ICMA

International Capital Market Association

ICMA Regulatory Policy Newsletter

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The communication conundrum

Foreword by Tim Skeet, Chairman of the ICMA UK and Ireland Region[1]

Our industry has not come out of this crisis well. I deliberately try to avoid using that much overused term "unprecedented", although what we are all experiencing is, of course, new, even for those of us well into our third decade or more of operational experience in these markets. But regardless of who did what to whom, we all now stand accused of being self-serving, overpaid, arrogant, greedy, and many more things besides. As we face our accusers, claiming ignorance is never a defence in a court of law, nor indeed before the press.

The image problem has been exacerbated by the fact that no one understands what we do, how our business works, how we make our money and how this helps the economies in which we work. We have laid ourselves open to attack from all sides, from the politicians looking to allocate blame, and from the media reducing complex matters to brief sound bites and headlines. No wonder large parts of the market run fearful of "headline risk", an element frequently referred to by investors as a source of volatility and concern as they attempt to make rational medium-term decisions and find themselves blown off course by daily media reports.

To be clear, this is not a question of "shooting the messenger", but rather of highlighting the need to respond to a challenge. The consequences of not responding are beginning to be felt. Politicians are calling for radical change and reform. Regulators, spurred on by the politicians and conscious of their public accountability, are also under immense pressure to act. There could well be unintended or misdirected consequences to this, some of which could have further economic repercussions and may well impact employment prospects and recovery in the industry if the regulatory burden prevents positive innovation and creativity. This is not to say that there ought not to be checks and balances, but we must argue our case intelligently to ensure that these are appropriate and thoughtful, not driven by short-term concerns, or a misunderstanding of what in fact went wrong.

If we are honest, we will admit that external communications have never been a strong point in the City, and as our affairs have become more complicated, we have tended to make them seem even more so through the extensive use of jargon and dense prose. As we are now finding when we need external support, it does not help that those whose supervision and support we seek and those who lead the commentary

Tim Skeet
Chairman of the ICMA UK and Ireland Region

The communication conundrum - continued

in the press may feel they do not really understand what we are talking about and what we all do. All they know is that, collectively, we made mistakes and everyone is suffering the consequences.

Let me therefore take this opportunity to call upon all those bodies that represent our industry, ICMA included, to speak up and speak out. We must ensure that our politicians and regulators understand what we all do, and how our markets work, that they understand the language we use and the terms we employ. The *Financial Times* has always been quick to report our affairs and has done so very effectively throughout the crisis. Gillian Tett, talking about the yawning information gap between bankers and the rest of the world, wrote a few weeks after the fall of Lehmans: "Bankers have been acting like a priestly class that assumed that only people who spoke financial Latin should be allowed to attend Mass". She makes a very valid point and I think it is up to us to reflect on this and to respond. We are all in this business and we have a role to play as individuals and collectively. And indeed ICMA has a role to play probably now as never before, so let us all learn to communicate clearly.

Tim Skeet - Chairman of the ICMA UK and Ireland Region

[1] Extract from speech given at the ICMA Primary Market Forum in London, November 2008

Outline of the ICMA Quarterly Assessment

The past quarter – since the insolvency of Lehman Brothers – has been marked by massive intervention by the financial authorities, particularly in the US and in Europe, in an attempt to restore orderly markets through the recapitalisation of banks, the provision of government guarantees on interbank lending and in some cases government purchases of toxic assets, accompanied by a dramatic easing of monetary policy and selective fiscal stimulus, country by country, but in a coordinated pattern. The critical question now is whether this will be sufficient to revive bank lending to the private sector, or whether further steps will be needed and what form these will take. The role of financial institutions has been called into question by the crisis, and it will need to communicate its role much more clearly, Tim Skeet argues in his foreword to our Quarterly Assessment.

The response to the international financial crisis

In response to the crisis, the authorities are moving towards significant changes in the regulation of the financial system. In this section of our Quarterly Assessment, David Hiscock sets out the agenda both at global and at European level. The starting point is the Group of 20 summit in Washington last November, which is to be followed up by a further summit in London in April, and is being accompanied at European level by work on the supervision of the financial system by a panel of wise men chaired by Jacques de Larosière. The European Commission has also put forward proposals – some of which are controversial – to amend the Capital Requirements Directives and to regulate Credit Rating Agencies; and international work is continuing to develop a central counterparty for credit default swaps. A common theme in the industry's response to these new regulatory initiatives is that, besides being properly thought through, regulatory changes need to be consistent at European and global level. At the end of this section, Lalitha Colaco-Henry reports on a study being undertaken on more effective regulation.

Primary markets

The section on the primary markets begins with a summary of the issues discussed at ICMA's Primary Market Forum in London in November. In addition, the European Commission is consulting on its review of the Prospectus Directive, and ICMA is expecting to put forward some practical proposals in response. There are also reviews in this section on CESR's work on the Market Abuse Directive and on the Statutory Audit Directive. Ruari Ewing, Annina Niskanen and Lalitha Colaco-Henry report on ICMA's work in this area.

Secondary markets

One of the critical questions in the secondary markets is how to restore liquidity to the international bond market. ICMA's update of its Secondary Market Rules is intended as a helpful step. André Seiler and Lisa Cleary in ICMA's Legal Department are points of contact for members' questions on the changes in the Rules. Separately, regulatory attention is again focusing on post-trade transparency in the bond market. Lalitha Colaco-Henry reports on CESR's new Consultation Paper, and she and David Clark introduce ICMA's review of the first year in operation of ICMA's bond market transparency standard to help retail investors, and of services available to meet that standard.

Asset management

Following its meeting in Brussels in December, ICMA's Asset Management and Investors' Council (AMIC) will be undertaking more work on money market funds in Europe. Nathalie Aubry introduces an initial AMIC report on money market funds, and also reports on the Commission consultation on hedge funds, where one of the questions is whether the boundaries of regulation of the financial system are going to be extended.

Financial infrastructure

A resilient financial infrastructure has been critical to the functioning of the market during the crisis. Ruari Ewing and Annina Niskanen report on a new Market Practice Book by Euroclear Bank and Clearstream Banking, and ICMA's Guidance Note on the provision of information and documents to intermediaries in a timely and accurate manner in the primary markets. Nathalie Aubry reports on credit claims and interbank transactions and on clearing and settlement issues; and Lisa Cleary reports on the current update of GMRA legal opinions.

ICMA's regulatory policy and market practices work in these areas has two objectives: to set standards of good market practice where there is a consensus among members about the best way to achieve this; and to respond to regulatory initiatives by the authorities to ensure that new regulations are as effective as possible, taking their impact on the industry fully into account. In doing so, ICMA represents its members' interests at a pan-European level, bringing sell-side and buy-side members together whenever possible, and cooperates with other self-regulatory organisations and trade associations, wherever it is in its members' interests to do so.

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The regulatory response

Global: In mid-November, Group of 20 (G-20) world leaders met for a summit in Washington DC. An agreed Declaration was issued, following from their discussion of efforts to strengthen economic growth, deal with the financial crisis and lay the foundation for reform to help to ensure that a similar crisis does not happen again.

The summit was stated to have achieved five key objectives. The leaders:

- reached a common understanding of the root causes of the global crisis;
- reviewed actions countries have taken and will take to address the immediate crisis and strengthen growth;
- agreed on common principles for reforming our financial markets;
- launched an action plan to implement those principles and asked ministers to develop further specific recommendations that will be reviewed by leaders at a subsequent summit; and
- reaffirmed their commitment to free market principles.

Significantly the leaders agreed on common principles to guide financial market reform:

- *Strengthening transparency and accountability:* by enhancing required disclosure on complex financial products, ensuring complete and accurate disclosure by firms of their financial condition and aligning incentives to avoid excessive risk-taking;
- *Enhancing sound regulation:* by ensuring strong oversight of credit rating agencies, prudent risk management, and oversight or regulation of all financial markets, products and participants as appropriate to their circumstances;
- *Promoting integrity in financial markets:* by preventing market manipulation and fraud, helping avoid conflicts of interest, and protecting against use of the financial system to support terrorism, drug trafficking, or other illegal activities;
- *Reinforcing international cooperation:* by making national laws and regulations more consistent and encouraging regulators to enhance their coordination and cooperation across all segments of financial markets;
- *Reforming international financial institutions (IFIs):* by modernizing their governance and membership so that emerging market economies and developing countries have a greater voice and representation, by working together to better identify vulnerabilities and anticipate stresses, and by acting swiftly to play a key role in crisis response.

More tangibly, the leaders approved an "Action Plan" (appended to the Declaration) that sets forth a comprehensive work plan to implement these principles, and asked Finance Ministers to work to ensure that the Action Plan is fully and vigorously implemented. The Action Plan includes immediate actions to:

- address weaknesses in accounting and disclosure standards for off-balance sheet vehicles;
- ensure that credit rating agencies meet the highest standards and avoid conflicts of interest, provide greater disclosure to investors, and differentiate ratings for complex products;
- ensure that firms maintain adequate capital, and set out strengthened capital requirements for banks' structured credit and securitization activities;
- develop enhanced guidance to strengthen banks' risk management practices, and ensure that firms develop processes that look at whether they are accumulating too much risk;
- establish processes whereby national supervisors who oversee globally active financial institutions meet together and share information; and
- expand the Financial Stability Forum to include a broader membership of emerging economies.

The leaders instructed Finance Ministers to make specific recommendations in the following areas:

- avoiding regulatory policies that exacerbate the ups and downs of the business cycle;
- reviewing and aligning global accounting standards, particularly for complex securities in times of stress;
- strengthening transparency of credit derivatives markets and reducing their systemic risks;
- reviewing incentives for risk-taking and innovation reflected in compensation practices; and
- reviewing the mandates, governance, and resource requirements of the IFIs.

The leaders agreed that needed reforms will be successful only if they are grounded in a commitment to free market principles, including the rule of law, respect for private property, open trade and investment, competitive markets, and efficient, effectively-regulated financial systems. Progress against the Action Plan will be reviewed in a further G-20 Summit planned to be held in London on 2 April 2009.

Europe: Congruously, the European Commission has launched a panel of "wise men" to work on the kind of supervisory system which Europe needs for the future, with Jacques de Larosière as President. Its other members are: Leszek Balcerowicz, Otmar Issing, Rainer Masera, Callum McCarthy, Lars Nyberg, José Perez Fernandez and Onno Ruding. The mandate of the group is to consider:

- the organisation of European financial institutions to ensure prudential soundness;
- the orderly functioning of markets and stronger European cooperation on financial stability oversight;
- early warning mechanisms; and
- crisis management, including the management of cross-border and cross-sectoral risks.

The panel will also look at cooperation

between the EU and other major jurisdictions to help safeguard financial stability at the global level. It will report in February 2009, in time for its conclusions to feed into EU preparations for the planned 2 April G-20 Summit. One particular initiative that the panel is expected to consider is the proposal from the Vice-President of the ECB that the ECB, working in conjunction with national central banks in the Eurosystem, could take responsibility for supervising large banks operating across borders in the 16 countries participating in the euro area.

In conclusion: The above initiatives will inform the authorities' decisions as to where more regulation can help to restore market confidence. More regulation does not necessarily mean effective regulation and proposals will need to be considered carefully in advance to avoid unintended consequences.

Although the authorities' role is necessary in helping to restore market confidence, it is not sufficient on its own. The financial services industry itself has a continuing and vital part to play. This is mainly a matter for individual financial institutions themselves. A number have succeeded in raising new capital or achieving other steps to secure strong balance sheets. Financial institutions can also help to restore market confidence and ensure that markets function properly by collectively addressing difficult issues, such as transparency and valuation. This involves a continuous dialogue between issuers and investors, and between the industry and the authorities.

As a self-regulatory organisation and trade association, ICMA is playing a significant role in these areas, and we are actively engaging with the relevant authorities and the other parties involved on our members' behalf.

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Capital Requirements Directives

At the beginning of October, the European Commission published its proposed amendments to the Capital Requirements Directives (CRD), which have five objectives:

- first of all, to improve the management of banks' large exposures by restricting bank lending beyond a certain limit to any one party;
- second, to improve the quality of banks' capital by proposing clear EU-wide criteria for assessing whether hybrid capital – in other words, including both equity and debt – is eligible to be counted as part of a bank's overall capital;
- third, to improve supervision of cross-border banking groups by establishing colleges of supervisors to oversee them;
- fourth, to improve liquidity risk management for cross-border banking groups by coordinating supervision through the colleges of supervisors; and
- finally, to require firms that repackage loans into tradable securities to "keep their skin in the game" by retaining 5% risk exposure to these securities.

The industry felt that, in the case of this last proposal, while the objectives are shared, it would be particularly difficult to implement as currently proposed. The retention requirement could also make it costly for authorised financial institutions regulated in the EU to acquire securitised products (and other similar investment products) unless either (a) the originator of the underlying obligations or (b) the entity that has acquired the underlying obligations on their behalf has retained not less than 5% in positions with similar risk profile. It is proposed that the retention requirement should cover exposures retained by authorised financial institutions after 1 January 2011. When the European Commission consulted the industry on an earlier version of the proposal in the summer, trade associations (including ICMA) responded that it was uncertain how the proposal would work, its scope was unclear and it might increase the cost of capital for originators, and damage EU competitiveness.

The report of the Economic and Monetary Affairs Committee (ECON) in the European Parliament is due to be finalised by 22 January. The tripartite exchanges, between Parliament, the Council and the Commission, will conclude with a scheduled 2 February final ECON vote, to be followed in April by a vote in plenary session of the European Parliament.

An industry working group, coordinated by the European Securitisation Forum, has been providing detailed feedback and proposed drafting changes to try and best resolve the concerns that have been expressed. These efforts remain ongoing. The trade associations jointly involved in working on this topic, including ICMA, believe that securitisation is important for the availability of credit to EU companies and consumers and for EU economic recovery. Whilst accepting the need for changes to securitisation regulation, there is concern about the impact of certain aspects of the retention requirement on the viability of the securitisation market.

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Credit Rating Agencies' Regulation

We reported on the extensive debate on the role of Credit Rating Agencies (CRAs) in our Newsletters of April 2008 and October 2008.

On 12 November the European Commission published its proposal for a Regulation on Credit Rating Agencies. This proposal continues to be the subject of an intense debate between all market participants. The main outlines of the proposal are as follows:

- In order for a CRA to operate within the EU, it has to be registered in the EU. (This was previously called "authorisation".) Any subsidiary of a CRA has to register separately with its home Member State regulator, although there are provisions for cooperation between the different regulators when a group of CRAs register, such as to appoint a facilitator.
- CESR is given a powerful role, being the single point of entry for registration. However, the provisions for cooperation between CESR and CEBS and CEIOPS appear too weak.
- The scope of the Regulation has been widened. The earlier 31 July draft was limited to the use of credit ratings for regulatory purposes. The new proposal, which includes "or otherwise", broadens the scope drastically.
- For regulatory purposes, EU-regulated financial institutions may only use credit ratings issued by CRAs established in the EU and duly registered. Thus even highly rated non-EU securities are likely to be treated as unrated for EU regulatory purposes. The effect of this is far-reaching and some form of more workable compromise is being sought.
- In particular, the proposal contains a provision (Article 4, second paragraph) which prevents MiFID-authorised firms from executing orders on rated financial instruments if such instruments are not rated by a duly registered CRA.
- The proposal gives CRAs the option to publish a description of how rating methodologies differ for structured finance instruments, rather than using a clearly differentiated rating category.
- The proposal contains a list of organisational requirements, such as having an administrative or supervisory board with at least three independent non-executive members. Each registered subsidiary has to have such a board.
- The proposal contains a rotation mechanism to ensure that an analyst or person approving ratings shall not be involved in providing credit rating services to the same rated entity or its related third parties for a period exceeding four years.
- The proposal contains an explicit protection for the independence of the analytical content of the rating, though there is an argument for extending this to include methodology as well. Methodology is now only mentioned in the recital.

In December, the French Presidency published a compromise text which, if adopted, will address some – though not all – of the industry's concerns: for example, the deletion of the second paragraph of Article 4; and the removal from scope of "or otherwise" (than for regulatory purposes); and the extension of explicit protection for independence to rating methodology. ICMA is working closely with BBA, LIBA and SIFMA, on seeking further amendments to the proposals and will continue closely to track progress.

It is also important to note that the 15 November G-20 Summit Action Plan, under the head of *Enhancing Sound Regulation – Prudential Oversight*, included three provisions on CRAs:

- Regulators should take steps to ensure that credit rating agencies meet the highest standards of the international organization of securities regulators and that they avoid conflicts of interest, provide greater disclosure to investors and to issuers, and differentiate ratings for complex products. This will help ensure that credit rating agencies have the right incentives and appropriate oversight to enable them to perform their important role in providing unbiased information and assessments to markets.
- The international organization of securities regulators should review credit rating agencies' adoption of the standards and mechanisms for monitoring compliance.
- Credit rating agencies that provide public ratings should be registered.

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CDS central counterparty

One of the initiatives being progressed in response to the financial crisis relates to the development of central counterparty (CCP) capabilities for the handling of credit default swaps (CDS) and certain other over-the-counter (OTC) instruments. This is seen as a priority as it will help, in particular, to diversify and share risk exposures, whilst strict margining procedures will reduce the incentive to take excessive risks. This should enhance market resilience and at the same time provide an opportunity to increase transparency. Whilst significant progress is already being made on this in the US, for regulatory, supervisory and monetary reasons, the political decision is that there also has to be a truly EU CCP. A European CCP is one that can deal with all global business, albeit with a focus at least initially on European products. This decision, as distinct from implementation of a single global CCP, remains contentious, and the associated unresolved tensions may lead to further EC regulatory proposals.

Clearing houses have been presenting their plans and approaches and regulators will shortly communicate their requirements for CCPs. Dealers have stressed the time, money, effort and resources required to organise and connect to any one central clearing solution; and the importance of building on existing infrastructure for OTC markets, notably in confirmation matching and the trade warehouse. Dealers understand and are comfortable with the existing infrastructure/processes, which have been "stress-tested" by events of the past year.

Amongst the issues that need to be addressed for any proposed CCP solution are:

- eligibility criteria for contracts;
- access criteria;
- interoperability with other CCPs;
- default fund;
- collateralisation requirements;
- risk management methodology; and
- technology and operations implications.

There seems to be general agreement that CDSs on indices are sufficiently standardised, including maturities and coupons, to facilitate CCP clearing. Thus they are anticipated to be the start point, though backloading of existing outstandings will be likely to cause a lag in the capture of new trades. Single name CDSs should then follow, given resolution of issues such as different coupons and closing prices. Other forms of OTC instrument will also be examined to maximise the leverage of this development.

Establishment of CCP solutions raises important supervisory issues, as the centralisation of risk involved will lead to this reaching a size where it is of systemic importance. For this reason, such a CCP must fulfil standards acceptable to the relevant European authorities (ECB and national authorities). Failure of a CCP may have extremely negative consequences for institutions and the financial market in general, so supervisors must have access to relevant data. A sufficient level of cooperation among supervisors of different OTC CCPs must also be ensured. This is particularly important in the transatlantic dimension, as it is desirable that any CCP should be linked in to the existing Depository Trust & Clearing Corporation (DTCC) data warehouse, which is being used to provide a level of market reporting.

Discussions have also highlighted some more general points regarding potential rules for OTC derivatives markets. For example:

- full collateralisation of exposures must be targeted, especially in any cases where CCP clearing cannot apply;
- where the eligibility criteria for CCP clearing are met, a contract irrespective of its nature (ie not just CDSs) should be centrally cleared;
- relevant pre- and/or post-trade transparency requirements as well as appropriate transaction and exposure reporting should be established, in order to facilitate valuation and risk monitoring; and
- appropriate incentives should be identified to encourage standardisation (eg establishing stricter capital requirements for non-standardised contracts), thereby maximising the usage of contracts eligible for CCP clearing.

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Assessing the effectiveness of regulation

Given the impact of the international financial crisis on capital markets and moves by some regulatory authorities to consider mutual recognition of comparable regulatory regimes, ICMA, LIBA, FOA, SIFMA and the City of London have commissioned a research project to examine the linkage between regulation, enforcement and market outcomes. The international financial crisis has brought to light market and regulatory failures of a magnitude likely to engender a fundamental review of the approach taken to the regulation of capital markets. On the other hand, mutual recognition by some regulators raises the issue of how properly to assess the regulatory regimes of other jurisdictions on the basis that they deliver broad equivalence in terms of outcomes, in order to avoid defaulting to assessments based solely on regulatory inputs.

To date, much of the focus of regulation has been on input measures – such as the degree of strictness of rules and regulations that protect investors and the levels of enforcement. However, the research project seeks to examine various different outcomes or output measures of regulation, which could then be used to assess the effectiveness of enforcement and regulation. Market outputs or outcomes are defined in terms of cost of equity, return on equity, size and liquidity of markets, market cleanliness, valuation premiums, etc. Accordingly, the research will examine the link between enforcement/regulation and outcome measures such as the cost of equity and listing decisions as well as carry out a study on market cleanliness in various jurisdictions.

CRA International has been appointed to carry out the research. We anticipate that their research report will be published early in 2009.

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ICMA Primary Market Forum

The second ICMA Primary Market Forum took place in London on 11 November 2008. An audience of 150 invited participants from investment banks, asset managers and law firms gathered to hear expert panels discuss the challenges facing issuers in difficult debt market conditions produced by a severe loss of market confidence in the financial system and the world economy.

Introducing the forum, ICMA's Executive President, René Karsenti, highlighted the differences in the economic environment and outlook since the first forum which had taken place almost exactly a year earlier, noting that although some panellists on that occasion were pessimistic about the market's return to normality they could not have foreseen the shocking events of the latter half of 2008 and the scale of government intervention required. He emphasised the increased importance of maintaining communication with all constituencies in the financial industry – issuers, investors, banks and others and the critical part that trade associations such as ICMA have to play in this process. He also touched on some of the specific initiatives undertaken by ICMA to maintain orderly markets throughout the crisis.

The panel on bond issuance documentation and execution emphasised the need to remove friction from the execution process at a time when there are narrow windows of opportunity to access the markets and where it is important that issuers seize the moment to take advantage of favourable market conditions. There was some discussion about the increasing pre-marketing of transactions though non-deal roadshows in current conditions and the compliance issues involved in "pre-sounding" which is conducted to give confidence to issuers and banks in relation to investors' deal appetite and to pricing discovery. Mention was also made of the lack of harmonisation in the different government debt guarantee schemes, which brings a degree of uncertainty into the market and makes it difficult to work out the right terms of disclosure on the guarantor to meet with the requirements of the Prospectus Directive.

The panel on asset servicing discussed the planned Market Practice Book which has since been issued by the International Central Securities Depositaries (ICSDs) and ICMA's Guidance Note (see the article on international securities servicing below).

In the panel on market dynamics in the credit crisis, an issuer, representatives of UK-based investment firms and investment bankers considered the state of the corporate bond market in Europe and likely developments over the next year. The panel addressed the question of the effect of the enormous supply of government paper in one form or another on corporate issuance with the possibility that corporates in general and especially lower-rated corporates could be squeezed out of the market for some time to come. The consensus was that companies might well need to rethink their covenants or their methodology in order to access the markets in 2009, perhaps looking to quasi private placements. Pricing of deals was noted to have become considerably less straightforward, with pre-marketing to investors essential to achieve a successful deal. On the eventual return of the markets to "normality" – ie consistent access to the market for investment grade borrowers – panellists were not optimistic but some were hopeful that there would be some recovery by the second half of 2009.

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Prospectus Directive review

On 9 January, the European Commission launched a consultation on its review on the working of the Prospectus Directive (Directive 2003/71/EC), with a deadline for responses of 10 March 2009. The consultation includes a Consultation Paper setting out formal proposals for amendments to the Directive and a background document addressing further issues the Commission is seeking feedback on. The consultation is accessible on a dedicated Commission webpage that also includes links for responses.

ICMA member banks involved in the primary debt markets, having invested substantial funds in adjusting to the Prospectus Directive regime, are now generally comfortable, from the wholesale (and a limited retail) angle, and so are not looking for significant changes to the regime at this time. However, specific and discrete "tweaks" to the regime have been suggested – notably concerning:

- retail cascades, by clarifying that "offer", when used in paragraph 5 of Annexes V and XII of the Directive's implementing Regulation (Regulation EC/809/2004), refers to the issuer's initial offer and not to any subsequent offer by anyone else (except where the relevant information is known to issuers and can be reasonably included in the prospectus);
- withholding tax, by clarifying that disclosure on taxes withheld at source only relates to withholding in the hands of issuers or their agents;
- the Directive's Article 16.2 withdrawal right, by clarifying that it is exercisable within a fixed time of two working days after the publication of a supplement to the prospectus;
- the passporting process, through Commission action to remove some remaining national barriers to effective passporting as well as to foster the establishment of a central website for passport information;
- competent authority jurisdiction concerning issuance programmes with several issuers, either through a mandatory jurisdiction transfer mechanism or the ending of the distinct treatment currently afforded to securities with denominations €1,000 or less;
- underlying indices, by equalising the application of the disclosure obligation under paragraph 4.2.2 of Annex XII to index owners and others;
- bank cash-flow statements, by removing the disclosure requirement under paragraph 11.1 of Annex XI that is anomalous in relation to IFRS accounting requirements;
- information provision where no prospectus is required, by removing the Article 15.5 requirement that is anomalous in the context of private transactions; and
- annual information updates, by removing the Article 10 requirement in the context of the operation of the Transparency Directive.

The Commission's Consultation Paper includes proposals relating to items 1, 3, 5 and 9 above, as well as on the definition of qualified investors and on employee share offers. The proposals are further discussed in the Commission's background document, which also addresses questions concerning (i) the prospectus summary, (ii) disclosure relating to retail investment products, small quoted companies and government guarantee schemes, (iii) the definition of an offer of securities to the public and (iv) liability regimes (as well as rights issues and equal treatment of share holders).

ICMA will review the consultation in detail and consider the above suggested "tweaks" in preparing its response.

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Market Abuse Directive: CESR's guidance

In 2008, the Committee of European Securities Regulators (CESR) has been active, through Level 3 guidance, in continuing to prepare the ground for convergent implementation and application of the Market Abuse Directive (MAD) by ensuring that a common approach to the operation of the Directive takes place among supervisors throughout the EU.

CESR has published two Consultation Papers in the course of the year.

- The first consultation in May focused on harmonisation of requirements for lists of insiders and suspicious transactions reporting (STRs). ICMA submitted a response with the BBA.
- The second consultation in October covered issues such as: stabilisation activities outside a safe harbour; national inconsistencies between EU Member States; sell trades during stabilisation period; "refreshing the green shoe"; third country regimes and reporting mechanisms. ICMA also submitted a response with the BBA.

CESR held an open hearing on MAD with market participants on 26 November. It intends to publish one feedback statement on both consultation papers and issue a third – and final – set of guidance.

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Regulation of third country auditors

As outlined in previous editions of this Newsletter , the Statutory Audit Directive (the "Directive") was implemented in the EU in June 2008. The Directive creates a framework for regulating and supervising audit firms, but it also has special provisions for audit firms from non-EU countries (so-called third countries). Accordingly, audit firms which carry out audits of companies incorporated in a third country but admitted to trading on a regulated market in the EU should come under the independent public oversight of the EU Member State concerned. Member States may opt not to apply the Directive's oversight provisions on the basis of reciprocity provided that audit firms from a third country are subject to systems of independent public oversight, quality assurance and investigations and penalties that have been assessed as equivalent to those in the EU. It is up to the Commission, in cooperation with Member States, to decide whether the oversight systems in a third country should be considered as equivalent.

The Directive concerns companies and audit firms from more than 60 jurisdictions outside the EU. To date, no equivalence decisions have been taken by the Commission. However, audit firms from 34 jurisdictions outside the EU benefit from a transitional period until 1 July 2010. During the transitional period, third country audit firms from transitional countries can continue their audit activities as long as they provide the competent authorities of the relevant Member State with basic information for investors in Europe. Although the Directive does not provide for a single registration across the EU, the public oversight bodies of the various Member States have published a common non-binding approach to implementing the transitional arrangements. It should be noted that, while the transitional period covers the majority of the audit firms concerned, a minority are now subject to the full registration and oversight regimes of individual EU Member States. Companies with auditors from non-transitional countries should be aware that the Directive states that audit reports prepared by auditors who are not registered in a Member State have no legal effect in that Member State.

Third country equivalence: The Commission has said that it intends to examine equivalence in autumn 2009 in one of two ways, depending on the extent to which a third country already has an independent public oversight system. Accordingly, it will determine whether some third countries can be recognised as equivalent on the basis of the criteria set out in a technical statement agreed by the Commission and EU Member States in June 2008. However, for those third countries for which an equivalence assessment is premature, the Commission will explore whether the country concerned is willing to establish or develop further an independent public oversight system.

Expiry of transitional period: Once the transitional period expires, the Commission considers that it has two options. The first option would be to shift to a regime where the independent public oversight bodies of the Member States start regulating and inspecting audit firms in non-EU countries. Public oversight bodies in the Member States would take the lead in improving the quality of audits, mitigating potential auditing failures and enhancing public confidence. If this first option were adopted, there would be very limited cooperation with third countries. Any cooperation would be limited to joint inspections but without relying on the oversight body in the third country.

The second option would be to rely on equivalent public oversight systems in third countries, as more and more countries around the world set up similar oversight systems. Since financial markets are global in scale, the auditing profession has also had to become more global. If this second option were adopted, the EU would recognise an equivalent public oversight system in a third country and close cooperation, over and above joint inspections, would be required.

The Commission organised a conference and published a paper in December 2008 on relations with third countries in order to further discussion. It is worth noting that Commissioner McCreevy has also stressed the need for effective global cooperation between all auditing regulators with the ultimate aim of reliance on home country oversight. He has indicated that he intends to present a proposal on the adequacy of third country oversight bodies shortly.

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FSA rules to permit delay in disclosure of liquidity support

The Financial Services Authority (FSA) has published *Handbook Notice 83* which includes feedback on responses to a Consultation Paper on *Disclosure of Liquidity Support* which was published earlier in 2008. Through this consultation, the FSA proposed amendments to the Disclosure Rules and Transparency Rules (DTR) to provide clarification that a company with securities admitted to trading on a regulated market and that is eligible to receive liquidity support from the Bank of England or another central bank may have a legitimate interest in delaying the public disclosure of such support. ICMA submitted a response to the consultation in September supporting the proposal. Following the consultation, the FSA has amended the DTR in the way proposed in the Consultation Paper. The ability to delay disclosure is subject to maintaining the confidentiality of the information and the delay not being likely to mislead the public. The amendments to the DTR came into force on 6 December.

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Update of ICMA's rules and recommendations for the secondary market

For many years, the rules and recommendations of ICMA (the "Rules") have formed a reliable framework for trading in debt and related securities (between members and between members and other professional market participants) as well as for the clearing and settlement of trades in such securities.

Over the years, the Rules have been amended on numerous occasions to take account of market developments, but have not been subject to a major "root and branch" review since 2000. In November 2007, the board of ICMA agreed that the time was right for such a review of the Rules, excluding section 200 relating to transaction matching, reporting and confirmation on the TRAX system (which will be deleted from the Rules upon closing of the sale of Xtrakter Limited to Euroclear), section 900 relating to the reporting dealers and section 1000 relating to the repo dealers.

Against this background, in March 2008 ICMA set up a secondary market rules review working group (the "Working Group"), comprised of representatives of members, reflecting a balanced selection of market practitioners representing the various functions in the market and chaired by Michael Ridley of JPMorgan, to consider and make proposals to ICMA's executive committee on updating the Rules. In doing so, the Working Group was asked to take account of legislative and regulatory amendments and market developments as well as to bring about, to the extent possible, consistency with other rules, guidelines and best practices in the market. The Working Group was open to all ICMA member firms willing to contribute.

The amendments to the Rules proposed by the Working Group were sent to ICMA's committee of reporting dealers for comments, and to the International Central Securities Depositories (ICSDs), International Capital Market Services Association (ICMSA), International Swaps and Derivatives Association (ISDA) and the US Financial Industry Regulatory Authority (FINRA) to check consistency across the market. Neither the committee of reporting dealers, nor the ICSDs, ICMSA, ISDA and FINRA proposed any changes.

Subsequently, the ICMA board was informed of the proposed amendments to the Rules at its meeting on 28 November 2008. Finally, at its meeting on 5 December 2008, the executive committee of ICMA reviewed and approved the amendments to the Rules in the form proposed to it by the Working Group. The amended Rules are attached to ICMA circular to members No. 6 of 18 December 2008, as they will be included in Section V of the ICMA Rule Book. The amendments to the Rules became effective on 1 January 2009. The current version of ICMA's Rule Book on ICMA's website will in due course be replaced with an amended version incorporating the amended Rules.

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ICMA review of bond market transparency for retail investors

After consulting its members in 2007, ICMA concluded that retail investors might benefit from easier access to price transparency in the bond market. It was felt that easier access to price transparency could help to improve understanding of the range of products available and the levels of liquidity in those products. Accordingly, in September 2007 ICMA introduced a voluntary European Standard of Good Practice on Bond Market Transparency ("Standard") in an attempt to improve the quality and accessibility of price and liquidity information available to retail investors about liquid and highly rated bonds.

In December 2007, ICMA launched bondmarketprices.com as a dedicated website providing free access to post-trade data on higher quality investment grade bonds with a large issue size. The website is now owned and operated by Xtrakter using data from Xtrakter's TRAX trade reporting services. Currently, trades are reported and published on bondmarketprices.com ("Xtrakter Service") on a daily basis for about 1,200-1,500 bonds, though the actual number of bonds traded each day will vary. Approximately 200 firms report trades to Xtrakter's TRAX trade reporting service. Most of these firms are UK based.

When the Standard was published, ICMA undertook to review it after one year. The review has now been completed. The full review is available on the ICMA website. This article summarises the main points raised in the review.

The review examined whether the following criteria set out in the Standard are still appropriate: (a) parameters for displaying bonds, including trade size, issue size and credit rating; (b) timeliness of prices; and (c) monthly volumes and average daily trade figures.

Parameters for displaying bonds: The Standard adopts the position that services should not be required to make subjective judgments about the suitability of particular bonds and indeed there would be practical problems in doing so, because ISIN numbers do not indicate whether, for instance, a bond is structured or plain vanilla. ICMA continues to believe that the criteria for displaying bonds should not be open to subjective judgements by services.

Many bond issues subject to the Standard will not be subject to the prospectus publication requirements of the Prospectus Directive as they will have minimum denominations of €50,000 or more. Some retail investors might wish to invest in such issues and may have the resources and expertise to do so. However, suitability should be a question for investment advisors. It is worth emphasising that the Standard never intended that conforming services provide investment advice. Accordingly, ICMA will amend the Standard to stipulate that services should prominently inform retail investors of the need to obtain professional advice before investing in bonds and inform them that bonds with a high minimum denomination, amongst others, may not be suitable for retail investors.

It is worth noting that, in spite of a general decline in trading volumes since the start of the financial crisis, the Xtrakter Service is reporting the largest number of bond trades since the service was launched – approximately 1,200-1,500 reported trades in the €15,000-€1 million price range. This is partly because wholesale market trade size has dropped so significantly that many trades which might previously have been outside the Standard's trade size range now come within it. This raises the question of whether to reduce the reportable maximum trade size. However, the €1 million threshold was chosen to avoid disclosing large trades and the price distortions which they might entail, not because it represented a threshold between retail and wholesale trades. The minimum trade size of €15,000 serves retail well by reducing the instances of off-market prices caused by the inclusion of retail commission or mark-up in very small trades. Moreover, the minimum credit rating of A- will have been relatively safer for retail investors during the recent market turmoil than lower thresholds. Issues below these thresholds will be relatively much less liquid now than they were before the crisis. Accordingly, ICMA sees no reason to vary this approach.

Timeliness of prices: The Standard calls for high, low and median trade prices and the average closing bid and offer quotes for each bond covered to be published at the end of the trading day. It has been argued that a retail investor may wish to track a bond on a daily basis and might be discouraged if the bond does not appear on some days because there has been no reportable trade. However, ICMA is of the view that there is a danger in displaying out-of-date prices on a retail site. First, the aim of both the Standard and the Xtrakter Service is to display prices of highly liquid bonds. Bonds which do not trade often may not be particularly liquid, and displaying out-of-date prices of such bonds may imply a level of liquidity that does not exist. Second, ICMA considers that, if prices were displayed in relation to trades that had taken place at some time in distant past, it could potentially mislead less sophisticated retail investors. ICMA continues to believe that end-of-day, high/low and median prices as well as the prior day's close represent the best format for retail investors, particularly in view of the best execution requirements of MiFID. Real-time or delayed real-time prices are more likely to confuse the issue when a retail investor is negotiating a trade, and by comparing the trade price concluded with the day's high/low, median and close, an investor will more easily and consistently be able to assess the quality of execution. *Monthly volumes and average daily trade figures:* It should be noted that the Standard calls for monthly turnover figures by volume and number of trades for each reported issue. While the Standard is silent on whether this should cover all trade sizes or simply those in the €15,000-€1 million range, the Xtrakter Service reports the latter. In many ways the Xtrakter interpretation of the Standard is more useful to retail investors as it provides a good indication of liquidity in retail size which is essentially what a retail investor is looking for. Turnover reporting is an important element of the Standard as retail investors' interest in the bond market is surely driven as much by a desire for liquidity as for yield.

The review also examined utilisation of the Xtrakter Service. It concluded that more needs to be done to publicise the service and to make it more easily accessible on the internet.

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CESR consultation on bond market transparency

CESR published its long awaited Consultation Paper on transparency of corporate bond, structured finance product and credit derivatives markets on 19 December 2008. The Consultation Paper is divided into two sections. The first focuses on cash corporate bonds, while the second considers asset-backed securities (which include both residential and commercial mortgage-backed securities), collateralised debt obligations, asset-backed commercial paper and credit default swaps.

CESR has had a number of occasions on which to consider non-equity markets transparency in the past. In response to a request by the European Commission, CESR conducted a fact-finding exercise in relation to cash bond markets in October 2006 (Ref. CESR/06/599). CESR then provided technical advice to the Commission in August 2007(Ref. CESR 07/284b), having carried out a public consultation and an open hearing. It then published a Feedback Statement explaining its proposals (Ref. CESR 07/538). However, in the light of the international financial crisis over the past eighteen months and the report of the Financial Stability Forum, CESR felt it should review the conclusions set out in its August 2007 technical advice to the Commission. It seeks responses to the Consultation Paper by 19 February 2009.

Corporate bond market: CESR does not believe that insufficient post-trade transparency was the key reason behind the significant declines in market liquidity or widening of bid-offer spreads that have been witnessed since mid-2007. However, CESR does believe that there would be value for market participants in receiving access to greater post-trade information. The paper argues that information asymmetry is a potential market failure in the corporate bond market. While CESR recognises that a distinction needs to be made between the wholesale and retail markets, retail investors, smaller market participants and some buy-side participants "emphasise a lack of price transparency and the benefits from improved access to trade information". CESR is also concerned that difficulty in obtaining trade information could create problems for intermediaries in complying with the best execution obligations laid down in MiFID – it may be harder for intermediaries to identify the venue that offered the best terms for execution and to monitor execution quality for the purpose of reviewing their best execution policy. However, CESR states that it is "willing to explore with market participants whether additional post-trade transparency could play a role in supporting a return to more normal market conditions in the corporate bond markets and be of value thereafter." CESR goes on to state (on page 27) that: "The industry has a deep and informed knowledge of market strategies and dynamics and market-led solutions in this area could still be considered appropriate provided that they can deliver an adequate level of post-trade transparency in a timely manner and are subject to close external monitoring. However, market forces may fail to reach the adequate level of transparency and market participants might not have the proper incentives to reach the optimal outcome."

Structured finance products and credit derivatives: CESR notes that it is generally agreed that there has been a market failure in the securitised markets. However, whilst the limited degree of secondary trading transparency is not considered to be a leading cause of the market failure in securitised markets, CESR believes that it may be worth exploring, with market participants, whether post-trade transparency could play a role in restoring confidence in markets and protecting investors. In particular, CESR is interested in whether greater post-trade transparency can support price formation, reinforce valuation practices and provide supplementary information about the scale of credit risk transfers. To this end, CESR is interested in views on what the appropriate level of transparency should be, taking into account the nature of the instruments, their trading methods as well as the market participants active in such markets.

ICMA is discussing the Consultation Paper with members to consider how to best respond to CESR.

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Money market funds: AMIC report

At its meeting on 12 December in Brussels, the ICMA Asset Management and Investors Council (AMIC) discussed money market funds (MMFs) in the light of the international financial crisis. A report prepared by ICMA was presented and subsequently approved by the Council.

The report identifies three different types of MMF: liquidity funds (or short-term MMFs); "cash plus" funds; and enhanced money market funds. However, as the regulatory discussion of the paper indicates, the content of money market funds is not defined. An IMMFA code of practice has tried to address this gap, but only applies to AAAm-rated money market funds.

In the AMIC's view, the issue of money market funds needs careful attention, taking account of the risk-averse approach taken by investors, and the prospect of low or even negative returns in some cases for clients. As a result the AMIC has decided to set up a specific working group on MMFs. The group will work in conjunction with other industry organisations. The terms and reference of the group run along two main guidelines: addressing differences in definitions of MMFs, and ensuing appropriate transparency and consistency of MMFs.

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Commission consultation on hedge funds

The European Commission has launched a public consultation on the hedge fund industry with a view to developing a regulatory initiative, if appropriate. Views and evidence are sought by 31 January in the following areas:

- *Systemic risks:* whether existing systems of macro-prudential oversight are sufficient to allow regulators to monitor and react to risks originating in the hedge fund sector and transmitted to the wider market through counterparties (including prime brokers) and through their impact on asset prices.
- *Market integrity and efficiency:* whether and under what circumstances the activities of hedge funds pose a threat to the efficiency and integrity of financial markets.
- *Risk management:* whether public authorities should concern themselves more with the way in which hedge funds manage the risks to which they and their investors are exposed, value their asset portfolios and manage any potential conflicts of interest.
- *Transparency towards investors and investor protection:* whether hedge fund investors are adequately protected and receive the necessary information to take sound investment decisions.

The Commission intends to discuss the results of the consultation at a high-level conference in Brussels at the end of February 2009. This will serve as the basis for European input into the parallel work on hedge funds at international level by the G20.

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International securities servicing

Euroclear Bank and Clearstream Banking, the two ICSDs, have issued an operational Market Practice Book (MPB). The MPB describes operational practices in new issues, corporate actions and income for international securities primarily issued through and deposited with the ICSDs. In preparing the MPB, the ICSDs have consulted various market participants, including the International Securities Market Advisory Group (ISMAG). ISMAG is overseen by a Steering Committee and supported by a series of working groups composed of different constituencies of market participants such as issuers, paying agents, common depositories, ICSDs, custodians, lead managers and trade associations, like ICMA. Through ISMAG, the ICSDs wish to encourage a high degree of standardisation and operational efficiency in the issuance and asset servicing of international securities issued through the ICSDs. The publication of the MPB is a first step.

In parallel to the publication of the MPB, ICMA has published an amended Guidance Note 8 entitled *Provision of information and documents to intermediaries*. The Guidance Note, which applies to international issues of debt securities held through the ICSDs, relates to the provision of new issue information and related documents to the relevant intermediaries: the ICSDs and the paying and other agents concerned. It is intended to facilitate the process whereby the intermediaries are provided with relevant information in a timely and accurate manner to help them understand securities holders' legal rights. The Guidance Note gives comprehensive guidance on what ICMA members need to do in relation to the matters discussed in the MPB.

The MPB is available on the websites of Euroclear Bank and Clearstream Banking. The ICMA Guidance Note is available to ICMA members and IPMA Handbook subscribers on the ICMA website.

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Credit claims and interbank transactions

The repo market is one of the largest and most active sectors in today's money markets. It plays a critical role in liquidity provision for the financial system, as the international financial crisis has shown. The proper functioning of the repo market is dependent on legal certainty in collateralisation arrangements.

In this regard, the European Repo Committee (ERC) welcomes the vote and adoption by the European Parliament in plenary of the Kauppi report on *Securities settlement services systems and financial collateral arrangements*. The report recognises the importance of accepting credit claims as financial collateral, and extends the scope of credit claims that are acceptable for interbank transactions.

In the ERC's view, an increase in the pool of securities and credit available for the collateralisation of market transactions will reduce counterparty risks, contribute to market liquidity and strengthen overall market resilience. It is also consistent with the steps which the ERC is undertaking with the Eurosystem to develop a secondary market in credit claims for collateralisation purposes.

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New Global Note

The ECB has accepted a proposed timeline of September 2010 for extending the New Global Note (NGN) concept from bearer to registered securities. Registered securities issued after 30 September 2010 will need to be in this NGN form in order to be eligible as collateral in Eurosystem credit operations. ICMA will be liaising in due course with the ICSDs, Euroclear Bank and Clearstream Banking, in their development and dissemination of the related contractual architecture in order to give issuers the opportunity (should they wish to do so) to integrate the necessary provisions into their debt issuance programmes in the course of their regular update cycles.

The ECB also decided that securities issued after 30 September 2010 will not be eligible, if in definitive form, as collateral in Eurosystem credit operations.

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Clearing and settlement

There have been a number of important developments since the October Newsletter:

- At the last Monitoring Group (MOG) held in October 2008, clarification was provided on phase three of the Code of Conduct (ie the accounting phase). The MOG agreed that concerns about potential cross-subsidisation underpinning the part of the Code dealing with accounting separation applied throughout the value chain, whether relating to trading, clearing or settlement. Exchanges, CCP clearing houses and CSDs were expected to submit separate accounts to national regulators and respect the external audit process outlines in the terms of reference. The next MOG will be held on 3 February in Brussels.
- The ECOFIN held on 2 December concluded that the continuing international financial crisis confirmed the importance of ensuring safe and sound post-trading infrastructure and emphasised that further work was needed as far as the code, removal of Giovannini barriers and ESCB/CESR recommendations were concerned. The ECOFIN fully supported the TARGET2 Securities (T2S) project.
- CESAME also issued on 8 December its last report, which gives a concise overview of the work done by the industry to dismantle the six industry-related Giovannini barriers to post-trading and the state of play on the nine barriers attributed to the public sector.
- The ERC and ERC Operations Group are currently working on the Giovannini barriers, particularly barriers 2 and 10. A report prepared by the ERC Operations Group and EPDA will be presented in February to CESAME 2. The ERC will also be responding to an ESCB/CESR Recommendations Consultation Paper.
- Finally, the ERC continues to monitor T2S developments. The latest T2S information session was held in London on 4 December, and the next session will be held on 4 February in Brussels.

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The GMRA: legal opinions update 2009 and FAQ

For many years, ICMA has obtained and annually updated legal opinions on the Whole Global Master Repurchase Agreement (GMRA) for its members in numerous jurisdictions worldwide. Currently, the opinions support the use of the GMRA 1995 and 2000, as well as the GMRA 1995 as amended by the Amendment Agreement to the GMRA 1995, in 68 jurisdictions across the globe. ICMA continues to obtain such opinions for its members in order to assist members in satisfying the regulatory requirements of both the Financial Services Authority (FSA) and the German Financial Supervisory Authority (BaFin), with respect to repo transactions. One such regulatory requirement is that an independent legal opinion is obtained stating that the netting agreement on which a firm relies creates a single obligation to pay a net sum in the event of the default or insolvency of a counterparty. The opinions which ICMA makes available cover both the enforceability of the netting provisions of the GMRA, as well as the validity of the GMRA as a whole and also address the issue of recharacterisation risk. In March 2009, ICMA will publish updates of the 68 opinions that the Association obtained for its members in 2008. The provision of these industry standard opinions, made available free of charge to members, is regarded as one of the core services which ICMA offers its membership.

In addition to this core service, ICMA remains proactive and responsive in relation to associated market issues. Earlier this year, ICMA published an FAQ document on its website, addressing questions raised by members in relation to the Lehman Brothers' default with regard to the GMRA, as well as ICMA's rules and recommendations. A revised version of this document was recently published on the ICMA website, for access by members, which encompasses more general questions on counterparty default such as the calculation of market value in times of market turbulence and the determination of default valuation prices.

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ICMA and AMTE combine their activities

ICMA and the Euro Debt Market Association (AMTE) have announced that, as from January 2009, AMTE will be operating as a semi-autonomous Council under the auspices of ICMA. This will allow the AMTE name and its work on the integration and efficient functioning of the euro debt markets to continue, with strengthened technical and administrative support from ICMA.

AMTE will continue to be a unique forum where all parties – issuers, investors, and intermediaries – in the euro area fixed income markets can freely share concerns and develop ideas. AMTE's services, including the monitoring of the secondary market activity of the French primary dealers community, (Spécialistes en Valeurs du Trésor (SVTs)) on behalf of the Agence France Trésor, will benefit from the support of an effectively staffed international organisation. The Paris office of ICMA will act as the focal point for support of AMTE and ICMA members in France.

16th European repo market survey

All European banks dealing in repo are invited to participate in ICMA's 16th survey of the European repo market. Launched in September 2001, the surveys have established the most authoritative picture to date of the size of the repo market in Europe. The survey has continued to give an accurate picture of how the European repo market has responded to the international financial crisis in the past year. The 16th survey will provide a "snapshot" of repo business at close of business on Wednesday, 10 December 2008 with the results to be published on 25 February 2009.

Copies of previous surveys - conducted on behalf of ICMA's European Repo Council by the ICMA Centre at The University of Reading in the UK – are available from the ICMA website.

ICMA representation in Brussels

Jean-Pierre Wellens has been appointed as ICMA's Chief Representative, Brussels, in support of its engagement with the European authorities over regulatory issues which affect its global membership. Mr Wellens has had a distinguished career in Belgian banking, including a stint as head of capital markets activities at Banque Bruxelles Lambert. He was a Member of the Board at the International Primary Market Association (IPMA), one of ICMA's predecessor associations, from its foundation in 1984. In 1986 he became Chairman of IPMA's Legal and Documentation Committee, and from 1992 to 2000 he was Chairman of IPMA. Since 2006 he has been Senior Advisor to ICMA.

ICMA AGM and Conference, Montreux 2009

The 41st ICMA AGM and Conference will take place from 3 to 5 June 2009 at the Montreux Palace Hotel Montreux in Switzerland. As a long established event for the international financial market the ICMA Conference is an opportunity to meet and exchange views with colleagues from around the world.

This year's Conference will address major themes around the future of the international financial system with participation from borrowers and investors in the capital markets, central banks and regulatory authorities at the highest level. The Conference is as ever open to all ICMA members, and to qualifying non-member organisations. Delegate registration will open in early March 2009.

For enquires about registration or sponsorship please contact: events@icmagroup.org

ICMA Events

ERC Annual General Meeting
25 February 2009
Marbella, Spain

ICMA Annual Ski Weekend 2009
27-29 March 2009
Villars, Switzerland

ICMA AGM and Conference 2009
3-5 June 2009.
Montreux, Switzerland

Educational Courses

Primary Market Certificate (PMC) Bahrain
25-29 January 2009
Bahrain

Financial Markets Foundation Course (FMFC)
27-29 January 2009
London

Financial Markets Foundation Course (FMFC)
2-4 March 2009
Luxembourg

ICMA Professional Repo and Collateral Management Course
24-26 March 2009
Brussels, Belgium

Operations Certificate Programme (OCP)
29 March – 4 April 2009
Montreux

International Fixed Income and Derivatives Certificate Programme (IFID)
26 April – 2 May 2009
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