

FRANCESCO PAPADIA
DIRECTOR GENERAL OF MARKET OPERATIONS

Dr Natalie Aubry-Stacey
Director
International Capital Market Association (ICMA)

30 June 2011

RE: CBIC European Transparency Standards

Dear Dr Aubry-Stacey,

On 14 April 2011 the International Capital Market Association (ICMA) initiated the public consultation regarding the Covered Bond Investor Council (CBIC) European Transparency Standards (hereafter “the proposed Standards”).

Having carefully studied the proposed Standards, and without prejudice to the information requirements that the Eurosystem may need in the future for its own risk assessments, I am pleased to inform you that I welcome the transparency initiative of the CBIC on a template concretely fulfilling the information needs of covered bond investors. The benefit for investors is clearly an enhanced ability to analyse the features and the performance of given covered bonds and to compare standardised information on different covered bonds, at European and international level. I therefore expect that the proposed Standards will support a better functioning and a greater integration of the European covered bond market. At the same time, it will be important to ensure that the definitions and concepts underlying the template are sufficiently harmonised in order to further foster the objectives mentioned above.

On a more technical level, comparable, timely, frequent and easy to access data is crucial to strengthen the covered bond market in the medium to long term. At the same time, the administrative burden must be kept limited. The electronic platform accessible to all (investors, issuers, rating agencies, market analysts, academics, and commercial data providers) envisaged in the CBIC’s consultation paper is therefore of utmost importance. In this respect, issues such as governance, liabilities and responsibilities of the platform are equally important. The ECB has some expertise on these aspects through its catalytic work related to the Short-Term Paper Market in Europe (STEP) and the recent ABS loan level data initiative, and will be pleased to share further this experience on a catalytic basis at technical level, if that was considered useful. I also think it would be useful if issuers would only need to fill in one template that would fulfil the requirements of different types of interested parties. This would significantly mitigate the reporting burden for issuers. In this context, I

would encourage both the ECBC and the CBIC to further explore with the rating agencies the scope for a reduction of the administrative burden.

Finally, as you know, the European Covered Bond Council (ECBC) is working towards a covered bond label, including a transparency pillar. Against this background, I would regard it useful if the CBIC and the ECBC would join forces both from a conceptual and a technical point of view in order to achieve and maintain a meaningful transparency pillar of the prospective covered bond label.

Kind regards,



Francesco Papadia