



Invested in America

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**Securities Industry and Financial Markets Association Statement of Objectives
Regarding the Preparation and Distribution of Pricing Term Sheets**

Issuers, underwriters and their counsel are reminded that it is very important for the pricing term sheet for a bond or preferred stock issue to be finalized and distributed to investors promptly after pricing. In most transactions, this currently takes place. However, SIFMA¹ notes that from time to time the process of preparing pricing term sheets can take longer than necessary. Offering participants are, accordingly, reminded of the importance of finalizing pricing term sheets as promptly as possible after pricing of an offering. SIFMA notes that most of the information in the pricing term sheet is known before the pricing of an offering. In most offerings only a few pricing specific items need to be agreed upon after pricing. Therefore, whenever possible, SIFMA urges offering participants to agree on as much of the pricing terms sheet as possible in advance of pricing.

Once priced, all relevant constituencies should be prepared to comment on and approve the completed pricing term sheet as promptly as possible after pricing. This may be accomplished, for example, by appointing one party to insert the final pricing terms during or immediately after the pricing call and by having each offering participant designate a specific individual to be available to review and promptly agree on the terms. Because issuers and their counsel may have less experience than the underwriters and their counsel with the process regarding preparation and approval of pricing term sheets, it is particularly important for issuers and their counsel to make themselves available immediately after pricing to facilitate the timely completion and approval of the pricing term sheet. This will allow the timely distribution of the term sheet to investors and the prompt commencement of trading in the securities by the syndicate.

¹ SIFMA brings together the shared interests of hundreds of securities firms, banks and asset managers. SIFMA's mission is to support a strong financial industry, investor opportunity, capital formation, job creation and economic growth, while building trust and confidence in the financial markets. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association. For more information, visit www.sifma.org.