

Tokyo Stock Exchange to launch pro-bond market

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Speedread

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Tokyo AIM, Inc. previously launched TOKYO AIM; a stock market for professional investors.

Tokyo AIM, Inc. has stated its intention is that the new market becomes a centre for the Asian bond and to be competitive with the Euromarket. The new market will enable issuers to benefit from a speed and flexibility of issuance equivalent to using Euro MTN programmes, by means of simplified disclosure documents and procedures.

The types of securities to be covered by the TOKYO PRO-BOND Market includes:

Straight corporate bonds.

Government agency bonds.

Investment corporation bonds.

Municipal bonds.

Bonds issued by an SPC under Japanese Securitisation Law.

Securities issued by foreign entities which are similar to the abovementioned type of bonds.

Listing on the PRO-BOND Market will be made by application by the issuers after prior consultation with Tokyo AIM, Inc. Unlike Tokyo AIM, appointment of J-Nomad as a listing agent is not necessary for listing on the PRO-BOND Market. The main listing criteria are:

That the bonds be rated by a rating agency that is registered in Japan or an agency deemed equivalent to such registered agency.

That the lead managing underwriter is listed on the lead manager list of the PRO-BOND Market.

Disclosures can be made either in Japanese or English. Disclosure at the time of listing is composed of program information and individual information. Ongoing disclosure obligations will be, unlike those applicable to stock markets, limited to events such as dissolution, insolvency, dishonour of notes, etc. The details of disclosure obligations are to be determined.

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