



Brussels, 12 November
ECFIN/CEFCPE(2004)REP/50483 final

Implementation of the EU commitment on Collective Action Clauses in documentation of International Debt Issuance

1. The EU Member States agreed in **April 2003** to lead by example in including **collective action clauses** (CACs) in their international debt issuance to promote international efforts for orderly restructurings in the event of sovereign debt crises. In **September 2003** the EFC agreed on a set of **core clauses** which were expected to be included in Member States' loan documentation.¹ At its 3 November 2004 meeting, on the basis of the report by the EFC Sub-Committee on EU Government Bonds and Bills Markets, the EFC assessed developments with respect to the implementation of the EU's commitment in all 25 Member States since September 2003. The EFC approved the report recognising that since May 2004, the commitment also covers the new Member States.²

1. Overview of the results

2. The Member States and the Commission can be classified into three groups in accordance with their status as international issuers: **Active issuers**, having issued debt under a foreign jurisdiction since the EU commitment on CACs, comprising of 14 Member States and the Commission³; **Inactive issuers**, having issued such debt before the EU commitment and comprising of 4 Member States; and, **Non-issuers** having never issued debt under a foreign jurisdiction, and comprising of 7 Member States (for details, see table A in annex 2).

3. Overall, **15 of the Member States and the Commission have taken or intend to take action to include the core clauses in their loan documentation.** This group

¹ The details of the EU commitment are presented in annex 1.

² The EFC Sub-committee on EU Government Bonds and Bills Markets prepared the report based on the responses to a questionnaire and an assessment by the Commission Services. Detailed examination of the various clauses introduced into national documentation was not carried out. The results are based on a subjective assessment of Member States of their own compliance with the common understanding. Detailed results are presented in the annexes 2, 3 and 4.

³ Representing European Community and Euratom.

corresponds broadly to those that are active issuers. Since April 2003, English and New York laws have been used most frequently in the issuance of international debt.⁴

4. Among those Member States whose documentation now includes CACs and which have responded to the more detailed elements of the questionnaire, the **level of compliance with the common understanding is relatively high**. Some differences have emerged in implementation of the common understanding, but most of these relate to underlying differences in national legal practice. More specifically, **differences in compliance seem to stem mainly from the choice between a permanent representative and a fiscal agent in respect of collective representation**.

5. 13 Member States have stated that they have **updated their documentation** to include the core clauses in their loan documentation, 5 Member States and the Commission have not updated their documentation, and 7 have replied that they do not have documentation covering international issuance (for details, see table B in annex 2). Those Member States who have updated their documentation, have all issued international debt since the EU commitment in April 2003, except for **Ireland** and **Sweden**, who have updated their loan documentations, but not yet issued.

6. Those Member States who have **not updated** their existing documentation are a mixture of active and inactive issuers. **Austria, Lithuania** and the **Commission** are active issuers but have not updated their documentation. Austria is of the view that the collective action clauses already included in the documentation for its Euro Medium-Term Note (EMTN) and Japanese programmes meet the objectives of the common understanding and G-10 clauses. Lithuania has not been able to update its existing documentation because it has been tapping an existing bond issue. Nevertheless, it would seem that the existing documentation already includes many of the clauses proposed in the common understanding. The Commission is expected to update its documentation by the end of 2004.. **Belgium, Estonia** and **Slovenia** are inactive issuers and do not intend to update their documentation to include CACs⁵. None of the non-issuing Member States has documentation relating to international issuance.⁶

⁴ Issuance details are presented in Annex 4.

⁵ Slovenia has however responded that it will continue its commitment to the principles embodied in CACs and will update its documentation on CACs as the situation may arise.

⁶ Germany has never issued internationally. The German Ministry of Justice is preparing legislation aimed at eliminating the legal risk for other sovereign issuers in the use of CACs under German law.

2. Compliance with the core clauses

A detailed assessment covers **16 Member States, who have provided more detailed information** on the inclusion of the core collective action clauses in line with the EU common understanding. These are *Cyprus, Czech Republic, Finland, Greece, Hungary, Ireland, Italy, Latvia, Poland⁷, Slovakia, Spain, Sweden, the United Kingdom, Austria, Lithuania and Slovenia*. The assessment considers the core clauses under the four main headings: (a) **collective representation provisions**; (b) **majority restructuring provisions**; (c) **majority enforcement provisions**; and (d) **disenfranchisement provisions**. The remainder of this note assesses briefly the compliance with each of these. Detailed country-specific information is presented in annex 2 and 3.

a) Collective representation provisions

7. The collective representation provisions to be included in legal documentation envisage the appointment of a permanent representative, who will represent bondholders in their dealings with the issuer including in matters in relation to litigation. However, the permanent representative does not represent bondholders in actual negotiations with the issuer, for which specific purpose a negotiating officer is elected. Moreover, the collective representation provisions envisage the summoning of bondholder meetings by the issuer, permanent representative or bondholders holding a specified proportion of the outstanding principal amount. The objective of these clauses is to foster early dialogue, co-ordination and communication among creditors and the sovereign issuer in the event of a debt crisis.

8. The responding Member States have adopted a rather mixed approach, with some opting for a permanent representative based on a trustee structure and others preferring to use a fiscal agent. In particular, **Austria, Cyprus, the Czech Republic, Greece, Hungary, Italy, Latvia and Sweden** use a fiscal agent or paying agent (agent bank) rather than appointing a permanent representative. Italy's preference reflects its use of a fiscal agent in its issuance under New York law since 1993. **Italy and Greece** are again exceptions in deciding not to include clauses appointing negotiating representatives. However, in both cases, a 75% majority of the quorum has the right to appoint a negotiating representative in the event of default or the adoption of an

⁷ Poland has provided only limited details relative to the other 'active issuers'.

extraordinary resolution to this effect. **Austria** seems to be a similar case⁸. All 16 of the responding Member States have included clauses allowing a meeting of bondholders to be convened. Progress among the responding Member States in the inclusion of collective representation provisions is summarised in Table C of annex 2.

b) Majority restructuring provisions

9. The majority restructuring provisions to be included in legal documentation allow for changes in key (i.e. reserve) elements of bond contract based on a vote representing 75% of bondholders in terms of outstanding principal amount or an equivalent vote based on a specified quorum. These key elements include, as a minimum, changes in payment dates, reduction in principal or interest, change in currency and any instruction to the permanent representative to exchange or convert the bonds. The provisions allow for changes in less important (i.e. non-reserve) elements based on less restrictive voting requirements. Any changes in either reserve or non-reserve elements are to be binding on all bondholders. The objective of these provisions is to allow bondholders to re-contract without a minority of bondholders obstructing the process.

10. All have introduced the relevant clauses to allow changes in both **reserve** and **non-reserve matters**, with the exceptions of **Greece and Italy**. In the light of these two Member States' preference for a fiscal-agent structure, neither has included **clauses permitting the instruction of a permanent representative to exchange or convert bonds**. In all cases where majority restructuring provisions have been introduced, they are binding on all bondholders. Progress among the responding Member States in the inclusion of majority restructuring provisions is summarised in Table D of annex 2.

c) Majority enforcement provisions

11. The majority enforcement provisions to be included in legal documentation relate to acceleration, to any subsequent decision to rescind the acceleration and to litigation. Implementation of the provisions requires a decision based on specified percentages of bondholders and may involve action by the permanent representative. The objective of

⁸ According to the provisions of the Austrian Euro Medium-Term Note Programme, a meeting of Noteholders shall have the power by Extraordinary Resolution to authorise anyone to concur in and do anything necessary to carry out and give effect to an Extraordinary Resolution. A meeting of Noteholders has the power to appoint any persons as a committee or committees to represent the Noteholders' interests and to confer on them any powers or discretions which the Noteholders could themselves exercise by Extraordinary Resolution.

these provisions is to ensure that disruptive legal action by individual creditors does not hamper a debt workout that is underway in the event of a crisis.

12. Most Member States have implemented these provisions, with the notable exceptions of **Lithuania and Austria** which have chosen not to include any of the clauses under this heading. However, these two Member States have indicated that their existing documentation allows the holder of any bond to give notice in writing to the fiscal agent that the bond is immediately due and repayable at its principal amount, together with interest accrued to the date of repayment in the event of non-payment, breach of other obligations, cross-acceleration, moratorium, unlawfulness, invalidity, etc. **Austria, Cyprus, the Czech Republic, Hungary, Italy, Latvia, Lithuania and Sweden** have not included provisions in respect of litigation (and the continuation and outcome of litigation), once again mainly due to their use of a fiscal agent structure. **Finland and Slovakia** have included clauses on litigation but not fully in respect to continuation and outcome of litigation. Progress among the responding Member States in the inclusion of majority enforcement provisions is summarised in Table E of annex 2.

d) Disenfranchisement provisions

13. The provisions on disenfranchisement to be included in legal documentation relate to the identification of those bonds, which are to be excluded from the outstanding amounts used as a reference in voting under the collective action clauses. Progress among the responding Member States in the inclusion of the disenfranchisement provision is summarised in Table F of annex 2. All have indicated full implementation of the common understanding in this respect.

3. Main conclusions and next steps

14. In conclusion, the overall assessment of progress in implementing the EFC common understanding is **positive**. Among those issuers of international debt since the EU commitment was made, the relevant documentation has been updated, is in the process of being updated or the existing document was deemed to be already adequate to address the objectives of the common understanding. Where legal documentation has been updated, the level of compliance with the common understanding is relatively high. The report recognises that since May 2004, the commitment also covers the new Member States. The Working Group suggests to report back to the EFC on the implementation of the EU commitment on an annual basis.

Annex 1

EFC common understanding on implementing the EU commitment regarding the use of Collective Action Clauses

The speech by the ECOFIN President to the IMFC in April 2003 announced that

“the EU will use contractual provisions based on the framework developed by the G10, and where necessary in accordance with applicable law and adjusted to local legal practice, in their central government bonds issued under a foreign jurisdiction and/or governed by a foreign law by the end of this year. Thereafter, EU Member States will no longer issue such bonds without any CACs.”

The following table summarises the set of ‘core’ clauses which Member States and the Community are expected to use in implementing the EU commitment. With the exception of the G10’s proposed information provisions which are dealt with by other internationally-agreed means, they closely follow the prescription of the G10 CACs designed for use under New York law, but would also be applicable to other jurisdictions (e.g. as in the recent UK issuance with CACs under English law). It is recognised that flexibility to allow for different legal practices in different countries is necessary. However, wherever possible and increasingly over time these clauses should guide Member States’ and the Community’s practices in this field.

Clause/feature	Activation	Role/purpose
1. Collective representation provisions		
<i>Permanent representative (e.g. trustee, masse)</i>	Embedded in the original terms and conditions of the bonds	<ul style="list-style-type: none">- Represents bondholders for purposes other than actual negotiation- Responsible for litigation
<i>Negotiating representative(s)</i>	Elected by bondholders (presumption being soon after default)	<ul style="list-style-type: none">- Represents bondholders in negotiations
<i>Meeting of bondholders</i>	At any time, upon request of issuer; permanent representative; or bondholders holding at least 10% of the outstanding amount	<ul style="list-style-type: none">- Enables creditors’ co-ordination- Useful to elect the special representative
2. Majority restructuring provisions		
<i>Reserve matters</i>	Upon a vote representing 75% of bondholders, based on outstanding principal amount, or equivalent based on quorum. May be conducted through a written procedure or in a meeting. A quorum requirement could be bondholders representing 75% of principal outstanding, with 50% at an adjourned	<ul style="list-style-type: none">- Allows for change in reserve matters either through amendment or an exchange offer- Any changes are binding on all bondholders- Reserve matters should, as a minimum, include key payment terms, including any

	meeting.	change in payment dates, reduction in principal or interest, or change in currency; and any instruction to the representative to exchange or convert the bonds
<i>Non reserve matters</i>	Upon a vote representing two-thirds of bondholders, based on outstanding principal amount, or equivalent based on quorum at a bondholders meeting. May be conducted through a written procedure or in a meeting. A quorum requirement could be bondholders representing 50% of principal outstanding, with 25% at an adjourned meeting.	<ul style="list-style-type: none"> - Allows for change in non reserve matters, e.g. any matters other than reserve matters, although non-material amendments may be agreed by the permanent representative without the bondholders' consent - Any changes are binding on all bondholders
3. Majority enforcement provisions		
<i>Acceleration/ rescission</i>	<p>Acceleration:</p> <ul style="list-style-type: none"> - in event of default - upon decision of the permanent representative or holders representing not less than 25% of bondholders (based on outstanding principal amount, or equivalent based on quorum at a bondholders meeting) <p>Rescission of the acceleration:</p> <ul style="list-style-type: none"> - provided the event of default is cured, waived or remedied - upon decision of holders representing not less than 66 2/3% of bonds 	<ul style="list-style-type: none"> - Makes acceleration, which is possible only in a continuing event of default, a collective decision - A supermajority can then decide to "de-accelerate", as long as all events of default are cured, waived or remedied (other than those solely due to the acceleration itself).
<i>Litigation</i>	<p>Litigation to be instituted solely by the permanent representative</p> <ul style="list-style-type: none"> - at its own discretion - or upon instruction of at least 25% of bondholders - and provided that the representative has been offered reasonable indemnification - unless it fails to do so within 90 days (after which individual holders would be able to litigate) <p>Continuation and outcome of the litigation:</p> <ul style="list-style-type: none"> - majority (i.e., over 50%) of outstanding bondholders may direct conduct of legal proceedings - recovery proceeds are distributed pro rata to all holders 	<ul style="list-style-type: none"> - Prohibits individual action, unless the permanent representative fails to honour the appropriate instructions of the bondholders, and replaces individual legal initiatives with the collective decision of a minimum percentage of bondholders - Provides (through the trustee or trustee-like structure) for a pro-rata distribution of the proceeds, thus limiting the appetite for disruptive litigation
4. Disenfranchisement provision		
<i>Disenfranchisement</i>	<p>Bonds that are to be excluded from the 'outstanding amount' used as a reference for voting provisions are those:</p> <ul style="list-style-type: none"> - owned or controlled directly or indirectly by the issuer or its public instrumentalities 	<ul style="list-style-type: none"> - Aims at limiting the ability of the issuer to control the vote

Annex 2

Table A: Status of Member States as International Issuers since April 2003.

Active Issuers	Inactive Issuers	Non-issuers
Austria, Cyprus, Czech Republic, Finland, Greece, Hungary, Italy, Latvia, Lithuania, Poland, Slovakia, Sweden, Spain United Kingdom ⁹ , Commission	Belgium, Estonia, Ireland, Slovenia,	Denmark ¹⁰ , France, Germany, Luxembourg, Malta, Netherlands, Portugal

Table B: Documentation Status of the Member States.

Updated documentation	Documentation To be updated	Documentation not to be updated	No documentation
Cyprus (A), Czech, Republic (A), Finland (A), Greece (A), Hungary (A), Italy (A), Ireland (I), Latvia (A), Poland (A), Slovakia (A), Sweden ¹¹ (A), Spain (A), United Kingdom (A)	Lithuania (A), Commission (A)	Austria (A), Belgium (I), Estonia (I), Slovenia (I)	Denmark (N), France (N), Germany (N), Luxembourg (N) Malta (N), Netherlands (N), Portugal (N)

A= active issuer; I= Inactive issuer; N= Non-issuer

⁹ UK has issued since April 2003, but has no current plans to issue.

¹⁰ Denmark issues in euro under a domestic format.

¹¹ Documentation updated in April 2004.

Table C: Inclusion of Collective Representation Provisions¹².

Clause/feature	Included	Not included
<i>Permanent representative (e.g. trustee, masse)</i>	Finland, Ireland, Lithuania Slovakia, Spain, United Kingdom	Austria, Cyprus, Czech Republic, Greece, Hungary, Italy, Latvia, Sweden
<i>Negotiating representative(s)</i>	Cyprus, Czech Republic, Finland, Hungary, Ireland, Latvia, Lithuania, Slovakia, Spain, Sweden, United Kingdom	Austria, Greece, Italy
<i>Meeting of bondholders</i>	Austria, Cyprus, Czech Republic, Finland, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Poland, Slovakia, Slovenia, Spain, Sweden, United Kingdom	

¹² Poland and Slovenia did not provide information on Permanent representative and negotiating representative.

Table D: Inclusion of Majority Restructuring Provisions.

Clause/feature	Included	Not included
<u>Reserve Matters</u> - Any change in payment dates - Reduction in principal or interest - Change of currency	Austria, Cyprus, Czech Republic, Finland, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Poland, Slovakia, Slovenia, Spain, Sweden, United Kingdom	
- Any instruction to the representative to exchange or convert bonds ¹³	Austria ¹⁴ , Cyprus, Czech Republic, Finland, Hungary, Ireland, Latvia, Lithuania, Slovakia, Slovenia, Spain, Sweden, United Kingdom	Greece, Italy
<u>Non Reserve Matters</u>	Austria, Cyprus, Czech Republic, Finland, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Poland ¹⁵ , Slovakia, Slovenia, Spain, Sweden, United Kingdom	

¹³ Poland has not responded to this question.

¹⁴ A Noteholders' meeting has power by Extraordinary Resolution to appoint a representative to exchange or convert bonds.

¹⁵ The State Treasury and the Fiscal Agent may generally modify, amend or supplement or take actions with respect to the Agency Agreement or the terms of the Notes with the affirmative vote of the holders of at least 66 2/3 per cent of the aggregate principal amount of the outstanding Notes that are represented at a meeting of holders for which there is a quorum or with the written consent of the holders of 66 2/3 per cent of the aggregate principal amount of the outstanding Notes. A quorum requirement is holders or proxies representing a majority of the aggregate principal amount of the outstanding Notes, with 25% at an adjourned meeting

Table E. Inclusion of Majority Enforcement Provisions¹⁶.

Clause/feature	Included	Not included
<i>Acceleration</i>	Cyprus, Czech Republic, Finland, Greece, Hungary, Ireland, Italy, Latvia, Slovakia, Spain, Sweden, United Kingdom	Austria ¹⁷ , Lithuania
<i>Rescission of the acceleration</i>	Cyprus, Czech Republic, Finland, Greece, Hungary, Ireland, Italy, Latvia, Slovakia, Spain, Sweden, United Kingdom	Austria, Lithuania
<i>Litigation</i>	Finland, Greece, Ireland ¹⁸ , Slovakia, Spain, United Kingdom	Austria ¹⁹ , Cyprus, Czech Republic ²⁰ , Hungary, Italy, Latvia, Lithuania, Sweden

¹⁶ Poland has not responded to this question and the Slovenian response did not provided information on this issue.

¹⁷ With respect to acceleration provisions, Austria's EMTN programme grants each Noteholder the right, upon the happening of an event of default or another breach of the obligations under the programme, to give notice to the Fiscal Agent that the Notes held by such Noteholder are immediately repayable in relation to principal and interest.

¹⁸ As to continuation and outcome of litigation Ireland has no specific provision for majority of outstanding. Two-thirds may sanction any compromise proposed to be made.

¹⁹ Due to the fiscal agent structure of Austria's EMTN programme, provisions in respect of litigation were not included

²⁰ Czech Republic has not included litigation clauses due to the trustee structure

Table F. Inclusion of the Disenfranchisement Provision.

Clause/feature	Included	Not included
<i>Disenfranchisement</i> ²¹	Austria, Cyprus, Czech Republic, Finland, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Slovakia, Spain, Sweden, United Kingdom	

²¹ Poland has not responded to this question and the Slovenian response did not provide information on this issue.

Annex 3

18 October 2004

Summary Table on Implementation of EFC Common Understanding on Collective Action Clauses

Y= yes or included; N= no or not included; -- = no information provided or not applicable.

Member State	Issuing Status			Documentation status			Collective Representation			Majority Restructuring					Majority Enforcement			Disenfranchisement
	Active	Inactive	Non-issuer	Updated	Not updated	No documentation	Permanent representative	Negotiating Representative	Meeting of bondholders	Changes in payment dates	Reduction in principal/interest	Change in currency	Exchange/convert bonds	Non-reserve matters	Acceleration	Rescission	Litigation	
Belgium		Y			Y		--	--	--	--	--	--	--	--	--	--	--	--
Czech Republic	Y			Y			N	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y
Cyprus	Y			Y			N	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y
Denmark			Y			Y	--	--	--	--	--	--	--	--	--	--	--	--
Germany			Y			Y	--	--	--	--	--	--	--	--	--	--	--	--
Greece	Y			Y			N ²²	N	Y	Y	Y	Y	N	Y	Y	Y	Y	Y
Spain	Y			Y			Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Estonia		Y			Y		--	--	--	--	--	--	--	--	--	--	--	--

²² Although Greece responded that it has included a permanent representative, Greece has further explained that the fiscal agent or the paying agent (Agent Bank) may act as permanent representative. Greece has therefore for consistency reasons been classified as not having included permanent representative clauses

Summary Table on Implementation of EFC Common Understanding on Collective Action Clauses

Y= yes or included; N= no or not included; -- = no information provided or not applicable.

Member State	Issuing Status			Documentation status			Collective Representation			Majority Restructuring					Majority Enforcement			Disenfranchisement
	Active	Inactive	Non-issuer	Updated	Not updated	No documentation	Permanent representative	Negotiating Representative	Meeting of bondholders	Changes in payment dates	Reduction in principal/interest	Change in currency	Exchange/convert bonds	Non-reserve matters	Acceleration	Rescission	Litigation	
France			Y			Y	--	--	--	--	--	--	--	--	--	--	--	--
Ireland		Y		Y			Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y/N ²³	Y
Italy	Y			Y			N	N	Y	Y	Y	Y	N	Y	Y	Y	N	Y
Latvia	Y			Y			N	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y
Lithuania ²⁴	Y				Y		Y	Y	Y	Y	Y	Y	Y	Y	N	N	N	Y
Luxembourg			Y			Y	--	--	--	--	--	--	--	--	--	--	--	--
Hungary	Y			Y			N	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y
Malta			Y			Y	--	--	--	--	--	--	--	--	--	--	--	--
Netherlands			Y			Y	--	--	--	--	--	--	--	--	--	--	--	--
Austria ²⁵	Y				Y		N	N	Y	Y	Y	Y	Y	Y	N	N	N	Y

²³ No specific provision for continuation and outcome of the litigation for majority of outstanding bondholders

²⁴ The Lithuanian documentation has not been updated, but includes many of the provisions in the Common Understanding.

²⁵ The Austrian documentation has not been updated, but includes many of the provisions in the Common Understanding

Summary Table on Implementation of EFC Common Understanding on Collective Action Clauses

Y= yes or included; N= no or not included; -- = no information provided or not applicable.

Member State	Issuing Status			Documentation status			Collective Representation			Majority Restructuring					Majority Enforcement			Disenfranchisement
	Active	Inactive	Non-issuer	Updated	Not updated	No documentation	Permanent representative	Negotiating Representative	Meeting of bondholders	Changes in payment dates	Reduction in principal/interest	Change in currency	Exchange/convert bonds	Non-reserve matters	Acceleration	Rescission	Litigation	
Poland ²⁶	Y			Y			--	--	Y	Y	Y	Y	--	Y/N ²⁷	--	--	--	--
Portugal			Y			Y	--	--	--	--	--	--	--	--	--	--	--	--
Slovakia	Y			Y			Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y ²⁸	Y
Slovenia ²⁹		Y			Y		--	--	Y	--	--	--	--	Y	--	--	--	--
Finland	Y			Y			Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y/N ³⁰	Y

²⁶ Poland has not responded to all the questions in the questionnaire.

²⁷ The State Treasury and the Fiscal Agent may generally modify, amend or supplement or take actions with respect to the Agency Agreement or the terms of the Notes with the affirmative vote of the holders of at least 66 2/3 per cent. of the aggregate principal amount of the outstanding Notes that are represented at a meeting of holders for which there is a quorum or with the written consent of the holders of 66 2/3 per cent. of the aggregate principal amount of the outstanding Notes. A quorum requirement is holders or proxies representing a majority of the aggregate principal amount of the outstanding Notes, with 25% at an adjourned meeting.

²⁸ Slovakia has no clause on continuation and outcome of the litigation – majority of outstanding bondholders may direct

²⁹ Without responding to the specific questions in the questionnaire Slovenia has stated that it is an inactive issuer and that it has not immediate plans to update its documentation. Slovenia issued in the euro market between 1996 and 2001 under English and German law and has responded that these issues included collective action clauses with provisions on meeting of bondholders, reserve matters (no details given) and non reserve matters.

Summary Table on Implementation of EFC Common Understanding on Collective Action Clauses

Y= yes or included; N= no or not included; -- = no information provided or not applicable.

Member State	Issuing Status			Documentation status			Collective Representation			Majority Restructuring					Majority Enforcement			Disenfranchisement
	Active	Inactive	Non-issuer	Updated	Not updated	No documentation	Permanent representative	Negotiating Representative	Meeting of bondholders	Changes in payment dates	Reduction in principal/interest	Change in currency	Exchange/convert bonds	Non-reserve matters	Acceleration	Rescission	Litigation	
Sweden	Y			Y			N	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y
United Kingdom	Y ³¹			Y			Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Commission ³²	Y				Y		--	--	--	--	--	--	--	--	--	--	--	--

³⁰ Finland has not fully implemented the clauses as regards the continuation of litigation

³¹ UK has issued since April 2003, but has no current plans to issue.

³² Representing the EC/Euratom, documentation is scheduled to be updated by the end of 2004.

Annex 4

Details of international issuance by Member States since April 2003 with CACs included

3 November 2004

Member State	Date of issuance	Date of maturity	Currency/Amount	Coupon	Jurisdiction
Czech Republic	23 June 2004	23 June 2014	EUR 1.5 billion	4.625%	English law
Cyprus	15 July 2004	15 July 2014	EUR 500 million	4.375%	English law
Greece	5 April 2004	5 April 2011	EUR 1 billion	Euribor minus 0.02%	English law
Italy	3 July 2003	15 July 2008	USD 2 billion	2.50%	New York law
	13 November 2003	15 December 2006	USD 3 billion	2.75%	New York law
	7 January 2004	15 December 2006	USD 2 billion	2.75%	New York law
	27 February 2004	14 August 2008	AUD 1 billion	5.875%	New York law
	3 March 2004	15 May 2009	USD 2 billion	3.25%	New York law
Latvia	2 April 2004	2 April 2014	EUR 400 million	4.25 %	English law

Member State	Date of issuance	Date of maturity	Currency/Amount	Coupon	Jurisdiction
Spain	28 th October 2004	28 th October 2009	USD 1,5 billion	3.375%	English Law
Lithuania ³³	n/a	n/a	n/a	n/a	English law
Hungary	29 January 2004	29 January 2014	EUR 1 billion	4.50%	English law
Austria Austria cont	2 January 2004	2 January 2034	SKK 500 million	5.125%	English law
	27 January 2004 and 15 April 2004	14 February 2007	HUF 20 billion	6.00%	English law
	24 February 2004 and 2 July 2004	24 February 2009	ZAR 300 million	9.50%	English law
	3 March 2004 and 19 April 2004	27 May 2011	USD 1 billion	3.625%	English law
	16 March 2004	16 March 2005	USD 220 million USD 443.1 million USD 45.2 million USD 55.2 million	index-linked, non-interest bearing	English law
	24 March 2004	24 March 2011	CAD 100 million	4.00%	English law
	19 May 2004	19 May 2014	USD 1 billion	5.00%	English law

³³ One Eurobond issue took place in March 2003 (i.e. before the suggestion to include CACs). The next issue took place in March 2004, but it was a tap of last year's Eurobond issue, therefore legal documentation could not be updated.

Member State	Date of issuance	Date of maturity	Currency/Amount	Coupon	Jurisdiction
	3 June 2004	16 June 2008	EUR 100 million	index-linked redemption, index-linked interest	English law
	28 June 2004	16 June 2008	EUR 50 million	index-linked redemption, index-linked interest	English law
	6 November 2003	26 September 2033	JPY 15 billion	fixed rate then index linked	Japanese law
Poland	29 October 2003	15 January 2014	USD 1 billion	5.25%	New York law
Slovakia	20 May 2004	2014	EUR 1 billion	4.50%	English law
Finland	10 March 2004	15 May 2009	USD 1.5 billion	3.25%	English law
Sweden ³⁴	n/a	n/a	n/a	n/a	English law
United Kingdom	8 July 2003	8 July 2008	USD 3 billion	2.25%	English law

³⁴ Sweden has updated its documentation in April 2004 but has not issued under the updated programme so far.

