

Press release

News from the International Capital Market Association (ICMA)

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ICMA welcomes invitation to comment on European Commission Paper on Stability Bonds

(Zurich, Switzerland) The International Capital Market Association (ICMA), the leading trade association for the international fixed income markets, has welcomed the invitation to comment on the proposals today in the European Commission's Green Paper regarding the "Feasibility of introducing Stability Bonds".

For over 40 years ICMA has actively promoted the efficiency and cost effectiveness of the international debt capital market; providing the framework of rules governing market practice which facilitate the orderly functioning of the market. Responsive to the difficulties being experienced in the euro-area Sovereign debt markets, ICMA has been actively working to contribute to measures to help restore orderly market conditions. This work involves bringing together the extensive market experience of ICMA's member firms with those in the governments and regulatory authorities who are striving to achieve the same objective.

René Karsenti, ICMA President said: "In launching this Green Paper the European Commission is airing a topic of considerable importance. The proposals contain many features that require careful scrutiny by the financial institutions who will, if the stability bonds are adopted, be the main investors in the product. To this end we are consulting our international membership to ensure that the concept is properly debated amongst all interested parties."

The European Commission's Green Paper explores three options:

1. Full substitution of Stability Bond issuance for national issuance, with joint and several guarantees;
2. Partial substitution of national issuance with Stability Bond issuance with joint and several guarantees; and
3. Partial substitution of national issuance with Stability Bond issuance with several but not joint guarantees.

ICMA appreciates that each of these options has its own pros and cons; and looks forward to playing its part in this consultative process.

[European Commission Green Paper "Feasibility of introducing stability bonds"](#)

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Notes for editors

1. 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

2. ICMA Communications

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