

SLS 1052 : 1995
(ISO 8109 : 1990)

Sri Lanka Standard
BANKING AND RELATED FINANCIAL SERVICES - SECURITIES -
FORMAT OF EUROBONDS

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SRI LANKA STANDARDS INSTITUTION

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NATIONAL FOREWORD

This standard was finalized by the Sectoral Committee on Information Technology and was authorized for adoption and publication as a Sri Lanka Standard by the Council of the Sri Lanka Standards Institution on 1995-05-25.

This Sri Lanka Standard is identical with ISO 8109 : 1990 - Banking -and related financial services - Securities - Formats of Euro bonds, published by the International Organization for Standardization (ISO).

Terminology and conventions

The text of the International standard has been accepted as suitable for publication, without deviation, as a Sri Lanka Standard. However, certain terminology and conventions are not identical with those used in Sri Lanka Standards, attention is therefore drawn to the following:

- a) Wherever the words 'International Standard/publication' appear, referring to this standard they should be interpreted as "Sri Lanka Standard".

Wherever page numbers are quoted, they are ISO page numbers.

CROSS - REFERENCES

International Standards

Corresponding Sri Lanka Standards

ISO 3166 : 1993, Codes for the representation of names of countries.

SLS 1009 : 1993, Codes for the representation of names of countries.

ISO 4217:1990, Codes for the representation of currencies and funds

SLS 1010:1993, Codes for the representation of currencies and funds

-/ltf.

INTERNATIONAL STANDARD

ISO
8109

Second edition
1990-12-01

Banking and related financial services — Securities — Format of Eurobonds

*Banque et services financiers liés aux opérations bancaires — Valeurs
mobilières — Format des Eurobonds*



Reference number
ISO 8109:1990(E)

Foreword

ISO (the International Organization for Standardization) is a worldwide federation of national standards bodies (ISO member bodies). The work of preparing International Standards is normally carried out through ISO technical committees. Each member body interested in a subject for which a technical committee has been established has the right to be represented on that committee. International organizations, governmental and non-governmental, in liaison with ISO, also take part in the work. ISO collaborates closely with the International Electrotechnical Commission (IEC) on all matters of electrotechnical standardization.

Draft International Standards adopted by the technical committees are circulated to the member bodies for voting. Publication as an International Standard requires approval by at least 75 % of the member bodies casting a vote.

International Standard ISO 8109 was prepared by Technical Committee ISO/TC 68, *Banking and related financial services*.

This second edition cancels and replaces the first edition (ISO 8109:1985), which has been technically revised.

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Introduction

Since the end of the 1960s, states, governmental and supranational institutes, businesses and companies throughout the world have raised large amounts of money in internationally traded currencies by issuing bonds, notes, debentures and similar bearer securities outside their own countries. For this purpose the issuers usually engaged syndicates of foreign finance institutes as managers, underwriters and/or sellers; by means of the international capital markets, mainly the so-called Euromarket, they were able to place these securities with investors throughout the world. The issuing is regularly followed by a more or less lively trading in these securities; a large proportion of these issues being listed on one or more stock exchanges. The securities are either kept by the investors themselves, or, in most cases, entrusted to banks and brokers, who in turn in many cases pass them on to the custody of central clearing institutes or central depositories.

This issue activity, which constitutes an important part of the so-called Euromarket (even though it extends far beyond the borders of Europe), has continued to develop and expand.

Those who are entrusted with the handling of the securities themselves have a difficult task because of the large number of security sheets involved. The process of handling, beginning with the delivery for the initial placement, followed by the settlement of the trades, and ending with the safekeeping and administration (collection of interest and capital due, exercising of options, etc.), is rendered all the more difficult through having formats that often vary substantially from those that are customary in the country of the custodian. The reason being that, until 1982, no comprehensive regulations for the format of Eurobonds existed. The format is only subject to regulations when, and this is by no means the rule, the securities are admitted to listing on a stock exchange.

However, some stock exchanges have no regulations concerning the securities format provided, or if they have, these are sometimes so loosely conceived that even when the Eurobonds are admitted on a given stock exchange, their format may be unacceptable to those responsible for handling them.

There is, therefore, an urgent need for an International Standard defining and laying down the format characteristics for Eurobonds, this standardizing of the format leading to a rationalization of the administration of Eurobonds and an overall reduction in costs.

Recently, various possibilities of scanning securities electronically have been devised. This International Standard takes this into account. It is to be expected, however, that any institution that acquires machines for the electrical scanning of securities, will wish to use these not only for Eurobonds, but for other securities as well. Consequently, a separate International Standard (ISO 9144) deals with the position and structure of the optical character recognition line on all types of securities.

Banking and related financial services — Securities — Format of Eurobonds

1 Scope

This International Standard specifies the format characteristics of Eurobonds, for example, physical representation of Eurobonds with regard to size, paper, printing, layout and contents. The format specified in this International Standard may be used for all Eurobonds irrespective of issuer or place of issue. The format specified in this International Standard may not be applicable to Eurobonds whose format is regulated by national entities.

This International Standard applies to Eurobonds as defined in clause 3. However, any contrary applicable law, rule, regulation or stock exchange requirement, whether or not having the force of law, has preference. Where these regulations do not specifically apply or require performance to a lesser extent than that required under this International Standard, the latter shall apply.

2 Normative references

The following standards contain provisions which, through reference in this text, constitute provisions of this International Standard. At the time of publication, the editions indicated were valid. All standards are subject to revision, and parties to agreements based on this International Standard are encouraged to investigate the possibility of applying the most recent editions of the standards indicated below. Members of IEC and ISO maintain registers of currently valid International Standards.

ISO 216:1975, *Writing paper and certain classes of printed matter — Trimmed sizes — A and B series.*

ISO 1073-2:1976, *Alphanumeric character sets for optical recognition — Part 2: Character set OCR-B — Shapes and dimensions of the printed image.*

ISO 1831:1980, *Printing specifications for optical character recognition.*

ISO 3166:1988, *Codes for the representation of names of countries.*

ISO 4217:1990, *Codes for the representation of currencies and funds.*

ISO 6166:1987, *Securities — International securities identification numbering system (ISIN).*

ISO 9144:—¹⁾, *Securities — Optical character recognition line — Position and structure.*

3 Definition

For the purposes of this International Standard, the following definition applies.

Eurobonds: Printed debt instruments mostly in bearer form, initially offered entirely or to a large extent outside the country of the borrower or issued by a supranational organization, which are free of any governmental regulations, provide for payment of principal and interest free of withholding tax and are marketed internationally.

4 General layout and sizes

4.1 General layout

4.1.1 The Eurobond consists of

- a) the security sheet which shows the general data of the Eurobond concerned;
- b) the coupon sheet, if any, which contains the coupons for the payment of interest.

1) To be published.

4.1.2 Security sheet and coupon sheet form one complete unit. The coupon sheet shall be placed on the right-hand side of the face of the bond.

4.2 Security sheet

4.2.1 The size of the security sheet shall be ISO A4 (297 mm x 210 mm) (vertical) in accordance with ISO 216.

4.2.2 There shall be a blank margin of 10 mm surrounding the face of the security sheet.

4.3 Coupon sheet

4.3.1 The coupon sheet shall allow for the printing of coupons in up to three adjacent vertical columns. The size of each column shall be 297 mm x 105 mm.

4.3.2 The size of each individual coupon shall be as follows:

length: 105 mm

height: 33 mm

4.3.3 There shall be a blank margin of 3 mm surrounding the face of each individual coupon on the left-hand side, on the top and on the right-hand side. Immediately above the bottom edge of the coupon there shall be a clear area 12 mm high running across the entire coupon.

4.3.4 A clearly visible dotted line shall be printed vertically and horizontally between adjacent coupons and between the security sheet and the coupon sheet.

4.3.5 Where more than 27 coupons are required (e.g. for perpetual or long-dated issues), either of the following alternatives applies:

— Solution by means of talon:

A talon of the same width, but twice the height of a normal coupon is attached after the last payable coupon. Against the talon a new coupon sheet must be obtainable. Such a coupon sheet may consist of up to four columns of nine coupons each and a fifth column of seven coupons and the talon.

— Solution by means of exchange of bond:

The terms and conditions of the issue must provide for the exchange of the security sheet, as soon as the last coupon has been detached, against a new, equivalent security sheet complete with successive coupons. On the bonds is-

sued in exchange for security sheets whose coupons have been exhausted, the maturity of the coupons with which they are issued shall be clearly indicated.

4.3.6 Within each column the coupons shall run chronologically and numerically upwards from the bottom of the column, the outer right-hand column containing the coupons that are due first.

4.3.7 In the case where the coupon sheet offers more space than is required for the number of coupons, the space(s) not required for the printing of coupons should be placed below the first coupon that is to be paid. Such space(s) shall be detached before issuance of the Eurobond or shall be overprinted or blacked-out to an extent that prevents any falsification or fraudulent insertion.

4.3.8 Example

Column containing nine coupons; a total of 20 coupons being issued:

	----- 315 mm -----
	20 11 2
	19 10 1
	18 9 X
	17 8 X
297 mm	16 7 X
	15 6 X
	14 5 X
	13 4 X
	12 3 X

5 Paper and printing

5.1 Measures shall be taken to provide both easy and reliable handling and protection against falsification, forgery and counterfeiting. As a minimum requirement the following measures shall be adopted:

5.1.1 The paper shall have a multi-tone watermark of a size and quality that permits the watermark to be easily recognized. The production and the sale of the paper shall be controlled.

5.1.2 The paper shall weigh 100 g/m², contain at least 50 % rag and be adequately resistant to tearing and folding.

5.1.3 For other paper characteristics, ISO 1831 applies.

5.2 On the face of the security sheet and of each individual coupon [inside the blank margin (see 4.2.2 and 4.3.3)] a frame shall be printed either from a direct engraved plate (intaglio print) or by means of indirect letterpress (dry offset process), in both cases adopting mechanically produced guilloches which, in the case of indirect letterpress, shall be multicoloured. On the security sheet, this frame shall extend along all four sides and it shall have a width of at least 10 mm and no more than 15 mm; on each coupon the frame shall extend along three sides only (left-hand side, top and right-hand side) and it shall be exactly 2 mm wide (tolerance $\pm 0,5$ mm).

5.3 Within the frame [but not in the clear area (4.3.3 and 6.2.1)] a background shall be printed by means of indirect letterpress (dry offset process) adopting mechanically-produced matching multicoloured guilloches printed with a close registered multicoloured rainbow effect.

5.4 The same plate shall be used for all issues of the same issuer in the same currency.

5.5 Different colours shall be used for different denominations of securities in the same issue, and for different issues of the same issuer in the same year.

5.6 The name of the printing firm shall appear in small type in the same colour as the frame on the bottom margin of the security sheet.

6 Text and special indications

6.1 General remarks

The currency shall be clearly indicated by use of letters and signs. Where the full name of the currency (for example, dollar) or a symbol (for example, \$) is used, it should be preceded by the full name of the country to which it belongs (for example, United States) or its alpha-2 country code (for example, US) in accordance with ISO 3166. For issues denominated in an artificial or multiple currency (for example, European currency unit), a currency designation shall be used which clearly identifies the currency. Where currency codes are used, ISO 4217 applies.

6.2 Security sheet

6.2.1 A clear area, the bottom edge of which shall be 39 mm below the top edge of the security sheet and which shall be 9 mm high running across the security sheet from frame to frame, is to be reserved for the printing of an optical scanning machine reading line. This line shall be printed in constant-strokewidth OCR-B font and the horizontal centre line of such printed line shall be 34,5 mm below the top edge of the security sheet. The OCR-B font consists of the 47 OCR-B, size I characters of the sub-set 2, as defined in ISO 1073-2. The following is a photographic reproduction of the 47 OCR-B characters of the sub-set 2 (not to scale; actual height of digits is 2,66 mm):

0123456789

ABCDEFGHIJKLMN OPQRSTUVWXYZ

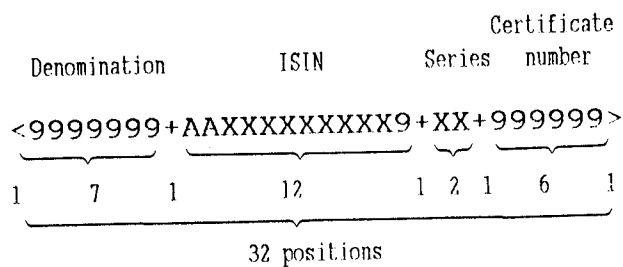
< + > * - = / . , | SPACE

The OCR characters are printed with a constant pitch of 10 characters per inch. The printed characters shall have the print tolerance range X (see ISO 1831:1980, 5.2 and table 2). For other specifications on the print quality (quality of the printed image, character skew, character spacing and alignment within a line) see ISO 1831:1980, clauses 5 and 6, and annexes B, C and D.

The following data is to be printed in such a machine reading line:

- First field, starting 95 mm to the left of the inner edge of the frame on the right-hand side: nominal amount of the relevant security expressed in seven numerical digits, without decimals or commas or specification of currency. Excess positions shall appear to the left with zero(s) inserted.
- Second field: the international security identification number ("ISIN", as defined in ISO 6166), expressed in two alphabetical and nine immediately following alphanumeric characters and followed finally by one numerical digit. The lead manager may obtain the ISIN for a new issue from the competent ISIN agency, as defined in ISO 6166 (for Eurobonds: from CEDEL or EURO-CLEAR) and should indicate the ISIN on the invitation telex and on the allotment telex of each new issue.
- Third field: the series or redemption group designation (if any), expressed in one or two characters (alphabetical and/or numerical). Excess positions shall appear to the left with zero(s) inserted.
- Fourth field: the certificate number, expressed in six numerical digits. Excess positions shall appear to the left with zero(s) inserted.
- Separation of fields: each field shall be separated by the sign "+".
- Beginning and end of fields: the sign "<" (less than) shall be printed to the left of the nominal amount and the sign ">" (greater than) to the right of the certificate number.

Illustration:



9 = numerical, A = alphabetical, X = alphanumeric
 < = beginning of first field
 + = separation of fields
 > = end of last field

Example:

<0005000+LU0001234567+0A+123456>

6.2.2 Between the clear area (6.2.1) and the upper frame (5.2) and at a distance of at least 1 mm above the top of the edge of the clear area there shall be printed above each field the following text in small type:

- First field: Denomination.
- Second field: ISIN.
- Third field: Series.
- Fourth field: Certificate number.

6.2.3 Below the bottom edge of the clear area referred to in 6.2.1, a zone which shall be at least 6 mm high running from frame to frame shall be kept free of any text.

6.2.4 The currency and/or unit of account and the nominal amount of the relevant security shall be printed prominently in the upper left-hand corner of the face of the security sheet but below the text-free zone (6.2.3).

6.2.5 The following information should be indicated in bold type on the upper part of the face of the security sheet:

- The name of the issuer and, not necessarily in bold type, an indication of the authority under which the issuer was created (if applicable), for example, "(Incorporated with limited liability under the laws of Moravia)" or the place and state or country of the issuer's legal domicile (if applicable).
- The currency and/or unit of account and the total amount of the issue.
- The annual interest rate (where applicable).
- The designation of the kind of security (for example, note, bond, debenture, floating rate note, convertible bond).
- The year of final redemption (where appropriate). In the case of redemption by instalments it is suggested that the year of the first instalment should precede the year of final redemption (for example, 1990-92). Additionally, special redemption features shall be clearly indicated in bold type on the face of the security sheet.

6.2.6 The name of the guarantor(s) (if any) shall also be mentioned in prominent form on the upper part of the face of the security and, not necessarily in such prominent form, an indication of the authority under which the guarantor was created (if applicable) or the place and state or country of the guarantor's legal domicile (if applicable).

6.2.7 Below the information required in accordance with 6.2.5 and 6.2.6, should be indicated (if applicable) the date of first possible redemption, the interest payment date(s) and all fundamental or exceptional terms, for example:

- In the case of floating rate note issues, the minimum interest rate.
- In the case of convertible bonds, the conversion terms.
- Conditions governing payment in other currencies or units of account; or
- Extension of the final redemption date.

6.2.8 In the case of issues made jointly by several issuers, the name under which the issue would be known in the market shall be printed in bold type. The names of the different issuers shall be printed in smaller characters together with an indication of the authority under which each was created (where applicable) or the place and state or country of the legal domicile of each (where applicable).

6.2.9 A name or abbreviation an issuer adopts for its issues, being other than its full legal name, should always remain the same regardless of the market in which the securities are issued. In such cases the issuer's full legal name should be printed immediately below such commonly known name or abbreviation. If the issuer's name is translated, the full legal name shall appear beneath the translation, in smaller characters and in parentheses.

6.2.10 The date of issue of the security shall be separately shown on the face of the security sheet.

6.2.11 The complete terms and conditions of the issue shall be printed on the face and/or the reverse of the security sheet and shall be clearly divided into different paragraphs by headings. However, there should be no printing on the reverse of the clear area (6.2.1) or on the reverse of the text-free zone (6.2.3); such areas should be left blank.

6.2.12 The name and the relevant specified offices of the principal paying agent and/or fiscal agent (as the case may be) and of each of the initial paying agents shall appear as a part of, or at the foot of, the terms and conditions of the issue. In addition, any applicable conversion rates, currency options or other fundamental terms of a similar nature (if any) which have been fixed or determined in relation to the terms and conditions of the issue at or prior to the issue date should be inserted as part of, or at the foot of, the terms and conditions.

6.3 The coupon

6.3.1 The information set out on the face of each coupon shall be divided into two sections. The width of the left-hand section [exclusive of the frame (5.2)] shall be 73 mm, leaving 22 mm for the right-hand section.

6.3.2 The following information shall appear in the left-hand section:

First and second lines:

- the name of the issuer;
- the currency and/or unit of account and the total amount of the issue;
- the annual interest rate (where applicable);
- the designation of the kind of security;
- the year of final redemption (where appropriate). In the case of a redemption by instalments, it is suggested that the year of the first instalment should precede the year of final redemption (for example, 1990-92).

The height of the characters used in the first and second lines shall not be smaller than 1,8 mm.

Additional lines:

Any text additional to the requirements set out above shall be kept to the minimum; facsimile signatures should be avoided.

6.3.3 The following information shall appear in the right-hand section:

- Upper part:

The coupon number shall be printed (in heavy type) within the frame in the upper-right corner. In addition, coupons maturing on or after a date on which a partial redemption by drawing is possible shall have the letter "R" preceding the coupon number to remind the coupon-holder and persons involved in handling the coupon that a drawing list may have to be checked.

- Middle part:

The currency and/or unit of account and the interest amount (if any) payable against surrender of the coupon shall be printed in bold type. In the case of floating rate notes, there shall appear an indication that the amount payable is variable — for example, "FRN-variable interest".

- Lower part:

The interest payment date (where ascertainable) must be printed in large characters and must be presented with the month as a word, and the day (where relevant) and the year in figures. On coupons for floating rate notes, only the month and the year will appear.

6.3.4 The clear area above the bottom edge of the coupon (see 4.3.3) is to be reserved for the printing of an optical scanning machine reading line. This line shall be printed in accordance with the requirements relating to OCR-B font, characters, pitch and tolerances on print quality specified in 6.2.1. The horizontal centre line of such printed line shall be 7,5 mm above the bottom edge of the coupon.

6.3.5 The following data is to be printed in such machine reading line:

- First field:

The relevant coupon number, normally expressed as two numerical digits. Exceptionally, three digits may be used. If only one position is needed, the left position shall be a zero.

- Second field:

The nominal amount of the relevant security expressed in seven numerical digits, without decimals or commas or specification of currency. Excess positions shall appear to the left with zero(s) inserted.

- Third field:

The ISIN for the relevant issue (see 6.2.1).

- Fourth field:

The series or redemption group designation (if any), expressed in one or two characters (alphabetical and/or numerical). Excess positions shall appear to the left with zero(s) inserted.

Each field shall be separated by the sign "+" (plus).

— Fifth field:

The certificate number of the relevant security, expressed in six numerical digits. Excess positions shall appear to the left with zero(s) inserted.

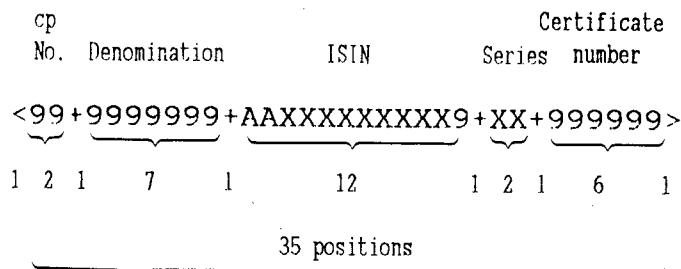
— Beginning and end of fields:

The sign "<" (less than) shall be printed to the left of the coupon number and the sign ">" (greater than) to the right of the certificate number.

There shall be a space 5 mm wide between the sign ">" and the right-hand edge of the coupon.

— Separation of fields:

Illustration:



- 9 = numerical, A = alphabetical, X = alphanumerical
- < = beginning of first field
- + = separation of fields
- > = end of last field

Example:

<02+0005000+LU0001234567+0A+123456>

6.3.6 The name and the relevant address of the principal paying agent and of each of the coupon-paying agents shall be printed in a light colour on the reverse of the coupon. However, there shall be no printing on the reverse of the clear area (4.3.3).

7 Warrants

7.1 The above recommendations, wherever relevant, shall apply analogously to warrants except as otherwise provided below.

7.2 When a Eurobond is issued cum warrant(s) which is/are expected to be traded separately, the warrant(s) shall be separate from the host Eurobond and shall be either ISO A4 vertical (297 mm × 210 mm) or ISO A5 horizontal (148,5 mm × 210 mm).

7.3 When an entitlement is being offered with specified or unspecified conditions, one or more coupon(s) which shall be the same width as, but twice the height of a normal coupon (66 mm × 105 mm) may be attached on the left-hand side of the face of the security sheet. Such coupon(s) shall include the OCR-line in the same place as on normal coupons and shall contain sufficient detail to enable proper identification when action is to be taken.

8 Example

An example is inserted in this International Standard of a Eurobond designed in accordance with clauses 4 to 6.

The example shows only the general format of the Eurobond, however, the following points shall be noted:

a) The series number designation shall be printed following the ISIN as

"0A" (zero A) in the case of "series A";
"0B" (zero B) in the case of "series B" to
"ZZ" in the case of "series ZZ"; or
"01" (zero one) in the case of "series 1" to
"99" in the case of "series 99".

This shall appear on the bond and coupons.

b) As coupons maturing on or after a date on which partial redemption by drawing is possible, an "R" shall precede the coupon number. In the case of the example inserted in this International Standard this requirement applies to coupons 6, 7 and 8.

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