



# Demystifying Eurobonds

Setting the scene...

October 2025



# Agenda

- **A brief introduction to Euroclear**
- **Eurobonds – Key Milestones**
- **The Issuance journey**
- **Key facts and figures**

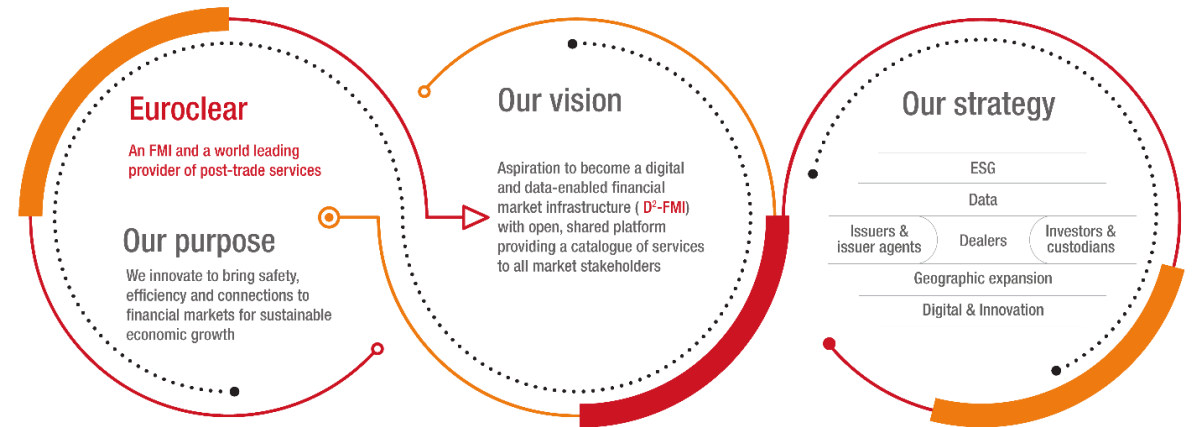
## **The Future**

- **Eurobond issuance via DLT**
- **Dematerialised Eurobonds (2026)**



# About Euroclear

As a Financial Market Infrastructure (FMI) group, Euroclear plays a central role in helping global markets to process securities transactions efficiently, enhance liquidity and reduce risk.



**+5,000**

Permanent employees



Head office  
in Brussels



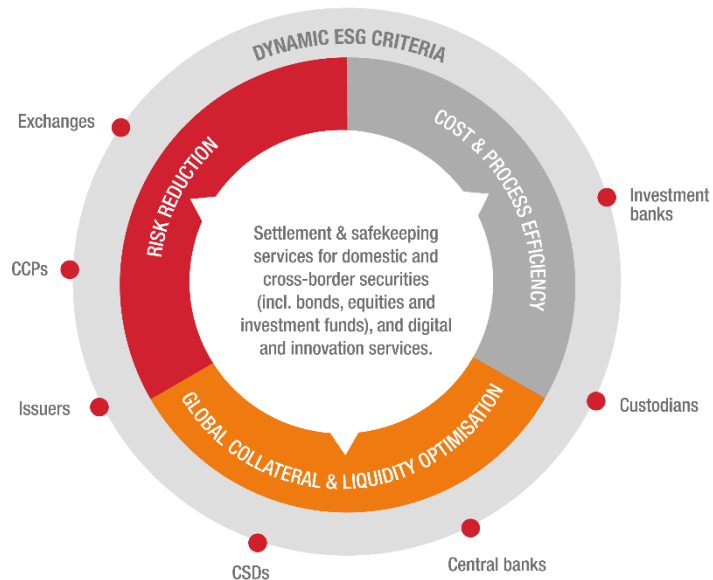
Worldwide  
50/50

**AA** rating Fitch/S&P

**1** ICSD  
Euroclear Bank, the International Central Securities Depository with a banking license, which also operates CSD services for Ireland

**6** CSDs  
Domestic Central Securities Depositories for Belgium, Finland, France, the Netherlands, Sweden and the UK

Core activities to serve **+2,400** clients



## Financial Highlights

**299** million netted transactions per year, worth **€1,072** trillion

**€37.7** trillion assets under custody

**€1.7** trillion average daily collateral outstanding on the Collateral Highway

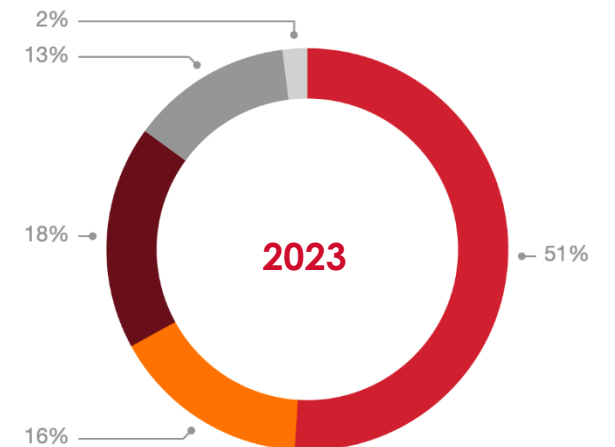
**€3.1** trillion funds asset under administration

**50** markets to access

**45** currencies to settle in

## Business income breakdown

- Eurobonds & European Assets
- Funds
- Collateral Highway
- Global Emerging markets
- Data





# Eurobonds...in the beginning!

Creating 'Bonds without borders'...

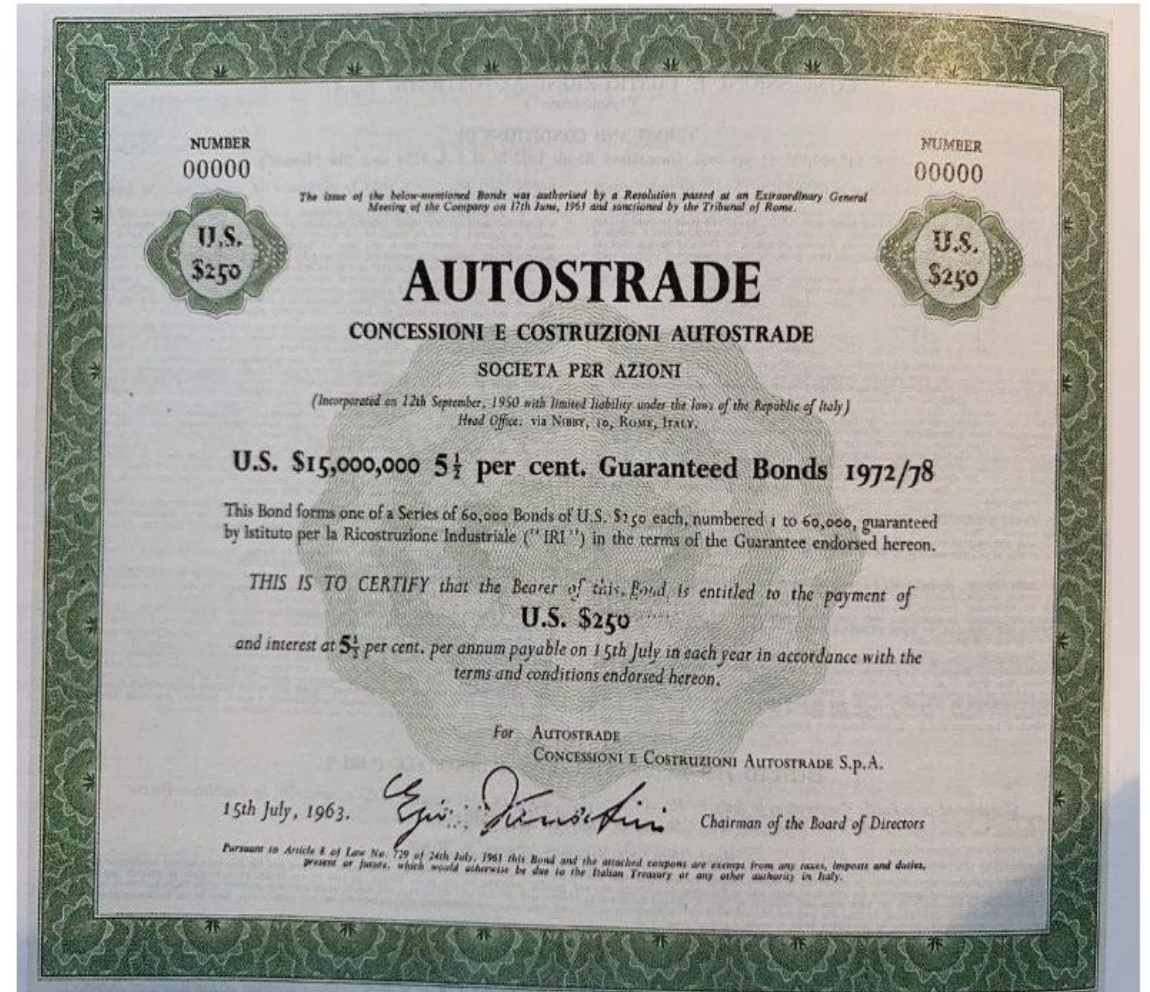
**Objective:** create a debt market connecting issuers and investors across the globe...

1963 inaugural deal: Italian issuer raising USD 15M from international investors

Early **benefits:**

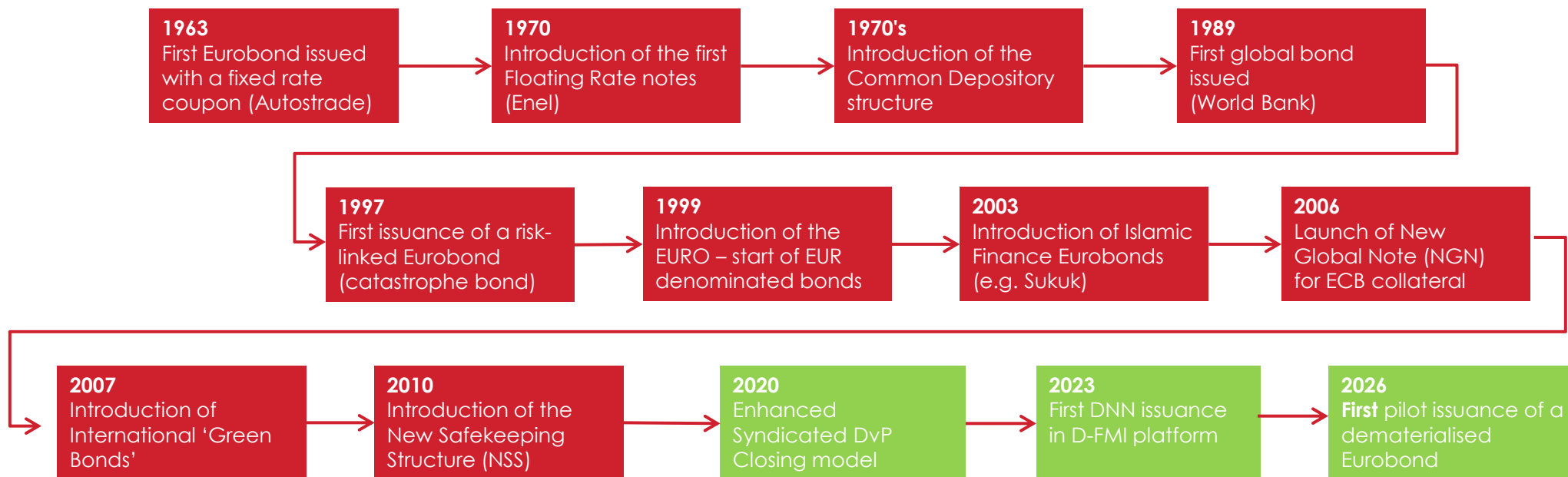
- Not binding an issuer to a specific jurisdiction;
- Currency funding flexibility;
- De-links from local market specificities (e.g. withholding tax).

Subsequently the **ICSD entities** were formed (Euroclear 1968 and Clearstream 1970) – and the interoperable 'Bridge' in 1983





# Euroclear: Leading the way on Eurobond developments



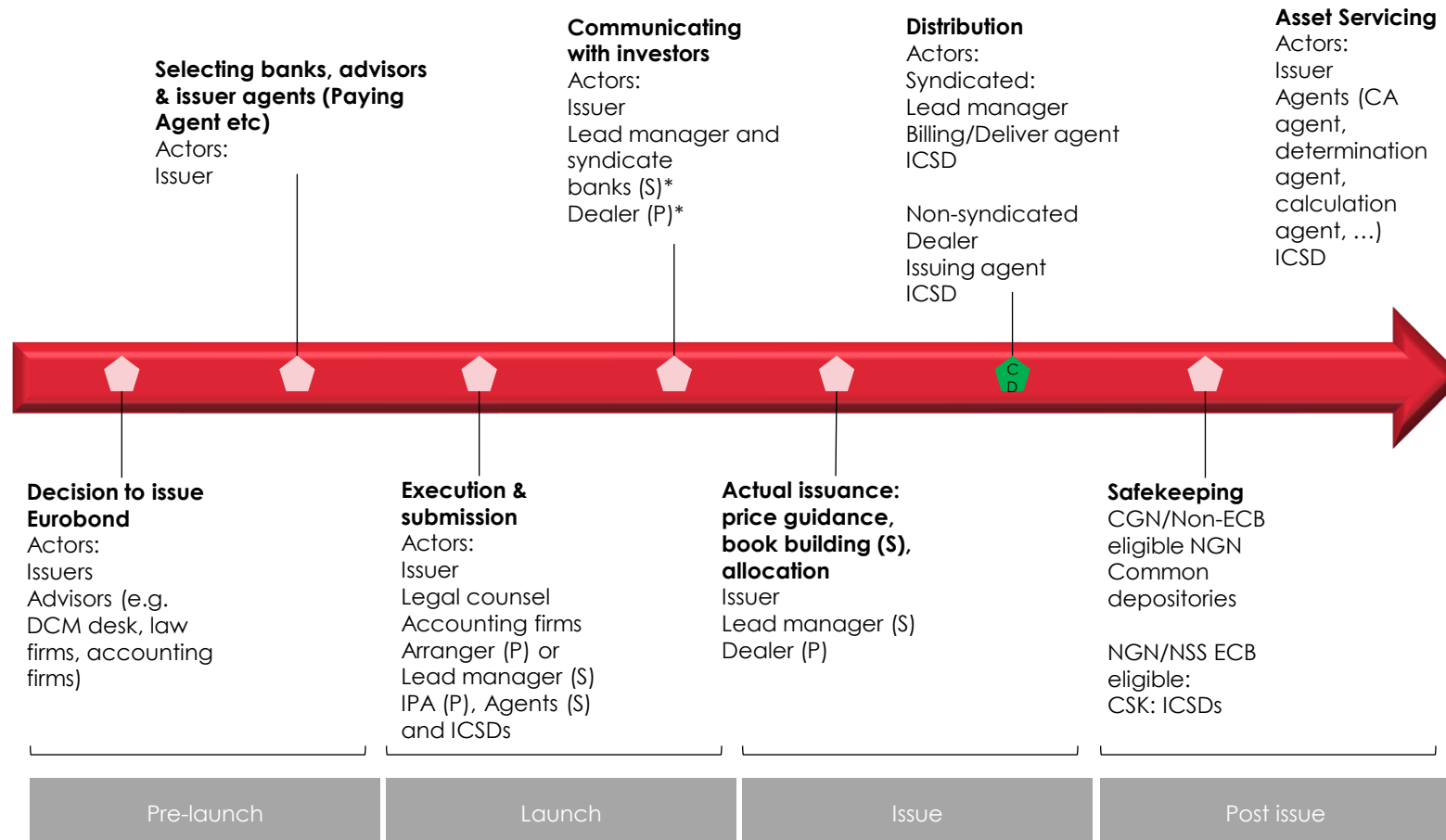
In green: Innovation driven by Euroclear



# The issuance journey of a Eurobond

## Milestones and actors

- S (standalone), P (programme)
- CD = Closing Date



*Eurobonds are held and serviced by a Common Depository/Common Safekeeper/Common Service Provider (depending on the legal form chosen) and an Issuing and Paying Agent (IPA). They are distributed to investors globally through the two ICSDs either in a non-syndicated (via IPA) or in a syndicated manner (via lead manager/B&D agent). The legal form (among other things) determines the Eurosystem collateral eligibility of a Eurobond.*



# The Eurobond market: the gateway to international capital

**€14.7 trillion in outstanding value**

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Europe's largest and most liquid securities market. The third-largest debt market globally after US and China

**Unparalleled liquidity and robust legal certainty**

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A benchmark for global investors

**Entirely operated and regulated within the EU**

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With the core infrastructure in Luxembourg (Clearstream) and Brussels (Euroclear)

**Trusted, transparent efficient**

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A truly global marketplace for over 60 years



# Maximising flexibility for issuers and investors

**~450K  
new Eurobonds  
issued annually**

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Multitude of asset types:  
from plain vanilla bonds to  
structured products, DRs,  
warrants, investment funds

**100 currencies**

44 full settlement  
currencies + 56  
denomination currencies

**>12,000 issuers  
from 130  
countries**

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Dominated by Financial Institutions  
and Corporates, but also hosts  
issuance from Supranational or  
Sovereigns Agencies, Municipals  
& Special Purpose Vehicles

**55 governing  
laws currently  
in use**

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English law as  
leading governing  
framework (75%)

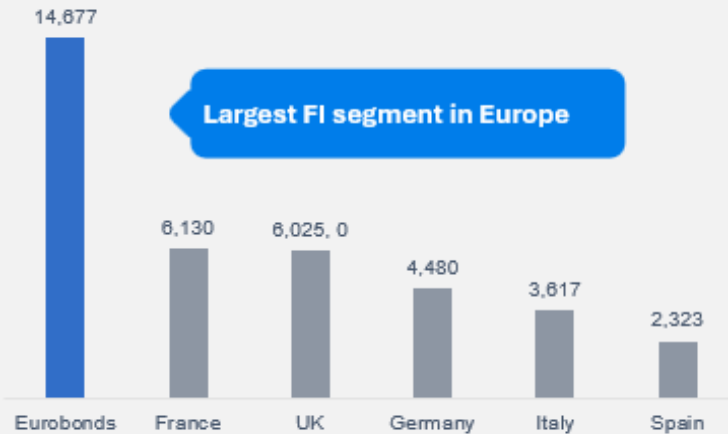




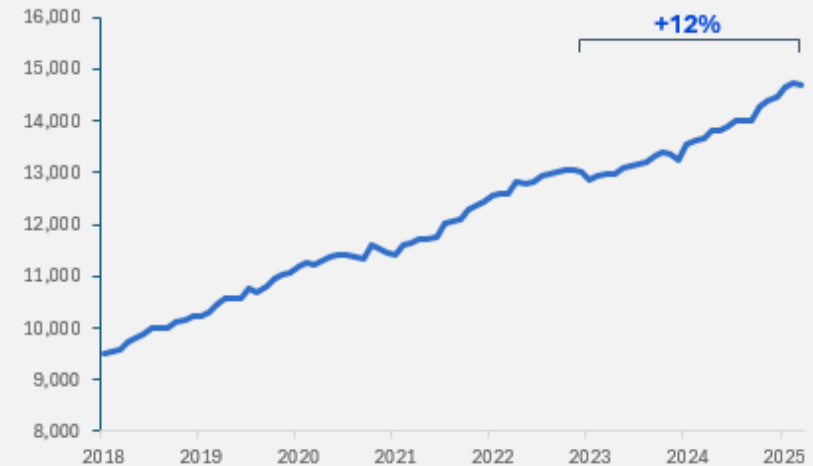
# An international success story: EU-based, global champion



Eurobonds vs main European domestic markets (Q1 2025, € bn)

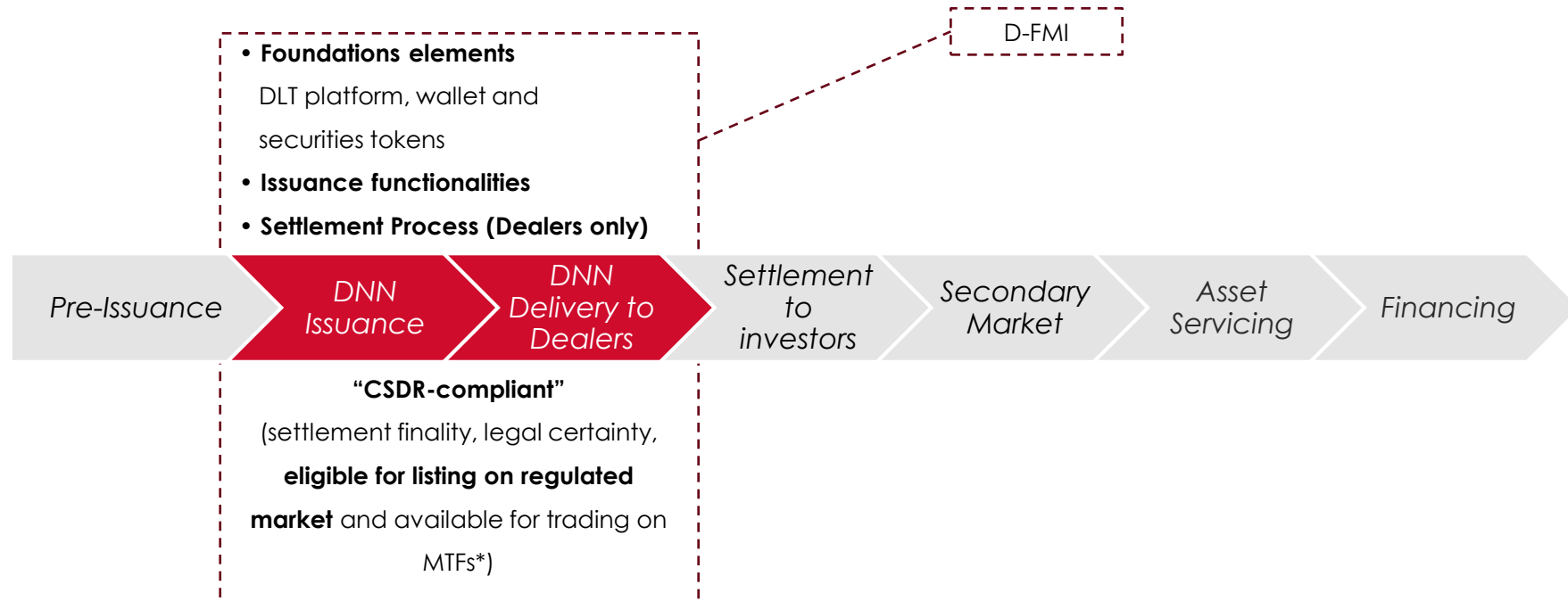


Eurobonds annual growth (Q1 2025, € bn)





# D-SI (Digital Securities Issuance) on the D-FMI platform

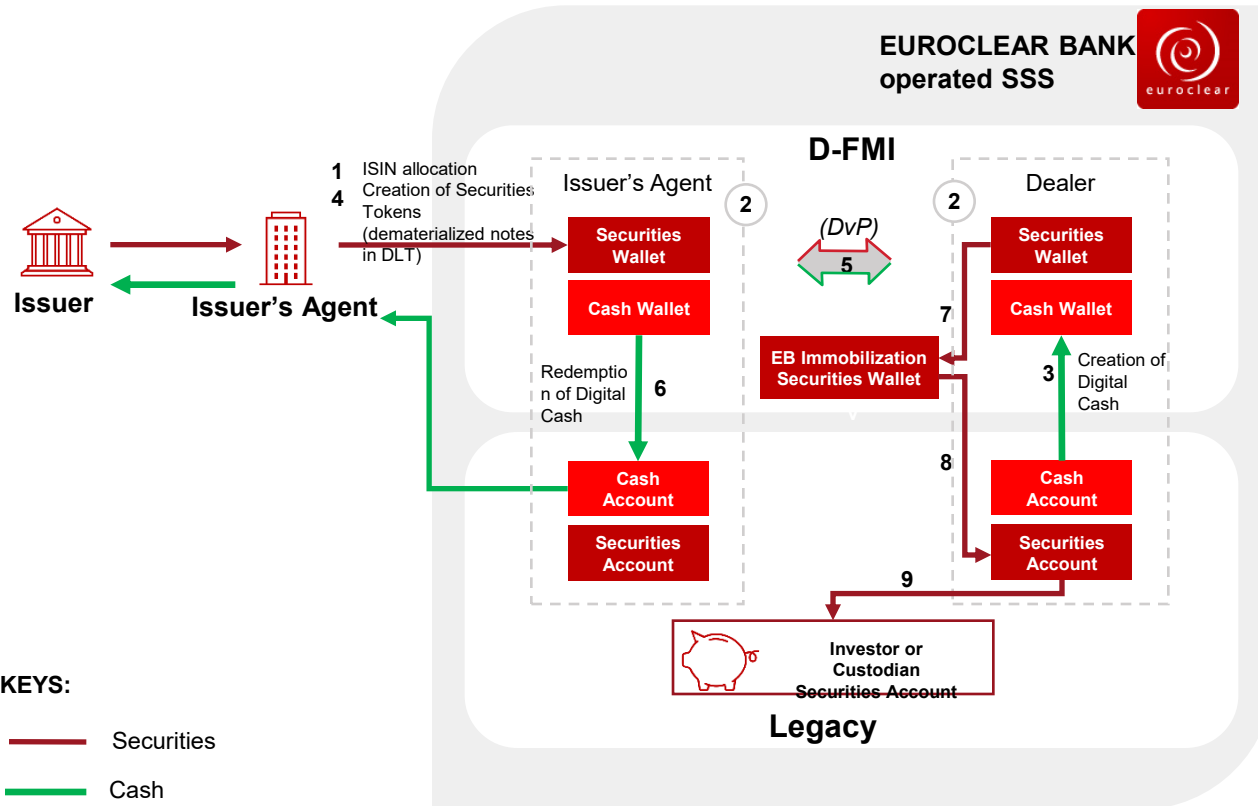


\* MTF: Multilateral Trading Facility

- ✓ Asset & Cash on-chain
- ✓ No/minimal incremental costs and risks
- ✓ Maximum Liquidity
- ✓ Full legal & regulatory certainty
- ✓ Direct Holding model



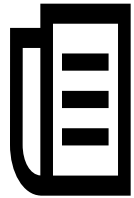
# D-FMI Issuance and Distribution



- 1 IA obtains ISIN from D-FMI
- 2 Dealer prices the transaction, and sends agreed term-sheet to IA
- 3 IA sends Final term-sheet to EB, for ISIN update
- 4 IA and Dealer enter settlement instructions against each other. Instructions match.
- 5 EB mints cash tokens for Dealer's cash wallet, fully backed by Dealer's [cash] collateral
- 6 IA creates Securities tokens in its wallet
- 7 Settlement concludes between Dealer and IA
- 8 EB redeems cash tokens from IA wallet to credit Cash to the IA in Legacy
- 9 IA executes payment to the Issuer in Legacy
- 10 EB immobilizes securities tokens, via a transfer from the Dealer's wallet to the EB wallet
- 11 EB credits securities to the Dealer in Legacy
- 12 All investor trades settle with the Dealer's a/c in Legacy



# Dematerialised Eurobonds - Overview of legal changes



## Objective

Deliver a comprehensive dematerialisation solution for Eurobond Market securities that will act as the foundation for increasing efficiency, accuracy and attractiveness by streamlining and ultimately digitizing process flows (end to end).

## Scope

### Joint-Issuance of:



- **Eurobonds in the form of debt instruments in dematerialized form without global note or certificate** (including medium term notes, bonds, commercial paper, certificates of deposit, convertible bonds and equity linked notes as per the scope of the initial legal assessment)
- **governed by English law and subject to English court jurisdiction (the “Securities”)**,
- **issued by an issuer incorporated in the UK or a supranational issuer** (where that supranational issuer does not have a jurisdiction of incorporation) (**the “Issuer”**)

**“Joint Issuance in both ICSDs” means that both ICSDs are considered as issuer CSDs. By “dematerialized form” we mean “the fact that financial instruments exist only as book entry records” as per CSDR Regulation (EU) No 909/2014**



# Dematerialised Eurobonds - Overview of legal changes



Introduction of a **new legal form** i.e. Dematerialised debt securities in uncertificated 'claim' form that exist only as book-entry records with no global certificate being issued in relation to them.

Securities are distinguishable from bearer form and registered form i.e. no register in relation to the debt securities is maintained by the Issuer or an agent

**Legal owner** of the securities will be a **nominee** appointed to hold legal title on behalf of both ICSDs comparable to debt securities issued via the New Safekeeping Structure (NSS)

**The Issuance Record** that is maintained by one of the ICSDs (i.e. **Common Record Keeper**) will be the definitive evidence of legal title to the securities and the IOA.

**Issuance** will be constituted via the **Execution of Deed Poll/Trust Deed** + the mark-up of securities to the ICSDs + completion of the Issuance Record + initiation of payment to Issuer

Interests in the dematerialised Debt Securities will trade through the ICSDs in accordance with **their existing clearing and settlement systems**.



In cooperation with external legal counsel, the ICSDs will produce **new legal packs** to provide the necessary guidance to market participants to facilitate the adoption of the dematerialised Eurobond issuance model.

