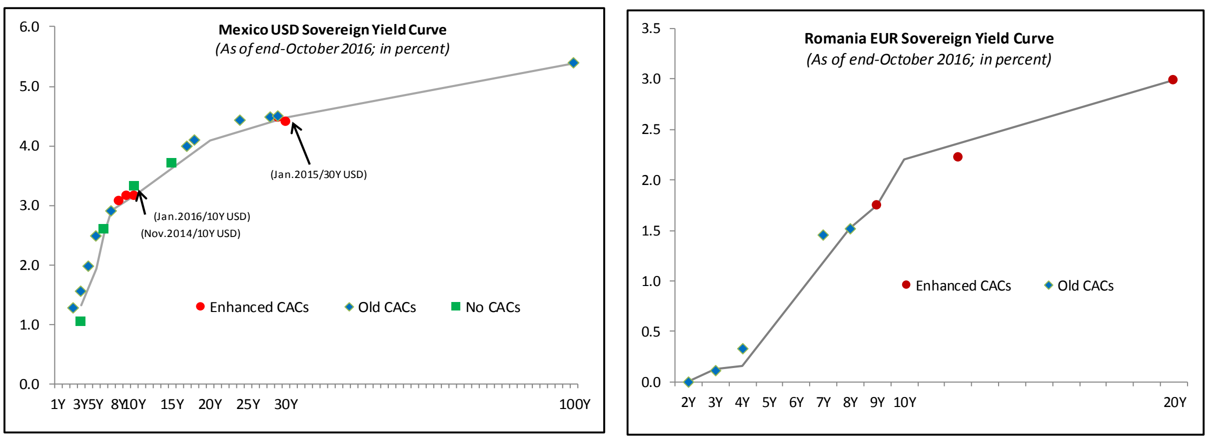
[4] Bardozzetti and Dottori, (2013) *Collective Action Clauses: How Do They Weigh on Sovereigns?,* Banca d'Italia Working Paper Number 897.

[5] This study analyzed primary market data on euro area sovereign bond issuances during 1990-2010, Bradley, Michael and Gulati, G. Mitu, (2013) *Collective Action Clauses for the Eurozone: An Empirical Analysis*, Review of Finance, 2013, pp. 1-58.

of the relationship between CACs and yields is ambiguous, as CACs may facilitate orderly resolution of crises, making bonds more attractive and their yields lower, but CACs may also drive yields up because the prospect of orderly restructuring exacerbates moral hazard.[1]

10. Consistent with these findings, there has been no observable impact on pricing of bonds that have included the enhanced CACs. While there has been no published study on their market impact, consultation with selected public debt managers and market participants (including through two surveys conducted by staff in March and June 2015 of public debt managers) indicate that members that have included the enhanced clauses did not note any discernible effect on the pricing of newly issued bonds. Selected country examples support these views, but further analysis is warranted (Figure 1).

Figure 1. Mexico and Romania: Secondary market pricing impact of enhanced CACs



(source: Bloomberg LP)

OUTSTANDING STOCK

11. The outstanding stock of debt without the enhanced clauses remains significant, at about US$ 846 billion at end-October 2016. As of October 31, 2016, the total outstanding stock of international sovereign bonds is estimated at approximately US$ 1.032 trillion, only approximately

[1] Ratha, Dilip, Supriyo De, and Sergio Kurlat, (2016) *Does Governing Law Affect Bond Spreads?,* World Bank Policy Research Working Paper, WPS7863.

18 percent of which includes enhanced CACs.[1] Approximately 77 percent of the total outstanding stock has two-limb aggregated or series-by-series CACs.

12. The outstanding stock of debt without the enhanced clauses is declining slowly, and due to scheduled redemptions. The outstanding stock without enhanced CACs was approximately US$ 860 as of end-July 2015; thus, the stock fell by just 1.7 percent in the last 16 months. The maturity profile of the outstanding stock without the enhanced clauses indicates that approximately 70 percent of this stock will mature within the next ten years, while the remaining 30 percent will take 10 years or more to mature. For those bonds governed by New York law, where, as noted in the 2014 paper, the risks are more acute given the New York court decisions on Argentina, approximately 40 percent will take ten years or more to mature. The extent to which the outstanding stock of debt will undermine the debt restructuring process will depend, in large part, on how courts interpret *pari passu* clauses in future litigation.[2]

13. No sovereign issuer is known to have engaged in liability management operations to accelerate the incorporation of the enhanced contractual provisions. As noted in previous papers, one approach to dealing with the large outstanding stock of international sovereign bonds that do not contain the enhanced contractual provisions would be to encourage issuers to accelerate the turn-over through liability management operations, including bond buybacks and bond swaps. Thus far, issuers and investors have expressed little appetite for such exercises, and consultations indicate that many remain reluctant to conduct these operations solely to incorporate the enhanced clauses, unless it would also be in their best financial interests to do so, particularly in terms of their cost of funding. This reluctance seems to be largely attributable to the transaction costs associated with liability management operations. In the 2015 paper, staff noted that Mexico had stated that it would be evaluating a liability management exercise in the future. However, it has not yet moved forward with such an exercise.

BOND GOVERNANCE STRUCTURES

14. The 2015 paper reported on the increasing use of trust structures, primarily in New York law-governed bonds.[3] It noted that large emerging market issuers, such as Mexico and Chile, had switched to trust structures from fiscal agency agreements, in light of the additional protection that trust structures may offer against holdout creditors.[4] These protections include limitations on

[1] The figures for the current outstanding stock are based on information obtained through the Perfect Information database.

[2] See the 2014 paper (Section II).

[3] Approximately 45 percent of international sovereign bond issuances between October 1, 2014 and July 31, 2015 used trust structures, and approximately 83 percent of these were under New York law.

[4] International sovereign bonds are typically issued under either fiscal agency agreements (FAAs) or trust structures. Under an FAA, the fiscal agent serves as an agent of the issuer, and its main responsibility is the making of principal and interest payments to the bondholders. Under trust structures ("trust indenture" under New York law or "trust deed" under English law), a bond trustee acts on behalf of, and has a number of responsibilities to, bondholders as a group.

individual creditor enforcement actions and the pro rata distribution of the proceeds of litigation among all bondholders, which disincentivize minority holders to take enforcement actions to disrupt an orderly restructuring. Staff noted that while it is recognized that trust structures can help alleviate collective action problems in sovereign debt restructurings, they have limitations. In particular, if a restructuring agreement has already been reached but holdout creditors remain, holdout creditors will control the full amount of the unrestructured bonds and can instruct the trustee to initiate legal action against the debtor, letting them reap all the proceeds of the litigation themselves. In this regard, the inclusion of enhanced CACs can help reduce the likelihood of holdouts remaining after the qualified majority of bondholders have agreed to the restructuring.

15. In line with the 2015 paper, staff has continued to monitor the use of trust structures. Data show that the percentage of issuances using trust structures is the same as last year: approximately 45 percent (in nominal principal terms) of international sovereign bond issued between October 1, 2014 and October 31, 2016 have used trust structures, with the vast majority (over 80 percent) under New York law. Issuers under English law still appear to prefer FAAs, which, as reported last year, may reflect lack of awareness and that many lower income countries that issue under English law may be more sensitive to the higher costs associated with trust structures.

OUTREACH

16. Staff has continued to promote the inclusion of the enhanced clauses in international sovereign bonds using the three-pronged approach endorsed by the Board in 2014. Staff continues to: (i) collect information on the stock of existing international sovereign bonds, including the use of CACs and *pari passu* provisions, residual maturities, and authorities' intentions regarding future issuances; (ii) engage on related issues with the membership through various fora; and (iii) inform the Board, the G20 and the public periodically on the status of sovereign issuers' inclusion of the enhanced contractual provisions in international sovereign bonds.

17. As part of its engagement with the membership, staff has conducted outreach to key jurisdictions with a focus on those with lower uptake. The 2015 paper recognized that targeted outreach to debt managers in specific regions, notable Africa, Asia and non-euro area Europe, might be helpful in increasing uptake in areas where it has traditionally been lower. In November 2016, staff held a two-day workshop at the African Training Institute for debt managers from 15 countries in Africa and Asia to educate participants on the benefits of the enhanced clauses.[1] The workshop was moderated by three staff members and three practicing sovereign debt attorneys. Staff found that understanding of the benefits of the enhanced clauses was low, even in the jurisdictions where their bonds incorporated the enhanced clauses. The workshop was well received and debt managers in jurisdictions that had not included the clauses indicated their intention to do so in future offerings.

[1] Debt managers from the following countries attended the workshop: Cote d'Ivoire, Ethiopia, Ghana, India, Malaysia, Mauritius, Mongolia, Mozambique, Namibia, Pakistan, Seychelles, South Africa, Sri Lanka, Uganda, and Zambia.

OTHER DEVELOPMENTS

18. Earlier this year, Argentina settled its longstanding legal battle with holdout creditors stemming from its 2001 default. Holdout creditors were offered settlement terms that varied based on whether they received a *pari passu* injunction. Creditors with an injunction were offered 70 percent of the accrued amount of their claim (or the judgment amount if claims had been reduced to judgment), and those without an injunction were offered 150 percent of the principal amount of their claims. Claims that became time-barred pursuant to the statute of limitations (e.g., because holders did not litigate) were not included in the settlement offer. Argentina paid creditors in cash raised in a New York-law governed offering in April after the New York courts agreed to lift the *pari passu* injunction. The New York decisions lifting the injunction did not provide guidance on the "course of conduct" that may give rise to a sovereign's breach of the *pari passu* provision in future litigation, and thus did not clarify the scope of the Argentine precedent. The settlement, however, is widely seen by creditors as setting a precedent that encourages litigious and holdout behavior: firstly, because the creditors that held out from the restructuring made significant returns, and secondly, because holdouts that litigated were generally treated more favorably than those that did not.

19. The European Court of Human Rights found that Greece's enactment of a law that permitted all holders of its domestic law governed bonds to vote as a class to approve the restructuring did not amount to a violation of bondholders' property rights or to discrimination against bondholders. In *Mamatas and Others v. Greece,* bondholders brought suit alleging that Greece's passage of legislation that allowed a majority of the holders of Greek law-governed bonds to bind them (the minority) to the terms of the 2012 restructuring, violated their rights under Article 1, Protocol No. 1 and Article 14 of the European Convention on Human Rights, which protect against interference with property rights and discrimination, respectively. The Chamber decided for Greece, on the grounds that while the forced restructuring of their bonds interfered with the minority bondholders' property rights, this interference was justified as it was in the public interest and not unfairly burdensome to bondholders generally. The Chamber further found that the exchange procedure was not discriminatory against individual bondholders, particularly as requiring Greece to identify individual bondholders and differentiate between individual and legal entities (as the plaintiffs so argued) would have risked jeopardising the restructuring with disastrous consequences for the economy. The decision has been seen as a vindication of the strategy employed in the Greek restructuring.

NEXT STEPS

20. Going forward, staff will continue to promote the inclusion of the enhanced provisions through the three-pronged approach endorsed by the Board, and may do additional targeted outreach. Staff will continue to collect information on incorporation; issue periodic progress reports to the Board which will be published; and will engage with our membership. Engagement will take place, for example, at the IMF's upcoming public debt management forum in Mexico City, Mexico. Staff will also consider additional targeted outreach at the IMF's regional training centers.

21. Staff will also closely monitor and assess whether liability management represents a viable solution for accelerating the turnover of the outstanding stock of bonds without the enhanced clauses. In this regard, the staff will continue to engage with sovereign issuers and other market participants to evaluate the extent to which liability management operations can be a feasible approach to addressing the turnover of the outstanding stock. In particular, staff may convene discussions with issuers and market participants on possible strategies to push forward these operations.

ANNEX I. Incorporation of Enhanced Sovereign Bond Clauses

(October 1, 2014 – October 30, 2016) [1]

A. Issuances including the Enhanced Clauses (includes *both* enhanced PP *and* enhanced CAC)

October 1, 2014 – July 31, 2015				
Country	*Date*	*Size/Tenor*	*Governing Law*	*Structure*
Kazakhstan	Oct 2014	US$ 1.5 bn 10Y US$ 1.0 bn 30Y	English	FAA
Vietnam	Nov 2014	US$ 1.0 bn 10Y	New York	FAA
Mexico	Nov 2014	US$ 2.0 bn 10Y	New York	Trust Indenture
Chile	Dec 2014	US$ 1.1 bn 11Y EUR 0.8 bn 11Y (US$ 1.0 bn)	New York	Trust Indenture
Ethiopia	Dec 2014	US$ 1.0 bn 10Y	English	FAA
Mexico	Jan 2015	US$ 1.0 bn 10Y US$ 3.0 bn 31Y	New York	Trust Indenture
Indonesia	Jan 2015	US$ 2.0 bn 10Y US$ 2.0 bn 30Y	New York	Trust Indenture
Colombia	Jan 2015	US$ 1.5 bn 30Y	New York	Trust Indenture
Tunisia	Jan 2015	US$ 1.0 bn 10Y	English	FAA
Dominican Republic	Jan 2015	US$ 1.0 bn 10Y US$ 1.5 bn 30Y	New York	Trust Indenture
Mexico	Feb 2015	EUR 1.3 bn 9Y (US$ 1.4 bn) EUR 1.3 bn 30Y (US$ 1.4 bn)	New York	Trust Indenture
Panama	Mar 2015	US$ 1.3 bn 10Y	New York	FAA
Croatia	Mar 2015	EUR 1.5 bn 10Y (US$ 1.6 bn)	English	FAA
Armenia	Mar 2015	US$ 0.5 bn 10Y	English	FAA
Bulgaria	Mar 2015	EUR 1.3 bn 7Y (US$ 1.4bn) EUR 1.0 bn 12Y (US$ 1.1bn) EUR 0.9 bn 20Y (US$ 0.9bn)	English	FAA
Montenegro	Mar 2015	EUR 0.5 bn 5Y (US$ 0.5bn)	English	FAA
Ecuador	Mar 2015	US$ 0.8 bn 5Y	New York	Trust Indenture
Costa Rica	Mar 2015	US$ 1.0 bn 30Y	New York	Trust Indenture
Colombia	Mar 2015	US$ 1.0 bn 30Y	New York	Trust Indenture
Mexico	Apr 2015	EUR 1.5 bn 100Y (US$ 1.6bn)	New York	Trust Indenture
Turkey	Apr 2015	US$ 1.5 bn 11Y	New York	FAA
Chile	May 2015	EUR 1.0 bn 15Y (US$ 1.1 bn) EUR 0.4 bn 10Y (US$ 0.5bn)	New York	Trust Indenture

[1] The dataset is based on information available to staff and includes international sovereign bonds whose issuances were announced between October 1, 2014 and October 31, 2016, except: euro area sovereign issuances (as they are required under law to include euro area-specific CACs); China's domestic issuances under Hong Kong governing law; and GDP warrants. There may also be international sovereign bond issuances (e.g., private placements) that have not been captured by the database relied upon by staff and thus are not reflected in staff's findings.

Dominican Republic	May 2015	US$ 0.5 bn 30Y US$ 0.5 bn 10Y	New York	Trust Indenture
Ecuador	May 2015	US$ 0.8 bn 5Y	New York	Trust Indenture
Gabon	June 2015	US$ 0.5 bn 10Y	English	FAA
Egypt	June 2015	US$ 1.5 bn 10Y	English	FAA
Kazakhstan	June 2015	US$ 2.5 bn 10Y US$ 1.5 bn 30Y	English	FAA
Zambia	July 2015	US$ 1.3 bn 12Y	English	FAA
Jamaica	July 2015	US$ 1.4 bn 13Y US$ 0.7 bn 30Y	New York	Trust Indenture
Indonesia	July 2015	EUR 1.3 bn 10Y (US$ 1.4 bn)	New York	Trust Indenture

Post July 31, 2015				
Peru	Aug 2015	US$ 1.3 bn 12Y	New York	Trust Indenture
Fiji	Sept 2015	US$ 0.2 bn 5Y	English	FAA
Colombia	Sept 2015	US$ 1.5 bn 11Y	New York	Trust Indenture
Ghana	Oct 2015	US$ 1.0 bn 15Y	English	FAA
Uruguay 1/	Oct 2015	US$ 1.7 bn 12Y	New York	Trust Indenture
Romania	Oct 2015	EUR 0.8 bn (US $0.8 bn) 20Y EUR 1.3 bn (US $1.4 bn) 10Y	English	FAA
Namibia	October 2015	US$ 0.8 bn 10Y	English	FAA
Grenada	Nov 2015	US$ 0.2 bn 15Y	New York	Trust Indenture
Ukraine	Nov 2015	US$ 1.2 bn 4Y US$ 1.5 bn 5Y US$ 1.4 bn 6Y US$ 1.4 bn 7Y US$ 1.3 bn 8Y US$ 1.3 bn 9Y US$ 1.3 bn 10Y US$ 1.3 bn 11Y US$ 1.3 bn 12Y	English	Trust Indenture
Angola	Nov 2015	US$ 1.5 bn 10Y	English	FAA
Cameroon	Nov 2015	US$ 0.8 bn 10Y	English	FAA
Albania**	Nov 2015	EUR 0.5 bn (US$ 0.5 bn) 5Y	English	FAA
Bulgaria	Nov 2015	EUR 0.1 bn (US$ 0.5 bn) 20Y	English	FAA
Jordan	Nov 2015	US$ 0.5bn 10Y	English	FAA
Ukraine	Dec 2015	US$ 0.2 bn 4Y US$ 0.2 bn 5Y	English	Trust Indenture
Indonesia	Dec 2015	US$ 2.3 bn 10Y US$ 1.3 bn 30Y	New York	Trust Indenture
Peru	Dec 2015	EUR 1.1 bn (US$ 1.2 bn) 10Y	New York	Trust Indenture
Mexico	Jan 2016	US$ 2.3 bn 10Y	New York	Trust Indenture
Chile	Jan 2016	EUR 1.2 bn (US$ 1.3 bn) 10Y US$ 1.4 bn 10Y	New York	Trust Indenture
Dominican Republic	Feb 2016	US$ 1.0 bn 10Y	New York	Trust Indenture

Mexico	Feb 2016	EUR 1.5 bn (US$ 1.7 bn) 6Y EUR 1.0 bn (US$ 1.1 bn) 15Y	New York	Trust Indenture
Romania	Feb 2016	EUR 0.8 bn (US$ 0.8 bn) 9Y EUR 0.5 bn (US$ 0.6 bn) 9Y	English	FAA
Peru	Feb 2016	EUR 1.0 bn (US$ 1.1 bn) 14Y	New York	Trust Indenture
Ukraine	Feb 2016	US$ 0.3 bn 3Y US$ 0.03 bn 3Y	English	Trust Indenture
Israel	March 2016	US$ 1.0 bn 10Y	New York	FAA
Panama	March 2016	US$ 1.0 bn 12Y	New York	FAA
Brazil	March 2016	US$ 1.5 bn 10Y	New York	Trust Indenture
Montenegro	March 2016	EUR 0.3 bn (US$ 0.3 bn) 5Y	English	FAA
Turkey	March 2016	US$ 1.5 bn 10Y	New York	FAA
Colombia	March 2016	US$ 1.4 bn 10Y	New York	Trust Indenture
Bulgaria	March 2016	EUR 1.4 bn (US$ 1.5 bn) 7Y EUR 0.9 bn (US$ 1.1 bn) 10Y	English	FAA
Paraguay	March 2016	US$ 0.6 bn 10Y	New York	Trust Indenture
South Africa	April 2016	US$ 1.3 bn 10Y	New York	FAA
Mozambique	April 2016	US$ 0.7 bn 7Y	English	FAA
Ukraine	April 2016	US$ 0.1 bn 3Y US$ 0.1 bn 3Y US$ 0.1 bn 4Y US$ 0.03 bn 5Y US$ 0.03 bn 6Y US$ 0.03 bn 7Y US$ 0.02 bn 8Y US$ 0.02 bn 9Y US$ 0.02 bn 10Y US$ 0.02 bn 11Y	English	Trust Indenture
Argentina	May 2016	US$ 2.8 bn 3Y US$ 4.5 bn 6Y US$ 6.5 bn 10Y US$ 2.8 bn 30Y	New York	Trust Indenture
Guatemala	May 2016	US$ 0.7 bn 10Y	New York	FAA
Romania	May 2016	EUR 1.0 bn (US$ 1.1 bn) 12Y	English	FAA
China	May 2016	CNY 3.0 bn (US$ 0.5 bn) 13Y	English	FAA
Qatar	May 2016	US$ 3.5 bn 5Y US$ 3.5 bn 10Y US$ 2.0 bn 30Y	New York	FAA

Indonesia	June 2016	EUR 1.5 bn (US$ 1.7 bn) 7Y EUR 1.5 bn (US $1.7 bn) 12Y	New York	Trust Indenture
Oman	June 2016	US$ 1.0 bn 5Y US$ 1.5 bn 10Y	English	FAA
Argentina	July 2016	US$ 1.0 bn 12Y US$ 1.5 bn 20Y	New York	Trust Indenture
Uruguay	July 2016	US$ 0.4 bn 11Y	New York	Trust Indenture
Dominican Republic	July 2016	US$ 0.5 bn 10Y	New York	Trust Indenture
Brazil	July 2016	US$ 1.5 bn 31Y	New York	Trust Indenture
Ecuador	July 2016	US$ 1.0 bn 6Y	New York	Trust Indenture
Mexico	Aug 2016	US$ 0.8 bn 10Y US$ 2.0 bn 30Y	New York	Trust Indenture
Trinidad and Tobago	Aug 2016	US$ 1.0 bn 10Y	New York	Trust Indenture
Ghana	Sept 2016	US$ 0.8 bn 6Y	English	FAA
Ecuador	Sept 2016	US$ 1.0 bn 6Y	New York	Trust Indenture
South Africa	Sept 2016	US$ 2.0 bn 12Y US$ 1.0 bn 30Y	New York	FAA
Oman	Sept 2016	US$ 0.5 bn 5Y US$ 1.0 bn 10Y	English	FAA
Romania	Sept 2016	EUR 1.0 bn (US$ 1.1 bn) 12Y	English	FAA
Turkey	Oct 2016	US$ 1.5 bn 10Y	New York	FAA
Argentina	Oct 2016	EUR 1.3 bn (US$ 1.4 bn) 6Y EUR 1.3 bn (US$ 1.4 bn) 11Y	New York	Trust Indenture
Bermuda	Oct 2016	US$ 0.7 bn 11Y	New York	Trust Indenture
Mexico	Oct 2016	EUR 1.2 bn (US$ 1.3 bn) 9Y EUR 0.7 bn (US$ 0.8 bn) 15Y	New York	Trust Indenture
Suriname	Oct 2016	US$ 0.6 bn 10Y	New York	Trust Indenture
Saudi Arabia	Oct 2016	US$ 5.5 bn 5 Y US$ 5.5 bn 10 Y US$ 6.5 bn 30 Y	English	FAA
Jordan	Oct 2016	US$ 1.0 bn 10Y	English	FAA
1/ Pre-October 2014 registration statement				

B. Issues without New Clauses (missing *either* modified CAC *or* modified PP)

B1. New standalone issuances and take-downs under post-October 2014 note programs

October 1, 2014 – July 31, 2015						
Country	*Date*	*Size/Tenor*	*Governing Law*	*Structure*	*Enhanced CAC*	*Modified Pari Passu*
Turkey (Sukuk)	Nov 2014	US$ 1.0 bn 10Y	English	Trust deed	No – series by series	No
Pakistan	Dec 2014	US$ 1.0 bn 5Y	English	Trust Indenture	No – series by series	No
Philippines	Jan 2015	US$ 2.0 bn 25Y	New York	FAA	No – series by series	No
Cote D'Ivoire	Mar 2015	US$ 1.0 bn 13Y	English	FAA	No – series by series	Yes
Malaysia (Sukuk)	April 2015	US$ 1.0 bn 10Y US$ 0.5 bn 30Y	English	Trust structure (declaration of trust)	No – two-limb aggregation	No
Poland	May 2015	CHF 0.6 bn 3Y (US$ 0.6bn)	English	FAA	No – EuroCACs	No
Hong Kong (Sukuk)	May 2015	US$ 1.0 bn 5Y	English	Trust Indenture	No - two-limb aggregation	No
Sri Lanka	May 2015	US$ 0.7 bn 10Y	New York	Trust Indenture	No - series by series	No
Mongolia	June 2015	CNY 1.0 bn 3Y (US$ 0.2 bn)	New York	FAA	No – series by series	Yes

Post July 31, 2015						
Pakistan	Sept 2015	US$ 0.5 bn 10Y	English	FAA	Yes	No
Poland	Sept 2015	EUR 1.0 bn (US$ 1.1 bn) 10Y	English	FAA	No (EuroCACs)	No
Poland	Oct 2015	EUR 1.8 bn (US$ 2.0 bn) 6Y	English	FAA	No (EuroCACs)	No
Sri Lanka	Oct 2015	US$ 1.5 bn 10Y	New York	Trust Indenture	No – series by series	No

Lebanon	Nov 2015	US$ 0.2 bn 13Y US$ 0.6 bn 20Y US$ 0.5 bn 9Y	New York	FAA	No – series by series	Yes
Bahrain	Nov 2015	US$ 0.7 bn 5Y US$ 0.8 bn 10Y	English	FAA	Yes	No
Macedonia	Nov 2015	EUR 0.3 bn (US$ 0.3 bn) 5Y	English	FAA	No - EuroCACs	Yes
Korea	Dec 2015	RMB 3.0 bn (US$ 0.5 bn) 3Y	Chinese	Trust Indenture	No – series by series	No
Poland	Jan 2016	EUR 1.0 bn (US$ 1.1 bn) 10Y EUR 0.8 bn (US$ 0.8 bn) 20Y	English	FAA	No - EuroCACs	No
Lebanon	Jan 2016	US$ .04 bn 8Y US$ 0.4 bn 12Y	New York	FAA	No – series by series	Yes
Philippines	Feb 2016	US$ 2.0 bn 25Y	New York	FAA	No – series by series	No
Bahrain	Mar 2016	US$ 0.3 bn 5Y US$ 0.3 bn 10Y	English	FAA	Yes	No
Poland	Mar 2016	US$ 1.8 bn 10Y	New York	FAA	No (EuroCACs)	No
Mongolia	Mar 2016	US$ 0.5 bn 5Y	New York	FAA	No – series by series	Yes
Hungary	April 2016	CNY 1.0 bn (US$ 0.2 bn) 3Y	English	FAA	No – series by series	No
Poland	April 2016	EUR 0.8 bn (US$ 0.9 bn) 20Y	English	FAA	No – EuroCACs	No
Malaysia (sukuk)	April 2016	US$ 1.0 bn 10Y US$ 0.5 bn 30Y	English	Trust Structure	No – two-limb aggregation	No
Lebanon	April 2016	US$ 0.7 bn 8Y US$ 0.3 bn 5Y	New York	FAA	No – series by series	Yes
Lebanon	May 2016	US$ 0.5 bn 6Y US$ 0.5 bn 7Y US$ 1.0 bn 13Y	New York	FAA	No – series by series	Yes
Russia	May 2016	US$ 1.8 bn 10Y	English	FAA	Yes	No
Turkey (sukuk)	June 2016	US$ 1.0 bn 5Y	English	N/A	No	No
Indonesia (sukuk)	June 2016	US$ 0.8 5Y	English	Trust Structure	No – series by series	No
Sri Lanka	July 2016	US$ 1.0 bn 10Y US$ 0.5 bn 6Y	New York	Trust Indenture	No – series by series	No
Macedonia	July 2016	EUR 0.5 bn (US$ 0.5 bn) 7Y	English	FAA	No – EuroCACs	Yes
Poland	Aug 2016	CNY 3.0 bn (US$ 0.5 bn)	Chinese	Trust Structure	No	Yes
Russia	Sept 2016	US$ 1.3 bn 10Y	English	FAA	Yes	No

Bahrain	Oct 2016	US$ 1.0 bn 12Y	English	FAA	Yes	No
Bahrain (sukuk)	Oct 2016	US$ 1.0 bn 8Y	English	Trust Structure	Yes	No
Pakistan (sukuk)	Oct 2016	US$ 1.0 bn 5Y	English	Trust Structure	Yes	No
Poland	Oct 2016	EUR 0.8 bn (US$ 0.8 bn) 12Y EUR 0.5 bn (US$ 0.5 bn) 30Y	English	FAA	No (EuroCACs)	No

B2. Re-openings of old issuances and take-downs under pre-October 1 2014 note programs

October 1, 2014 – July 31, 2015						
Country	*Date*	*Size/Tenor*	*Governing Law*	*Structure*	*Enhanced CAC?*	*Modified Pari Passu?*
Colombia	Oct 2014	US$ 0.5 bn 10Y US$ 0.5 bn 30Y	New York	FAA	No – series by series	No
Romania	Oct 2014	EUR 1.5 bn 10Y (US$ 1.9 bn)	English	FAA	No – series by series	No
Peru	Oct 2014	US$ 0.5 bn 36Y	New York	FAA	No – series by series	No
Sweden	Nov 2014	US$ 3.0 bn 3Y	English	FAA	No – series by series	No
Kenya	Nov 2014	US$ 0.3 bn 5Y US$ 0.3 bn 10Y	English	FAA	No – series by series	No
Turkey	Jan 2015	US$ 1.5 bn 28Y	New York	FAA	No – series by series	No
Sweden	Jan 2015	US$ 2.5 bn 3Y	English	FAA	No- series by series	No
Sweden	Feb 2015	EUR 1.5 bn 5Y (US$ 1.7 bn)	English	FAA	No – series by series	No
Lebanon	Feb 2015	US$ 0.8 bn 10Y US$ 1.4 bn 15Y	New York	FAA	No – series by Series	No
Uruguay	Feb 2015	US$ 1.2 bn 35Y	New York	Trust Indenture	No – two-limb aggregated	No
Sweden	Mar 2015	US$ 1.5 bn 2Y US$ 2.0 bn 5Y	English	FAA	No – series by series	No
Peru	Mar 2015	US$ 0.5 bn 35Y	New York	FAA	No – series by series	No
Paraguay	April 2015	US$ 0.3 bn 8Y	New York	Trust Indenture	No – two-limb aggregation	No
Poland	April 2015	EUR 1.0 bn 12Y (US$ 1.1 bn)	English	FAA	No – EuroCACs	No
Indonesia (Sukuk)	May 2015	US$ 2.0 bn 10Y	English	Trust structure (declaration of trust)	No – series by series	No
Sweden	May 2015	US$ 2.3 bn 3Y	English	FAA	No – series by series	No
Namibia	June 2015	ZAR 0.3 bn 5Y (US$ 0.02 bn)	South Africa	FAA	No – series by series	No
Laos	June 2015	THB 5.0 bn (US$ 0.1 bn) 5Y THB 6.0 bn (US$ 0.2 bn) 10Y THB 1.0 bn (US$ 0.03 bn) 3Y	Thailand	Trust Structure	No	No

Post July 31, 2015						
Country	*Date*	*Size/Tenor*	*Governing Law*	*Structure*	*Enhanced CAC?*	*Modified Pari Passu?*
Sweden	Oct 2015	US$ 1.0 bn 3Y	English	FAA	No – series by series	No
Israel	Mar 2016	US $ 0.5 bn 27Y	New York	FAA	No – series by series	Yes
Sweden	Mar 2016	US$ 2.0 bn 3Y	English	FAA	No – series by series	No
Turkey	April 2016	US$ 1.5 bn 29Y	New York	FAA	No – series by series	No
Uruguay	July 2016	US$ 0.8 bn 34Y	New York	Trust	No – two-limb aggregated	No
Namibia	July 2016	ZAR 0.2 bn (US$ 0.01 bn) 7Y ZAR 0.3 bn (US 0.02 bn) 10Y	South Africa	FAA	No – series by series	No
Jamaica	Aug 2016	US$ 0.7 bn 23Y	New York	FAA	No (no CACs)	No
Israel	Sept 2016	US$ 0.2 bn 27Y	New York	FAA	No (series by series)	Yes
Sweden	Oct 2016	US$ 3.0 bn 3Y	English	FAA	No (series by series)	No