



# News Release

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[www.lsta.org](http://www.lsta.org)  
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## LSTA and LMA Issue New Users Guide For Revised Distressed Trading Documents, Easing Cross Border Trading Issues

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**New York, NY and London** – The Loan Syndications and Trading Association (LSTA) and the Loan Market Association (LMA) today announced that they have released a Users Guide that identifies the many similarities and lays out the key differences between the LMA and the LSTA secondary trading documents that are used when trading distressed loans. Substantial progress has been made in conforming trade practices and documentation, especially with the LMA’s recent revisions to its secondary trading documents, although some differences remain between the two Associations’ documents. The Associations have also published a Glossary of Terms, which defines commonly used terms in both the European and U.S. markets and which, it is hoped, will help to eliminate confusion in cross-border trading.

“Cross border trading in distressed documents has increased significantly in the past two years, and the Users Guide will help clarify the differences between the two Associations’ standards, making the process more efficient and understandable for market participants,” said Allison Taylor, executive director of the LSTA.

The LMA’s revised trading documents came into effect in October. This was the first revision since the documents were created six years ago. The updates were driven by the growth in the European distressed debt market and the increased volume of trading between U.S. and European counterparties, which has led to more focus on the differences between the LMA and the LSTA trading documents.

“The updating of the LMA’s trade documentation and the publication of the Users Guide and Glossary are extremely important projects,” said Clare Dawson, the LMA’s executive director. “This cooperative effort between the two Associations will lead to greater clarity and certainty in the distressed debt market.”

The Users Guide is available on both Associations’ websites, at [www.lsta.org](http://www.lsta.org) and [www.lma.eu.com](http://www.lma.eu.com).

### **LSTA**

The Loan Syndications and Trading Association was founded in 1995 and is the trade association for the corporate loan market, dedicated to advancing the interests of the marketplace as a whole and promoting the highest degree of confidence for investors in corporate loans. The LSTA undertakes a wide variety of activities to foster the development of policies and market practices designed to promote a liquid and transparent marketplace and to encourage cooperation and coordination with firms facilitating transactions in loans and related claims. For more information, please visit <http://www.lsta.org>.

### **Loan Market Association**

The Loan Market Association was founded in December 1996 by seven leading international banks in London. Its aim was to encourage liquidity and efficiency in both the primary and secondary loan markets by promoting market depth and transparency, as well as by developing standard forms of documentation and codes of market practice. Banks, law firms and other market practitioners were invited to join the LMA, and the membership currently stands at 248. The Association was established in anticipation of changing market conditions and of a perceived willingness on the part of the banking community to bring greater clarity, efficiency and liquidity to the relatively underdeveloped secondary market. The initiative was clearly well timed, as since 1997, there has been sustained growth in secondary loan activity in the Euromarkets, with volumes for 2004 estimated at EUR 42 billion. The LMA has gained recognition in the market and has expanded its activities to include all aspects of the primary and secondary syndicated loan markets. It sees its overall mission as acting as the authoritative voice of the syndicated loan market in Europe vis à vis banks, borrowers, regulators and other affected parties.