

Press release

News from the International Capital Market Association (ICMA)

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For immediate release

ICMA AMTE Council releases new guidance on debt buybacks by government, government agency and supranational issuers.

(Paris, France) The AMTE Council of the International Capital Market Association (ICMA), which represents issuers, intermediaries and investors in the euro debt market, has today released new guidance for government, government agencies and supranational issuers on buying back their own debt securities in the international capital markets. The purpose of this guidance is to improve the functioning of the international capital markets by encouraging issuers who intend to buy back their debt to disclose publically their buyback policies.

Issuers' buyback policies necessarily differ according to the characteristics of the issuer themselves and the nature of their funding but in many cases this policy is not disclosed. Issuers may buy back their own debt as buyer of last resort (i.e. when there is no market) or on an *ad hoc* basis when they consider that the market is undervaluing their debt. They may conduct reverse auctions from time to time, which are pre-announced, or intervene in the secondary market without necessarily making a public announcement. Buyback deals are currently priced in different ways, for example, through reverse or exchange auctions, at a transparent price determined by the market; or at a discretionary price negotiated by the issuer.

René Karsenti, ICMA President said: "The AMTE is working towards the widespread adoption by issuers of these recommendations on public disclosure of their buyback policy through their website or press announcements to secure greater transparency for investors in the debt market and to increase market efficiency"

The key recommendations of the ICMA AMTE Council guidance are that issuers should:

- disclose their overall policy on buying back their own debt (eg whether this is on a case by case basis or they follow predefined patterns or objectives such as the provision of particular liquidity to investors);
- disclose their specific policy on buying back private placements (eg whether they are willing to buy back up to 100% of the issue outstanding);
- disclose their specific policy on buying back public issues;

- disclose, as a result of buybacks, holdings which are material in an appropriate manner that is consistent with relevant regulations for preventing market abuse;
- disclose, through appropriate channels, whether public debt that has been bought back has been redeemed or cancelled; and/or whether it may be held so as to be made available for resale in the market.

The full AMTE debt buyback guidance may be accessed on the ICMA website [here](#).

Notes for editors

The ICMA AMTE Council

The AMTE council operates under ICMA's auspices to contribute to the development and effective operation of the EUR-denominated fixed income and derivatives markets. It currently comprises and represents the interests of some 40 of the key financial institutions in these markets.

International Capital Market Association (ICMA)

ICMA represents financial institutions active in the international capital market worldwide. ICMA's members are located in 50 countries, including all the world's main financial centres. ICMA's market conventions and standards have been the pillars of the international debt market for over 40 years, providing the framework of rules governing market practice which facilitate the orderly functioning of the market. ICMA actively promotes the efficiency and cost effectiveness of the capital markets by bringing together market participants including regulatory authorities and governments. See: www.icmagroup.org

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