



Debt Finance Weekly

Tuesday 19th August 2025

LEGAL AND REGULATORY



FCA publishes insights on sustainability-linked loans market



LSTA publishes updated Master Participation Agreement and republishes trading documents

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The [Financial Conduct Authority](#) (FCA) has published a follow up [letter](#) to share insights from its ongoing engagement with banks active in the sustainability-linked loans (SLL) market.

The FCA notes that SLLs can be a useful transition financing tool for borrowers wanting to improve their overall sustainability performance. Since its previous letter in 2023, which highlighted a number of concerns, the FCA has seen the market for SLLs mature, with more robust product structures and better practice. The FCA recognises that there are still barriers to scaling the SLL market and some concerns around incentives, but it believes that the improvements it has observed are important steps in the development of a credible transition finance ecosystem.

Moving forward, the FCA intends to:

- continue to monitor the SLL market as part of its wider work on transition finance and welcome further dialogue with banks;
- work closely with the Transition Finance Council (TFC) to promote the competitive position of the UK as a transition finance hub; and
- encourage banks to engage collaboratively with the TFC's work, to build alignment in approaches to transition finance.

Related links:

- [Press release](#)

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LSTA publishes updated Master Participation Agreement and republishes trading documents

The [Loan Syndication and Trading Association](#) (LSTA) has published the final form of its new [Standard Terms and Conditions](#) (STCs) and [Transaction Specific Terms](#) (TSTs) for its Master Participation Agreement for Par/Near Par Trades.

According to the LSTA, parties who enter into participation agreements with a counterparty from time to time may want to use the Master Participation Agreement.

The LSTA has also published an updated [Par/Near Par Confirm](#) containing a new proviso to section 10 which references the Master Participation Agreement. Because of this, the LSTA has republished all trading documents so they bear the same date of 15 August 2025, including:

- [Par Confirm](#);
- [Par Confirm STCs](#);
- [Distressed Confirm](#);
- [Distressed Confirmation STCs](#);
- [Purchase and Sale Agreement for Distressed Trades TSTs](#);
- [Purchase and Sale Agreement for Distressed Trades STCs](#);
- [Participation Agreement for Par/Near Par Trades TSTs](#);
- [Participation Agreement for Par/Near Par Trades STCs](#);
- [Participation Agreement for Distressed Trades TSTs](#);
- [Participation Agreement for Distressed Trades STCs](#);
- [Primary Allocation Confirmation](#);
- [Primary Allocation Confirmation STCs](#);
- [Chapter 11 Plan Proceeds Letter Agreement](#) for post-effective date settlement of distressed trades;
- [Bilateral Netting Agreement – Distressed](#);
- [Bilateral Netting Agreement – Par/Near Par](#); and
- [Multilateral Netting Agreement](#).

Please note the documents are only available to LSTA members.

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