

July 5, 2011

Dear Members

As you will recall from previous letters and communications, ICMA is heavily engaged in the sovereign debt sector, working to promote improvements in both market efficiency and transparency.

In this context we have been providing detailed input, from ICMA's Sovereign Bond Working Group, to the Economic and Financial Committee's European Sovereign Debt Markets Group, as well as directly to a number of euro area sovereign debt management offices, on the structure and implementation of the Collective Action Clauses which it is agreed are to be inserted into new euro area sovereign debt securities by mid 2013.

We have also been actively proposing a higher level of transparency in respect of the underlying terms and conditions of sovereign debt securities. This includes those which are issued under a domestic auction mechanism, where in practice it is often very difficult to find out the precise underlying terms and conditions. We have proposed that debt management office websites contain links to all of the relevant information; and that, for the benefit of international investors, the information be available in English. Coupled with this we are working on a programme of market education to explain the detailed implications of certain specific provisions.

You will undoubtedly have seen that current financial headlines are dominated by the events surrounding Greece, and you may wish to know how ICMA proposes to serve its diverse membership in the light of this.

The European authorities have held many bilateral discussions with the larger bank and insurance company holders of Greek bonds, and also with various national banking associations, in their efforts to resolve the issues. These discussions are intense and ongoing.

One of ICMA's key roles will be to ensure that all its members are kept fully up to date on these developments. To do so we will be monitoring developments on an ongoing basis and will make information available to all members. Detailed content will be available through the Sovereign Debt Information page on our website. We will also use direct mails to provide real-time information; and members may contact us either via the following e-mail address (sovereignbondconsultation@icmagroup.org) or through our legal help desk (+44 207 213 0330 / legalhelpdesk@icmagroup.org).

It may well be that there are those of you amongst our members who are holders of Greek government securities (or otherwise) and who do not yet feel adequately engaged in the current discussions. We are keen to support our membership in any way that we can, for example through using our services to help members involve themselves as needed. Should this be required we urge you to contact ICMA, so that we can identify ways to assist you appropriately.

Yours sincerely



Martin Scheck