

With the recent launch of the Euronext Green Bond initiative on 5 November 2019, Eoghan O'Tuama, David Maughan and Lyn Brennan take a look at some recent green bond developments and Ireland as a listing venue.

Green Bonds in Ireland: What's new?

Euronext has announced the launch of its new Euronext Green Bonds on 5 November 2019. With more than 50 participating issuers, the Euronext Green Bond offering demonstrates Euronext's commitment to sustainable finance. The Euronext Green Bond is intended to play an important role in a rapidly growing sector in Ireland and Europe. Sustainable finance is also a key priority in the Irish government's Ireland for Finance 2025 strategy.

Some Key Statistics

- The Paris Climate Agreement estimates that investment of USD\$6.9tn is required each year up to 2030 to meet the climate and development objectives in that agreement.
- According to Climate Bonds Initiative in the year to November 2018, an estimated USD\$167.6bn of green bonds have been issued worldwide, highlighting the significant shortfall in funds raised to meet the objectives of the Paris Climate Agreement
- According to Euronext, approximately €118bn worth of green bonds have been listed on Euronext markets to date. In the year to November 2019 more than €40bn of green bonds have been listed, demonstrating the increased activity in green bond issuance.

Listing Green Bonds in Ireland - Some Key Benefits

Ireland offers several advantages when issuing green bonds. These include:

- *Dedicated Community* - Euronext Green Bonds is a dedicated community of green bond issuers where eligible green bonds listed on all Euronext locations are consolidated onto one highly visible area allowing issuers to showcase their ESG credentials and giving investors a transparent discovery process.
- *No.1 Debt Listing Venue Globally* - Euronext Dublin is the No.1 debt listing venue in the world, with almost 45,000 bonds listed, from over 90 countries, by over 4,200 issuers.
- *Guaranteed Turnaround Times* - Euronext Dublin and the Central Bank of Ireland will return initial comments after 3 clear business days and subsequent comments after 2 business days for any additional submissions. Approval is granted on a same-day basis.

- *Withholding Tax Exemption* - listing on the Global Exchange Market (GEM) or the Regulated Market can facilitate the payment of interest being paid without any withholding tax by relying on the quoted Eurobond exemption. A “quoted Eurobond” is defined as a security that is quoted on a recognised stock exchange and carries a right to interest.
- *No additional disclosure for Green bonds* - It should be noted that when listing a green bond there are no additional disclosure requirements to be satisfied for a bond to be considered ‘green’.

Who are the participating Euronext Green Bond issuers?

There are a wide variety of green bonds included in the Euronext Green Bond offering:

- *Financial Institutions*: Skandinaviska Enskilda Banken AB; ABN Amro Bank N.V.; BBVA, Banco Santander, Bank of China Ltd Paris Branch and Danske Bank
- *Export credit Corporations*: Swedish Export Credit Corporation
- *Renewable Energy Firms*: Celeo Redes Operacion Chile S.A., Tennet Holding B.V.
- *Electricity Providers*: ESB Finance; EDP (Portugal’s first ever green bond); CGNPC International Limited (a subsidiary of China General Nuclear Power Corporation) and ENEL Finance International N.V.
- *Wind Turbine Manufacturers*: ACS Servicios Comunicaciones y Energía

William Fry – Full-Service Law Firm

As well as providing dedicated listing services to our clients, William Fry is a top-tier full-service law firm, the only Irish firm offering all the following services:

- Debt Capital Markets Department – our established DCM team has considerable experience in every aspect of the debt capital markets, including green bonds
- William Fry Tax Advisors provides bespoke integrated tax advice worldwide and is the only Irish member of the Taxand network
- Company secretarial services – our dedicated company secretarial department provides all relevant services in an expert and responsive manner, from incorporating companies to ongoing company secretarial services.

Contact Us

With the projected increase in green bond issuance in the coming years, and the continued attractiveness of doing business in Ireland, any issuers who are targeting a European investor base should consider listing in Ireland. For more information, please contact Eoghan O'Tuama, David Maughan, Lyn Brennan or your usual William Fry contact.



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