

The Bank of England Releases Further Details on its Covid Corporate Financing Facility and ICMA Makes Euro Commercial Paper Materials Publicly Available

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Following our initial post on the Bank of England's (the "Bank") Covid Corporate Financing Facility ("CCFF"), the Bank has published further details, including full terms and conditions of participation and application forms for prospective issuers and banks acting on behalf of companies.

If, after speaking with their respective banks, prospective issuers believe they are eligible to issue commercial paper ("CP") pursuant to the CCFF, they are required to complete (i) an issuer eligibility form, containing information on the issuer, issuer's group, CP programme and contact details; and (ii) an issuer undertaking and confidentiality agreement, containing customary representations, warranties, acknowledgements and confidentiality undertakings. If the CP is to be issued by an entity other than the primary entity in the issuer's group, the Bank will also require a guarantee and associated legal opinion from the primary entity in the issuer's group. Evidence of authority of the signatory must also be submitted (in the form of a power of attorney or board minutes, and specimen signatures).

For banks acting as dealers on behalf of issuing companies, an application form is required (containing general contact information and signatory authorisation). If admission to the CCFF is granted, the dealer will also be required to sign an admission letter agreeing to the terms and conditions of the CCFF. If dealers seek to offer CP to the Bank on the secondary market, they must also complete a separate issuer eligibility form, which includes relevant ISIN details.

These forms are now live on the Bank's website, and the Bank is currently accepting applications.

In the interest of supporting the overall market following the impacts of coronavirus (COVID-19), the International Capital Markets Association, ICMA, is making generally available to non-ICMA members the Euro commercial paper ("ECP") materials from the ICMA Primary Market Handbook, previously available only to ICMA members.

The Bank has confirmed that it will accept commercial paper issued on ICMA standard templates for the purposes of the CCFF. Interestingly, ICMA has indicated that it anticipates parties may wish to adapt or tailor ICMA standard form ECP documentation, and use the ICMA materials as a basis from which to develop narrower use documents. The Bank has confirmed it may consider accepting simplified versions of the documentation based on the ICMA materials, in the interest of setting up CP programmes quickly (however, note that the Bank will not accept certain non-standard features such as extendibility or subordination).

The documents made available by ICMA are (i) the standard form dealer arrangement; (ii) the standard form information memorandum; (iii) the standard form global note; (iv) an introductory note on MiFID II Product Governance and ECP; and (v) chapter 12 (ECP) and chapter 2 (Programme Establishments and Updates) of the ICMA Primary Market Handbook. These materials are currently available publicly on ICMA's website.

If you have any questions regarding the matters covered in this publication, please contact any of the lawyers listed below or your usual Davis Polk contact.

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