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Credit Roundtable White Paper

December 2007

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On December 17, 2007, the Credit Roundtable, an investor group comprised of fixed income investors, issued a white paper that proposes certain model protective covenants to be included in investment grade deals and addresses certain perceived problems associated with current disclosure. The white paper suggests the following “model” covenants to be included in investment grade indentures to protect bond investors against substantial credit deterioration through voluntary actions of the issuer:

- Change of Control
- Step-Up Coupons
- Limitations on Liens and Priority Debt
- Reporting Obligations
- Voting by Series

Given the Round Table’s perception that some “plain English” descriptions of indenture provisions in recent offering documents have made it difficult for investors to fully appreciate the precise nature and extent of the covenant protection, the white paper calls for “verbatim disclosure” of indenture provisions in offering documents (ideally in the form included in the white paper) to reduce material misstatements or omissions. The white paper also includes a list of ten questions (with references the topics listed above) for prospective investors to consider before investing in any investment grade offerings. The white paper is certain to get attention from investors, issuers and intermediaries.

To read the white paper, please click [here](#).