

How to prepare and structure an effective Schuldschein issuance

■ A structured yet accessible process

- **A simple choice for tailored financing**

The Schuldschein stands out for its relative simplicity compared to a traditional bond issuance. Volumes do not need to reach a critical level unlike bonds and can vary from EUR50 – 500m+. Documentation is lighter, close to a loan agreement, and updated financials, prospectus or due diligence calls are not required. However, careful attention must be paid to preparing the company profile document.

- **Essential coordination**

Preparation ahead of launch is the key element. The documentation, investor presentation and credit research are the key cornerstones. An engaged borrower and good co-ordination between the arrangers is important to ensure a smooth process.

- **Realistic timeline**

A typical timeline runs 8-10 weeks from start to finish, split in 3 phases: preparation 2-4 weeks, marketing 5 weeks, and settlement 1 week. While the process is longer than some conventional financing instruments, it remains shorter and less complex than a first bond issuance for rated / unrated companies.

■ Understanding investor expectations

- **Investor profile**

Commercial banks are the principal investor base with German savings banks and institutional investors providing additional liquidity for international issuance. The Schuldschein investors tend to be more resilient and stickier than bond investors. Schuldschein investors are seeking stable credits that they can invest in with the sweet spot being in the BBB+ to BB range (both unrated and rated). Deals should be unsecured and pari passu, with limited focus on relationship-building.

- **Pricing and terms**

Given the private nature of the market, pricing relies on the expertise of arrangers. While formal due diligence is not required, KYC obligations are heavier due to the multiplicity of investors. The extended marketing period can also restrict access to other financing, making clear market clauses essential.

- **Flexibility and relationships**

Schuldschein debt sits somewhere in between a loan and bond. The FRN offers greater flexibility than a fixed rate issue as it can be prepaid on an interest rollover without a penalty or fee as long as 1 month's notice is given. Documentation can be amended but as these are essentially bilateral loans, they need each investor to agree.

The Schuldschein is more than an alternative financing tool—it is a strategic instrument. Its effectiveness relies on methodical preparation, rigorous coordination, and a solid understanding of investors to structure efficient and flexible transactions.

Pour en savoir plus sur la formation en lien avec cette thématique, flashez le QRCode

**MODÉRATRICE**

**Aurélie
GEORGES**
Econocom

AVEC LA PARTICIPATION DE



**Etienne
LEFRANCOIS**
Suez

INTERVENANTS

**Jean-François
DEISS**
Rexel



**Richard
WADDINGTON**
Commerzbank