

# SECURITIES ISSUANCE CONSORTIUM

## INTRODUCTION PACK



# OPTIMISING REG-S/144A CONVERSIONS

## What Are Regulation S and Rule 144A Securities?

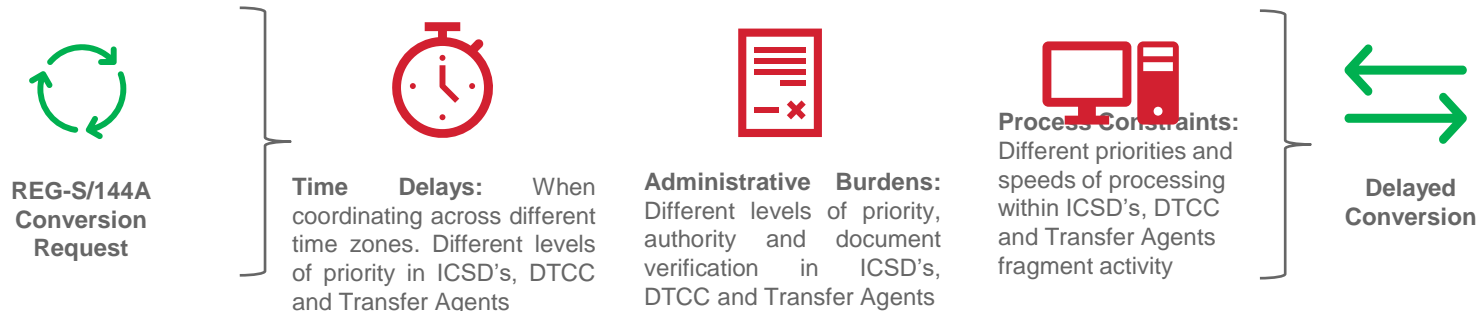
Regulation S and Rule 144A are both **exemptions from SEC registration** under the US Securities Act of 1933. Bonds can be issued under one or other exemption, and often a bond issue will be issued under **both** REGS and 144A.

- **Under the Rule 144A:** Only Qualified Institutional Buyers (QIBs) can own the debt security without SEC registration. Purchasers may be inside or outside of the US.
- **Under the Regulation S:** Only non-US investors can own the debt security without SEC registration, until the end of the Distribution Compliance Period.

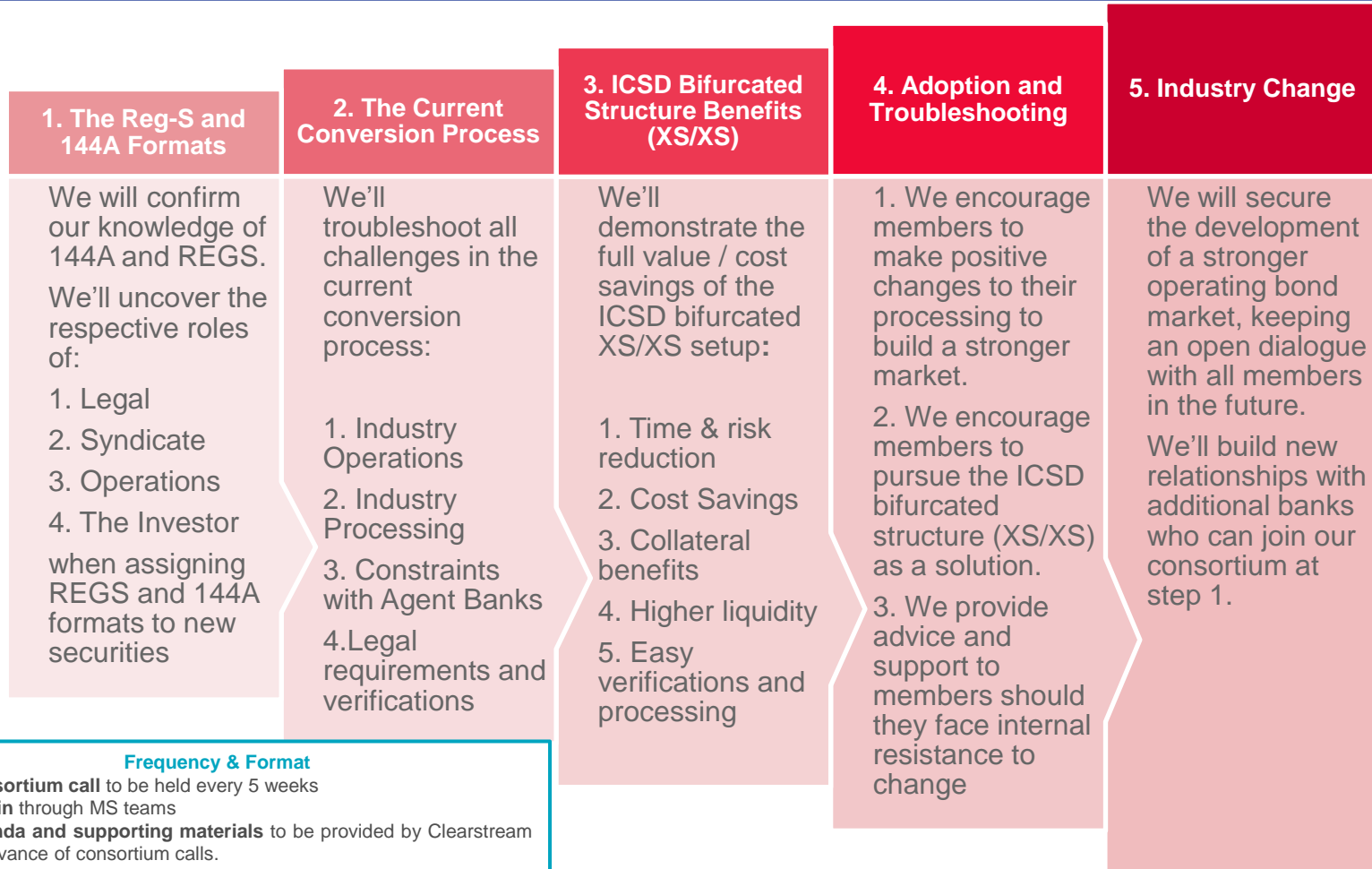
## What Are Conversions?

**What Are Conversions?** When REGS and 144A issues are combined in a single security but with two ISINs, conversions are required when buying and selling between counterparts. For US\$ issuance, the 144A note is often deposited at The Depository Trust & Clearing Corporation (DTCC) and the REGS note is often deposited at Clearstream/Euroclear. This is the least efficient method.

There are challenges to interoperability between **ICSD's, DTCC and any third party Transfer Agents** involved in conversions. If REGS/144A securities are split – being held between 2 settlement environments (Clearstream and DTCC) they cannot easily be converted. **This Consortium seeks to resolve these problems:**



# THE EFFICIENCY JOURNEY



## Frequency & Format

- **Consortium call** to be held every 5 weeks
- **Dial in** through MS teams
- **Agenda and supporting materials** to be provided by Clearstream in advance of consortium calls.
- **Call Minutes** will be taken by Clearstream and distributed by email to all Consortium members after each call, with action items.

# TRACTION TO DATE



30+ Represented Firms  
10 Meetings  
100+ Attendees

[Clearstream Press Release](#)  
[Global Custodian Press Release](#)  
[The Desk Press Release](#)  
[Post Trade 360 Press Release](#)

Hosts:



[Adrian Dacruz](#), Clearstream



[Dan Kuhnel](#), Euroclear

# JOINING US

## Contact

Any participant within any area of the bond markets is welcome to join the consortium.

Please contact:



Adrian Dacruz  
Vice President, Strategic Market Development, Deutsche Börse Group  
[adrian.dacruz@clearstream.com](mailto:adrian.dacruz@clearstream.com) | [Linkedin](#)