

International Capital Market Association An overview

March 2021



Introduction

For more than 50 years, ICMA has made a significant contribution to the development of the international capital market by facilitating the interaction between all market participants: issuers, lead managers, dealers and investors.

From modest beginnings the international capital market has grown into a broad and deep market serving the funding needs of governments, supranationals and corporates from all over the world. As the market has expanded across geographic boundaries and product areas, it has assisted the free movement of capital across borders and the integration of economies, linking the different national markets together, enhancing structural reform and integration of capital and financial markets.

ICMA represents members worldwide, who are active in the international capital market on a cross border basis. ICMA is distinct from other trade associations in representing both the buy-side and the sell-side of the industry.

ICMA has its head office in Zurich, where it was founded in 1969, with a subsidiary in London and representative offices in Paris and Hong Kong. While ICMA has been most active in the international debt market, it takes full account of the increasing integration between the debt and equity, cash and derivatives markets, working with other trade associations where it makes sense to do so.

ICMA is committed to promoting diversity and inclusion in the workplace and in all its interactions with members, including committees, working groups and events.

What we do

ICMA's mission is to promote resilient and well-functioning capital markets by:

- building trust in the market by promoting internationally accepted standards of best practice through the development of appropriate, broadly accepted guidelines, rules, recommendations and standard documentation, aimed at maintaining and enhancing the framework of cross-border issuing, trading and investing in debt securities;
- encouraging information flows and dialogue between all participants in the international capital markets: borrowers, intermediaries and investors, and service providers, including trading platforms, clearing houses and law firms;
- engaging with international and national regulators and policy makers, to provide market expertise and technical knowledge to assist in ensuring that financial regulation promotes the resilience, efficiency and cost effectiveness of international capital markets;
- providing networking opportunities for market participants through conferences, seminars, roundtables and other events;
- promoting high professional standards for capital market participants by providing training and education opportunities.

History

1963

First Eurobond issue for Autostrade.

1980s

AIBD provides data services and transaction matching system to the market.

1992

AIBD changes its name to the International Securities Market Association (ISMA).

1969

The Association of International Bond Dealers (AIBD) established in response to settlement crisis in the Eurobond market.

1984

The International Primary Market Association (IPMA) founded to provide recommendations on issuing practice.

2005

ISMA and IPMA merge to create the International Capital Market Association.

Membership

ICMA has around 600 members located in over 60 countries worldwide drawn from both the buy and sell-side of the market. It is a truly international association, with strong links across the globe.

ICMA's full members are firms who actively deal in securities and include: securities dealers and brokers; regional and commercial banks; private banks; asset managers; investment banks and issuers.

Full members also include trading venues such as recognised stock exchanges and multilateral trading facilities, and central counterparties, clearing and/or settlement systems.

Associate membership is open to organisations that play an important role in the market and maintain close relations with ICMA, including professional advisors, such as legal firms.

Organisation and governance

Members have the authority to elect the ICMA Board and approve the accounts

The Board consisting of 21 elected representatives of member firms and the ICMA Chief Executive, performs a supervisory role.

The Executive Committee has responsibility for the executive management and administration of the Association and reports to the board through the Chief Executive.

Committees, councils and working groups on market practice and regulation

Participation in committees, councils and working groups allows members to provide expert input and help with direction for ICMA's work. They are valued as forums for discussion and reaching a consensus on topics of common interest.

Regulatory Policy Committee (RPC)

The Regulatory Policy Committee oversees all of ICMA's regulatory policy and market practices work. It consists of the government affairs, regulatory and compliance heads in member firms; the chairs of the sub-committees forming part of the market practices committee are also invited to its meetings.

Primary Markets

Primary Market Practices Committee (PMPC)

The Primary Market Practices Committee consists of the syndication managers of member firms active in arranging syndicated bond issues in Europe. The committee is concerned with market practice in the primary market, including the ICMA Primary Market Handbook.

(Similarly the ICMA Asia Pacific Bond Syndicate Forum exists for members in the Asia Pacific region).

Legal & Documentation Committee (LDC)

The Legal & Documentation Committee consists of the heads and senior members of the legal transaction management teams of member firms active in lead managing syndicated bond issues in Europe. It is concerned with market practice on documentation, including the ICMA Primary Market Handbook, and related regulatory issues.

(Similarly the ICMA Asia Pacific Legal & Documentation Forum exists for members in the Asia Pacific Region).

Public Sector Issuer Forum (PSIF)

The PSIF brings together the major Sovereigns and Agencies actively issuing in the European capital markets. It acts as an information exchange among a group of senior government and public sector officials. Participants share experience and concerns from capital markets activity. Focus is on both market practice and impact of regulation. PSIF pursues a high level dialogue with regulatory authorities bringing a unique independent public sector perspective.

Corporate Issuer Forum (CIF)

The ICMA Corporate Issuer Forum gathers senior representatives of major corporate issuers and focuses on discussing market practice and regulatory topics related to the debt capital markets.

Financial Institutions Issuer Forum (FIIF)

The Financial Institutions Issuer Forum comprises those banks that are the most active in issuing debt in the European markets. It addresses topics which are of mutual interest to bank issuers such as the impact of the bail-in proposals on senior unsecured, debt and the market for contingent convertibles.

Commercial Paper Committee (CPC).

This new committee is focused on the commercial paper (and certificates of deposit) market across Europe (both international and domestic), and is designed to encompass the broader ecosystem, including issuers (financial and corporate), investors, dealers, and relevant infrastructures.

Secondary Markets

Secondary Market Practices Committee (SMPC)

The SMPC seeks to be the representative body of the European corporate bond secondary market through addressing practical issues directly relevant to market practitioners; standardising market best practice; disseminating relevant market information; and promoting the best interests of an efficient and liquid market. It provides a joint buy and sell side forum for discussing the likely impact of relevant regulation on secondary market practices, and for consolidating input and feedback in the regulatory consultation process. ICMA's Electronic Trading Council brings together representatives of the electronic trading ecosystem for interactive dialogue with fixed income trading participants.

Repo and Collateral Markets

European Repo and Collateral Council (ERCC)

The European Repo and Collateral Council has been instrumental in developing standard market practice as the repo market in Europe has developed since the early 1990s. The European Repo and Collateral Committee is the governing board of the European Repo and Collateral Council consisting of 19 market practitioners drawn from and elected by the ERCC.

The ERCC Committee meets regularly to discuss market developments and to make representations to a wide range of public authorities and market infrastructures.

Asset Management

Asset Management and Investors Council (AMIC)

AMIC is the independent voice of the buy-side within ICMA and comprises asset managers, treasurers of official institutions, and representatives of private banks and hedge funds. AMIC is a forum for discussion of regulatory affairs, market trends and specific market practice issues affecting the buy-side, with working groups set up at the instigation of members to consider specific products, markets and regulatory initiatives.

Covered Bond Investor Council (CBIC)

CBIC is an investor driven grouping within AMIC which is concerned with the development of the covered bond market in Europe. It promotes high quality, simplicity and transparency of the covered bond product. Its current focus is on improving transparency making it possible for investors to better compare different covered bond programmes.

Sustainable finance

The transition to a sustainable global economy requires scaling up the financing of investments that provide environmental and social benefits. The bond markets through Green, Social and Sustainability Bonds can play an essential role in attracting private capital to finance these global needs.

Green, Social and Sustainability Bonds are any type of bond instrument where the proceeds will be exclusively applied to eligible environmental and/or social projects. They are regulated instruments subject to the same capital market and financial regulation as other listed fixed income securities.

The Green Bond Principles (GBP) and Social Bond

Principles (SBP), as well as the Sustainability Bond Guidelines (SBG), referred to as the “Principles” have become the leading framework globally for issuance of green, social and sustainability bonds.

The Sustainability-Linked Bond Principles launched in June 2020 give guidelines for any type of bond instrument for which the financial and/or structural characteristics can vary depending on whether the issuer achieves predefined Sustainability/ ESG objectives.

The Climate Transition Finance Handbook acts as additional guidance for issuers seeking to utilise green bonds, sustainability bonds or sustainability-linked bonds towards the achievement of their climate transition strategy.

ICMA provides support and guidance for the principles and for the community of more than 300 members and observers, who are the issuers, underwriters and investors in this market, together with NGOs, service suppliers and others.

FinTech

Technology is reshaping the way financial markets operate. ICMA's engagement spans primary markets, secondary markets, and repo and collateral markets, with a focus on market electrification ie the use of technology across the securities lifecycle. FinTech and market electrification are addressed through ICMA's various committees, working groups and work streams.

Regional Organisation

ICMA has sixteen regions, each of which has its own committee which meets to deal with specific regional matters and organises meetings of the regional membership.

The Committee of Regional Representatives (comprised of the fifteen regional chairmen) reports directly to the board of ICMA, enabling the viewpoints of each region to be fully represented.

The 16 regions are: Africa; Asia Pacific; Austria, Eastern and South Eastern Europe; Belgium; France and Monaco; Germany; Iberia; Ireland; Italy; Luxembourg; Middle East and North Africa; the Netherlands; the Nordic countries; Russia and the CIS; Switzerland and Liechtenstein; United Kingdom and the Americas. For Greece, Turkey, Cyprus and the Balkan States, a chapter has been established to deal with issues specific to these areas.

ICMA Women's Network (IWN)

The IWN is an international network for women in capital markets aimed at women in the intermediate stages of their career. IWN events take place throughout the year, in London and other financial centres, featuring high profile industry speakers addressing themes and sharing experiences relating to career strategy in the capital markets, such as career development, profile and networking.

ICMA Future Leaders

ICMA Future Leaders aims to develop a sense of community between junior colleagues across geographic borders and functional areas, such as already exists at a more senior level amongst ICMA members. It works alongside member firms' own graduate programmes and internal youth networks, focusing on career progression, education and networking.

ICMA Executive Education

ICMA Executive Education's courses are internationally recognised and are required training by many of our member firms. The programmes are benchmark qualifications for both the front and back office. They combine the best of both market and academic practice and are designed to be interactive and equip participants with practical skills they can use in their day-to-day jobs. ICMA Executive Education is unique in that ICMA and the ICMA Centre, Henley Business School, University of Reading work together to deliver training courses, taught by current and former financial markets practitioners which blend practical and academic know-how. The courses attract an international client base and present an opportunity to network with counterparts from a host of financial institutions, stock exchanges, law firms and regulatory bodies. Courses are in both classroom based and online learning formats. All courses can be delivered in-house.

ICMA Executive Education Courses

ICMA courses are designed and delivered by industry professionals and fall into the following categories:

- Financial market foundations
- Debt capital markets
- Fixed income trading & strategies
- Financial markets operations
- Repo & collateral
- Sustainable finance

In addition to covering the breadth of capital market content, we offer professional development training for participants at every stage of their career and our courses are delivered at the following levels:

Foundation – examined and certified courses designed to provide an overview of various sectors of the capital markets

Advanced – examined and certified courses designed for those with five years or more experience in the field

Specialist – non-assessed courses designed as deep dives into specific topics



Events

ICMA offers an extensive programme of conferences, roundtables and social events throughout the year for its members internationally, covering all the market sectors in which it is active. Regular workshops for market participants support the use of ICMA's documentation. The ICMA AGM and conference is a major international event which allows the entire membership to gather, debate the issues of the day and hear the views of market experts.

ICMA Members Register

A comprehensive listing of contacts from ICMA's global membership is available online.

Market practice and regulatory policy

ICMA provides services for members through its market practice and regulatory policy activities in Europe and beyond by:

- setting standards of good practice for orderly markets, in consultation with members, so that membership is seen as a “seal of approval” by their peers, supervisors and regulators;
- consulting members and representing members' views to regulators and central banks on cross-border regulatory issues that affect them;
- representing both the sell-side and buy-side together, when they agree, and facilitating dialogue between them;
- working in cooperation with other trade associations, where it is in ICMA's members' interests; and
- sharing ICMA's experience of setting standards of good market practice in international debt capital markets with trade associations and self-regulatory organisations in Europe and other parts of the world.

Given ICMA's geographically diverse membership, ICMA concentrates on cross-border, rather than domestic, regulatory and market practice issues. ICMA works closely with members through its market practices and regulatory policy committees and councils.

ICMA co-operates globally and regionally with other securities organisations and trade associations, whose members collectively represent the majority of the institutions active in the world's equity, bond and derivatives markets.

Market practice – rules, recommendations and standard documentation

All ICMA members have access to the ICMA Primary Market Handbook, ICMA's Rules and Recommendations for the secondary market and Global Master Repurchase Agreement together with its supporting legal opinions.

ICMA's Legal & Regulatory Helpdesk offers guidance to members in all these areas and on market practice and regulatory policy issues.

ICMA Primary Market Handbook

The ICMA Primary Market Handbook is a comprehensive document covering the issuance of a broad range of international securities, continuously responding to market developments when guidance is required. It is the most widely used issuing framework in the international debt markets worldwide.

ICMA's Rules and Recommendations

ICMA's Rules and Recommendations for the secondary market form a reliable framework for trading debt and related securities (both between members as well as between members and other professional market participants) and for the clearing and settlement of trades in such securities.

Global Master Repurchase Agreement (GMRA)

In the rapidly expanding cross-border repo market ICMA has been an active force in standardising documentation. The Global Master Repurchase Agreement (GMRA) is the most predominantly used standard master agreement for repo transactions in the repo market. The GMRA 2011 developed by the Association, is underpinned by legal opinions from almost 70 jurisdictions which address the enforceability of the netting provisions of the GMRA, and the validity of the agreement as a whole. ICMA provides its members with guidance on the GMRA and is the sole provider of industry standard legal opinions on the agreement.

Dispute resolution – conciliation and arbitration

In the event of a dispute, ICMA makes its conciliation and arbitration procedures available to members and other interested parties enabling them to resolve their disputes in a swift and cost efficient manner with the help of experienced market experts.

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