

# Bond – Key FAQs

*Ringstone Funding Ltd – Summary for Issuers*

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## 1. What is a Green or Sustainable Bond?

A Green Bond is a corporate bond used to raise capital for projects with environmental or climate-positive outcomes.

To be recognised as a Green Bond, a project typically needs:

- A **Green Bond Framework**
- Alignment with **ICMA Green Bond Principles** or **Climate Bond Initiative (CBI)**
- A **Second Party Opinion (SPO)** or certification

Our legal partner drafts the Green Bond Framework and manages the accreditation and SPO process.

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## 2. What Services Are Provided?

- Drafting of the **Offering Prospectus**
  - Drafting of the **Bond and Green Bond Framework**
  - Obtaining **ISIN, LEI**, and related identifiers
  - Coordinating **SPO certification** (if green)
  - Optional listing on **Bloomberg** or other platforms
  - Trustee services through their affiliated entity
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## 3. How Long Does Bond Formation Take?

Approximately **6 weeks** to reach “issuance-ready” state.

After this, the bond can be placed on **Bloomberg** or another platform.

## 4. Is the Process Secure?

Yes. The entire process is handled via:

- Direct client instruction
  - Full **KYC/AML checks**
  - Secure exchange under **attorney–client privilege**
  - NDAs with third-party verifiers
- Intellectual property can be placed in **custody** and protected off-grid if needed.
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## 5. Do I Need an Investor Before Starting?

No. Most issuers begin drafting the bond before approaching investors.

Investors often prefer seeing:

- The drafted bond
  - ISIN
  - SPO (for green bonds)
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## 6. What Are the Fees?

- **Once-off fees** for drafting and formation
  - Optional **Green Bond certification** fees
  - Annual renewal fees for **LEI, ISIN, and SPO**
  - Optional platform listing fees (e.g., Bloomberg, Nasdaq)
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## 7. Can the Bond Value or Term Be Flexible?

Yes. Bond size and duration depend on project viability.

Issuers can:

- Issue one large bond (e.g., 20-year)

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- Or multiple smaller 10-year bonds over time  
Financial modelling determines the optimal structure.
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## 8. Do You Provide Trustee Services?

Yes. The affiliated Trustee manages:

- Oversight of use of proceeds
- Bondholder protections
- Event of default processes

The Trustee's fee is paid from **bond proceeds**, not from the issuer's own funds.

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## 9. What About Underwriters or Insurance Wraps?

Insurance wraps are available from global firms (e.g., WTW).  
They:

- Provide investor assurance
  - Are paid from bond funds once received
  - Typically cost **1%–2.5%** of the bond value
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## 10. How Are Funds Drawn Down?

Drawdowns typically occur via:

- The Trustee
  - Against approved milestones in the **Use of Proceeds**  
Issuers can draw down partially subscribed notes (e.g., 4/5 notes subscribed).
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## 11. Can a Bond Cover Multiple Projects?

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Yes. Bonds can:

- Finance a **portfolio** of assets
  - Or a **single project**
- Portfolio bonds provide diversification but require clear financial modelling.

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## 12. Can the Bond Be Listed on Bloomberg and Other Platforms?

Yes. Bloomberg is recommended due to:

- High liquidity
- Strong analytics
- Efficient OTC trading

Other platforms (e.g., Nasdaq) can also be used if preferred.

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## 13. What Is the Typical Subscription Time?

Bonds may be funded:

- Immediately (if investors are ready), or
- Within **4–18 months**, depending on project attractiveness, pricing, and market appetite.

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## 14. What Checks Are Done on the Issuer?

The legal partner performs:

- Full **KYC & AML**
- **World-Check** screening
- Validation of project legitimacy

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## 15. Bond Repayment Structure

Typical structure:

- **2-year interest reserve** (moratorium)
- Interest serviced from year 3 onwards
- Capital repayment:
  - Either at end of term, or
  - In instalments (negotiated case-by-case)

A financial model demonstrates the issuer's capacity to repay.

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## 16. What Restrictions Exist on Further Fundraising?

None, provided it is addressed in the **Trust Indenture**.

Issuers may:

- Raise additional capital
  - Amend the indenture to allow new loans or share issuance
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## 17. Can the Issuer Exit Before 10 Years?

Yes. Early exit or refinancing can be drafted into the bond documents if agreed upfront.

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## 18. Who Provides the Second Party Opinion (SPO)?

External SPO providers approved by the **Climate Bonds Initiative (CBI)**.

The law firm:

- Selects the verifier
- Coordinates certification
- Provides Green Bond Framework
- Facilitates SPO issuance

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## 19. Advantages of a Rated Bond

- Access to more institutional investors
  - Lower interest rates
  - Higher liquidity
  - Wider investor pool
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## 20. Example of a Bond Placed on Bloomberg

- **ISIN:** CAC42580AA54
  - **Bloomberg ID:** YV9933776
  - **Quick Name:** HLTDIV 6 09/02/34 Corp
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## 21. What Is Bond Insurance and Why Is It Used?

Bond Insurance — also known as a **Credit Enhancement** or **Insurance Wrap** — is an insurance policy purchased by the issuer to strengthen the credit profile of the bond.

This insurance:

- Protects investors in the event of issuer non-payment
- Raises investor confidence
- Can **significantly reduce the bond's interest rate**
- Increases demand from institutional investors
- Helps the bond qualify for investment-grade baskets

Insurance cover is typically arranged **after ISIN and Bond documentation are completed**, and before listing or investor engagement, as well as post Bond Issuance. Bond insurance is typically priced at **1% – 2.5%** of the total bond value depending on:

- Project risk
- Country risk
- Bond duration

Of course — here is a clear, professional FAQ entry you can add to your reduced FAQ. It keeps the tone consistent with the rest of the document and positions RSF confidently.

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## 22. Are References Available?

Yes. Professional references can be provided upon request. These may include:

- Previous issuers we have supported
- Legal partners we work alongside
- Project developers and institutional stakeholders familiar with the process

Due to confidentiality and NDAs, references are shared **privately** and only once the prospective issuer has completed initial onboarding and KYC verification.

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Here is a clear, concise **FAQ-style summary** combining both topics:

- (1) **How long subscription takes after issuance and**
- (2) **What the success rate is once all criteria are fulfilled.**

This fits perfectly into your reduced FAQ document.

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## 23. How Long Does It Take for a Bond to Be Fully Subscribed Once Issued?

There is **no fixed timeline** for bond subscription, even once the bond is fully issued and placed onto Bloomberg or another platform.

Subscription speed depends on:

- The quality and viability of the project
- How attractively the bond is priced
- Current market appetite
- The issuer's credibility and track record

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- Whether investors were already engaged beforehand

**Bloomberg cannot provide a subscription-time estimate**, because it depends entirely on investor demand.

**Fastest subscriptions** typically occur when:

- Investors already know about the project
  - They are simply waiting for the bond to be formally structured and listed
- In those cases, the bond may be sold quickly **over-the-counter (OTC)**.

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## 28. What Is the Success Rate Once All Requirements Are Met?

Bloomberg tracks bond trading activity, but it **cannot measure**:

- Whether a private equity agreement underpinned the bond
- Whether OTC transactions occurred
- Private side investor negotiations
- Subscription success not involving public market trades

Because many bonds—especially project, green, or ESG bonds—are subscribed **privately or OTC**, the true “success rate” cannot be publicly tracked.

However, in practice:

- Bonds with strong fundamentals and complete documentation
  - A clear use of proceeds
  - SPO/Green verification (if applicable)
  - A strong issuer profile
- tend to achieve substantially higher subscription outcomes, often through private placements rather than exchange trading.

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Here is a **clean, concise FAQ-ready summary** of your Green Bond / SPO content, written to match the tone of the reduced FAQ and suitable for direct inclusion.

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## 29. What Are the Challenges When Issuing a Green Bond?

When issuing a Green Bond, the legal team may identify challenges in obtaining a **Second Party Opinion (SPO)**, especially where the bond finances **multiple projects**.

Each project must meet the relevant environmental criteria, and some may require additional justification or restructuring to qualify.

These issues are addressed during the **structuring phase** of the Green Bond Framework.

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## 30. Who Provides the Second Party Opinion (SPO)?

SPOs are issued by independent, accredited **Green Bond Verifiers**.

A list of globally approved verifiers is maintained by the **Climate Bonds Initiative (CBI)**:

 <https://www.climatebonds.net/certification/approved-verifiers>

These organisations review the Green Bond Framework and confirm alignment with environmental standards and market principles.

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## 31. What Standards Will the Law Firm Use for Accreditation?

The legal team aligns all Sustainable / Green Bonds with:

- **ICMA Green Bond Principles**, and
- **Climate Bonds Initiative (CBI) Taxonomy and Criteria**

These two frameworks are considered the **global benchmarks** for environmental integrity and certification.

The Bond Framework is drafted to fully comply with these standards, and the SPO providers use them to assess the eligibility of the projects being financed.