

Industry guidance on the use of league tables during pitch presentations



Frequently Asked Questions

What is a league table?

A league table is a means to ascertain the ranking of investment banks and financial advisors in different activities. League tables can be aggregated to encompass all investment banking activities, or split according to the needs of the analysis being made (for example, by equity capital markets, debt capital markets, mergers and acquisitions or syndicated loans. League tables may also be cast at a regional or industry level). They are dynamic, being regularly updated to reflect changes in industry or geographic classifications or changes in deal status, and thus will change from time-to-time post publication.

Typically, firms are ranked based on total deal values, number of transactions or fee revenues as estimated by the relevant data provider.

League tables are typically produced based on data from companies such as Dealogic, Bloomberg and Thomson Reuters, or from a firm's own internally compiled data sources. These companies may use different models or input criteria into the creation of their league tables, and thus league tables prepared using different providers and comparable criteria may show different results.

Why is this guidance necessary?

League tables rank the top bookrunners, managers, or financial advisors across a range of bond, loan, equity or M&A transactions. While rarely the sole determinant in a client's decision to select a service provider, bespoke league tables presented as part of a pitch can help inform the client of a firm's historic performance relative to that of their peers. It is therefore critical that clients trust that the information presented in a league table is relevant, verifiable, clear and reproducible.

What is the objective of this guidance?

The objective of this guidance is to assist clients in understanding the sources and methodology used by firms when preparing league tables for inclusion in pitch presentations.

In the event that a client wishes to challenge or question a league table and/or replicate its findings, the client should have sufficient information and understanding from this guidance to allow it to do so.

How does the guidance achieve this objective?

This guidance establishes the minimum information that AFME and UK Finance believes should be made available to clients with respect to league tables.

How this information is made available (e.g. via footnotes, annexes, or web links) is for the pitching firm(s) to determine. That notwithstanding, firms must always adhere to the overarching principle of this guidance, namely that the information presented in league tables must be fair, clear and not misleading.

What does this guidance not do?

This guidance does not:

- create a standardised league table that must be included in all client pitches;
- attempt to capture (i) the different input criteria, models and/or approaches each league table provider employs in compiling their respective data bases, or (ii) the impact of changes that each league table provider may make over time to its industry classification, country classification or to deal status; or
- remove a firm's ability to develop bespoke league tables to meet the needs of specific clients and/or fit specific transaction types.

Who should read this guidance?

This guidance should be read by clients and their financial advisors, investment bank employees producing league tables for use in client pitch presentations, and league table providers.

Member firms should consider how best to incorporate this guidance into their day-to-day activities and should provide appropriate training, where required.

Who does this guidance apply to?

This guidance applies to investment bank employees working for UK-based firms producing league tables for use in client pitch presentations, and league table providers who have endorsed this guidance. These are Thomson Reuters, Bloomberg and Dealogic.

How do I contact a league table data provider?

The below contact details should be used to contact participating league table data providers.

Non-participating league table providers wishing to support this guidance should contact UK Finance and AFME for further information.



THOMSON REUTERS

Telephone:

Contributed Content & League Tables/EMEA:

+44(0)207 5420 961

Global Contributor Relations:

+1 646 223 8424

E-Mail:

Contribute@ThomsonReuters.com

For more information:

<http://financial.thomsonreuters.com/en/products/data-analytics/company-data/investment-banking-league-tables.html>

Bloomberg

E-Mail:

newissues@bloomberg.net.

For more information:

dealogic

<https://www.bloomberg.com/professional/product/league-tables/>

Persons wishing to contact Dealogic are invited to follow the link <http://www.dealogic.com/about-us/our-locations/> and then ask to be direct to the relevant product area.

Guidance on the use of league tables in pitch presentations

Overarching principle

1. Firms should not mislead clients in the presentation of league tables in pitch documents (a “league table”).

League tables should be directly relevant to the proposed transaction

2. Unless otherwise requested by a client, the criteria used by a firm to prepare a league table should be directly relevant to the transaction that the client is proposing to undertake.

The criteria and methodology used to produce a league table should be made clear to the client and include certain information

3. The criteria and methodology used by a firm to prepare a league table should be clearly identified to the client.
4. The information about the criteria provided to the client should include the following:
 - the source of the data (Bloomberg, Dealogic, Thomson Reuters, etc.) and the standard/official vendor league table title on which the league table is based (if available);
 - the time period covered;
 - the geographical area (e.g. EMEA, UK or Asia);
 - the industry or sector;
 - the roles specified (e.g. bookrunner, financial advisor etc.);
 - ranking criteria (e.g. volume, number of deals etc.);
 - the date of preparation of the league table;
 - what types of transactions are included and excluded (e.g., “global high yield bonds, excluding Reg. 144a transactions”, “initial public offerings by U.K.-domiciled issuers”, “Announced M&A with French Targets, undisclosed values and deal values up to \$500M, inclusive”); and
 - any other relevant parameters/criteria used in the preparation of the league table, including information on any divergence from the vendor “standard criteria” used.
5. The methodology used to prepare a league table should be notified by a firm to the client in the relevant pitch presentation, or otherwise made available to a client separately upon its request. In the event of the latter, the firm must make clear to

a client that this information is available to them should they require it.

League tables should be verifiable

6. Firms should, on the client’s request, provide a client with the contact details of the relevant data provider(s), so that the client can contact such data provider(s) to confirm the source, methodology and accuracy of the information contained in the league table. The firm must make it clear to a client that that this information is available to them should they require it¹.
7. Where requested by the client and where reasonably practicable and appropriate for the firm, the firm should provide the client with a more comprehensive description of the underlying league table transaction types for the purposes of enabling the client to assess the relevance of such transactions.

League tables should be capable of being reproduced

8. Clients who are subscribers to a data provider’s league table software systems should be in a position to substantially reproduce a league table upon receipt of the all the criteria and methodology referred to in sub-sections 4 and 5 above.

Clients who are not subscribers to a data provider’s league table software systems should be in a position to obtain a substantially reproduced version of a league table by providing the data provider with (i) all the criteria and methodology referred to in sub-sections 4 and 5 above; (ii) the contact details provided in sub-section 6; and/or (iii) any additional information requested by the league table provider.

9. Where a firm has presented a client with a bespoke league table based on internally sourced data, the firm should provide the client with any information that would enable the client to reproduce the league on the client’s request.

Firms can submit bespoke league tables to the client

10. Subject to the overarching principle that information presented in a league table must be fair, clear and not misleading, firms may present additional bespoke league tables tailored to specific clients, products and transactions if the firm believes this information is relevant to the client².

¹ In the event that a client requires further confirmation of a league table via a “reproduced” copy, the firm should note to the requesting client that vendor databases are “live” databases, such that underlying components change as new transaction details are disclosed. For this reason, 100% replication/reproduction of a given league table is not always possible.

² Certain concepts set out above (e.g. that the league tables must be presented with enough clarity and detail to enable clients to reproduce the table) also apply to the bespoke league tables.

This Guidance is intended to provide general information only and is not intended to be comprehensive or to constitute legal, regulatory, financial or other advice to any person. In the event of any inconsistency between this industry Guidance and the FCA Principles for Businesses, the FCA rules take precedence. This Guidance is voluntary and is not intended to address other relevant legal obligations. Firms are free to follow different or higher standards in the development and use of pitch presentations but must always achieve compliance with the FCA Principles for Businesses. Neither UK Finance or AFME or any of their respective members, officers, employees or agents shall have any liability to any person arising from or in connection with any use of this guidance or any information or views contained in this guidance.