

## International Capital Market Association (ICMA)

### NOTICE

#### Pricing references for new Sterling Eurobonds

London, 21 June 2023

ICMA Recommendations R7.3 on pricing references for new sterling Eurobonds was introduced into the ICMA Primary Market Handbook in February 2015 and last updated July 2016. The purpose of the Recommendation (together with related Recommendations R7.4 and R7.5) is to clarify the appropriate gilt to use when pricing new sterling Eurobond issues.

ICMA will shortly be deleting the ICMA Primary Market Handbook's related item 7.3A and part of R7.3 itself, as noted below.

R7.3 All gilts with an aggregate nominal amount of £10 billion or more should be considered as benchmarks, unless *there are exceptional circumstances which could encompass situations such as specific liquidity events* ~~inappropriate, including, for example due to high coupons, lack of liquidity or the fact that there may be a more suitable alternative closer in maturity.~~

~~7.3A — R7.3 references generic reasons why a gilt might not be appropriate as a benchmark but does not reference specific gilts for futureproofing reasons. However, primary market practitioners currently seem generally to consider that two existing gilts are inappropriate as credit benchmarks in the context of R7.3: 5% March 2025 and 6% December 2028.~~

It seems likely that primary market practitioners will choose to apply this pending Handbook change from Thursday 22 June 2023.