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## **MONETARY AND FINANCIAL CODE**

**Regulatory part  
Book II : Financial products  
Title I : Financial instruments  
Chapter III “Debt securities”**

### ***Article D. 213-1-A***

I.-The debt securities defined in Article L. 213-1-A 2° of the French monetary and financial code can be kept for a maximum period of one year after the purchase.

At the end of that period, the securities purchased and kept are cancelled.

II.-Provided that an issuer has informed the Banque de France, it can purchase and keep the negotiable debt securities it has issued within the maximum limit of 10 % of the outstanding amount of each issuing programme.

### **Section 1 “Negotiable debt securities”**

**Sub-section 1  
Conditions governing the issuance of negotiable debt securities**

### ***Article D. 213-1***

I.-The negotiable debt securities defined in Article L. 213-1 include :

1°) Commercial paper with an initial maturity of one year or less, issued by all issuers referred to in Article L. 213-3 ;

2°) Medium-term note with an original maturity of more than one year issued by all the issuers referred to in Article L. 213-3 with the exception of those referred to indent 12 of the said article.

II.-The remuneration of negotiable debt securities shall be freely determined. When it varies according to an indexation clause that does not refer to an usual interbank rate, money market rate or bond market rate, the Banque de France must be informed of the said clause.

### **Article D. 213-2**

The Banque de France shall ensure that the issuers of negotiable debt securities comply with the conditions of issuance set forth in Articles L. 213-1 to L. 213-4, in the present sub-section and in the order referred to in Article D. 213-7. For this, new issuers shall inform the Banque de France, within a time period determined by it, prior to their first issuance, of their intent to enter the market, by submitting to it the information memorandum drawn up in compliance with the provisions of Articles D. 213-9 to D. 213-12.

It receives from all issuers immediate communication of all documents, drawn up in accordance with their notification obligations set forth in Article L. 213-4 and provided under Articles D. 213-1 A and D. 213-9 to D. 213-12.

The Banque de France may suspend or prohibit issuances, should the issuer fail to comply with these provisions.

### **Article D. 213-3**

The issuers shall publish the rating assigned to their issuance programme, which must be granted by a specialised agency fulfilling the conditions laid down by the relevant administrative authority, or, when applicable, have a guarantor which satisfies the same conditions and has such a rating.

The following entities are exempted from this obligation :

1° Credit institutions and investment firms established in the European Economic Area ;

2° The *Caisse des Dépôts et Consignations* ;

3° Issuers whose securities are admitted to trading whether on a regulated market within the European Economic Area or on a market outside the European Economic Area which is deemed as of equivalent status by the European Commission ;

4° Securitisation vehicles issuing debt instruments, all conferring *pari passu* rights. These securities shall be fully backed to debt instruments that are eligible, on a non-temporary basis, to refinancing operations schemes set up by the Eurosystem within its monetary policy framework, excluding all minimum nominal amount criteria. When a securitisation vehicle has several compartments, the whole compartments shall be subject to the aforementioned criteria, the non-subordination of rights between the issued securities being assessed for each compartment. Such vehicles are included in a list laid down by order of the minister in charge of the economy and in agreement with the Banque de France.

### **Article D. 213-4**

The relevant administrative authority referred to in Article D. 213-3 is the minister in charge of the economy.

### **Article D. 213-5**

All negotiable debt securities issued under the same programme can be guaranteed by a first demand guarantee under the conditions laid down by order of the minister in charge of the economy.

The information memorandum shall specify when negotiable debt securities are covered by a guarantee and provide the same information regarding the guarantor as the issuer.

### **Article D. 213-6**

Negotiable debt securities may be issued in euro or in any other currency.

The Banque de France may suspend issuance of securities denominated in a currency for a period of time at its discretion.

### **Article D. 213-7**

The conditions for the issuance of negotiable debt securities set forth in Articles L. 213-1 A to L. 213-4-1 and in the present sub-section are specified by order of the minister in charge of the economy.

## **Sub-section 2 Applicable regulations to some categories of issuers**

### **Article D. 213-8**

In order to be empowered to issue negotiable debt securities, the companies referred to in indent 2 of Article L. 213-3 must belong to one of the following categories :

1° companies with a joint-stock company status (*société par actions*) or, for those located outside France, with a legal form deemed equivalent by the authority referred to in Article D. 213-2, and whose paid-up share capital is at least equal to 37,000 euros or to the equivalent amount in another currency ;

2° public sector companies that satisfy the conditions laid out in indent 1°;

3° public sector companies without any share capital but which have been authorised to public offer of financial securities ;

4° agricultural cooperatives and their unions with paid-up share capital at least equal to 37,000 euros ;

5° joint-stock cooperatives with paid-up share capital at least equal to 37,000 euros.

## **Sub-section 3 Information memorandum and statistical information**

### **Article D. 213-9**

Prior to the issuance of negotiable debt securities, the issuer shall submit information memorandum to the Banque de France. This information memorandum shall comprise :

1° a description of the issuance programme(s) containing the elements laid down by order of the minister in charge of the economy ;

2° a description of the issuer's legal and financial situation ;

3° all documents pertaining to the last two financial years made available to annual general meeting of shareholders or to the body acting in such a capacity, including notably :

- the statutory financial statements and, when applicable, the consolidated financial statements,
- the reports by the board of directors or the management board and by the supervisory board, as the case may be,
- the reports by the statutory auditors or by the persons acting as such, certifying the truth and accuracy of the information provided in the financial statements.

These documents shall be incorporated by reference into or directly enclosed in the information memorandum.

The consolidated financial statements or, in the absence thereof, the statutory financial statements shall be drawn up in accordance with, as the case may be :

- International Financial Reporting Standards (IFRS),
- accounting standards deemed as equivalent to IFRS by the European Commission,
- local accounting standards generally accepted in countries within the European Economic Area or with French accounting standards.

Issuers incorporated outside the European Economic Area shall submit financial statements that have been statutory audited in accordance with a public oversight system deemed as equivalent by the European Commission.

When the issuer is a company responsible for cash management within a group, the financial statements shall be submitted for the group as a whole based on the consolidated financial statements of the consolidating entity.

4° a certificate by natural persons, stating their identity and function within the company or by legal entities indicating their legal name and place of incorporation, who ensure responsibility for the information memorandum and certify that, to the best of their knowledge, the information submitted by the issuer :

- is true and accurate,
- does not contain any omission or misrepresentation which would make it misleading.

The Banque de France may ask the issuer to supply any additional information.

#### ***Article D. 213-10***

An Order of the minister in charge of the economy sets out the mandatory information to be included in the information memorandum; it may lay down specific terms and conditions depending on the category of issuer.

#### ***Article D. 213-11***

The information memorandum to be submitted to the Banque de France shall be written in French.

It can also be submitted in another customary language in the financial sphere, when the securities can only be subscribed to or purchased for an amount equal to 200,000 euros or the counter-value in any other currency. In this case, the issuer inserts a warning in the information memorandum advising the investor, when appropriate, to resort to a French translation of the information memorandum, under the conditions laid down by order of the minister in charge of the economy.

#### ***Article D. 213-12***

The issuer shall yearly submit to the Banque de France an updated version of the information memorandum relating to the issuance programme within a period of forty-five days after the annual general meeting of shareholders, -or the meeting of the body equivalent thereof acting in such a capacity-, has been held to approve the financial statements for the previous financial year.

The issuer shall nevertheless update the information memorandum immediately to reflect any changes with respect to :

- the maximum outstanding amount,
- the identity of the specialised agencies rating the issuance programme when such a rating is required,
- the issuance programme's rating when it is explicitly mentioned in the information memorandum,
- the identity of the guarantor or the terms and conditions of the guarantee and,
- any publicly disclosed new element that may have a significant impact on the valuation of the securities or on the proper performance of the issuance programme.

### ***Article D. 213-13***

The issuer of negotiable debt securities shall provide, immediately and without charge, the information memorandum relating to its issuance programme and any subsequent updates to the institutions acting as issuing and paying agents for the securities issued under the programme and to any other person who requests the said information memorandum.

The Banque de France shall post on its website all or part of the information memorandum provided by the issuer and any updates, including at the very least the presentation of the issuance programme and of the issuer.

### ***Article D. 213-14***

The issuer of negotiable debt securities shall notify to the Banque de France statistical data on the securities issued under the programme, under the conditions laid down in the order referred to in Article D. 213-7.

The Banque de France shall determine the frequency at which such data should be submitted and shall publish the information on a regular basis.

The issuer of negotiable debt securities shall also notify the Banque de France of early redemptions of securities issued under the programme.