

News from the International Capital Market Association (ICMA)

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Please see foot of release for contact details

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Adopting International Practices of Bond Trustee Arrangements in China

An ICMA and NAFMII publication

NAFMII and ICMA have published a guide which sets out international bond trustee arrangements and its application worldwide along with global practices of bond trustee services. 'International Practices of Bond Trustee Arrangements' serves to highlight how a bond trustee structure, adapted to the needs of the Chinese market, may have a role to play in creating safeguards for bond investors and in reducing overall capital market and systemic risk.

As China's bond markets continue to develop, they are increasingly adopting market-oriented mechanisms, improving supporting infrastructures, and offering more diversified products. The bond markets are playing a growing role in supporting the real economy and meeting the varied investment, financing, and risk management needs of market participants.

Martin Scheck, Chief Executive of ICMA, said, "Strong investor protection measures underpin the effectiveness of all successful bond markets. Given the exciting growth of the Chinese bond, it is timely to review the mechanisms currently in place to safeguard investors. The bond trustee, a long-established arrangement commonly used in the international capital markets, may be a beneficial addition to this market."

This report, by the joint NAFMII-ICMA working group established in 2015 and produced under the auspices of the 9th UK-China Economic and Financial Dialogue, includes the input of several foreign trustees who have first-hand experience in developed overseas bond markets to illustrate foreign market practices, summarize the role of the bond trustee both before and after a default, and clarify the duties of each interested party after an event of default.

[International Practices of Bond Trustee Arrangements – English version](#)

Notes for editors

NAFMII is a self-regulatory organisation which aims to promote sustainable development of the China OTC market through innovations, self-discipline and serving market players. NAFMII focuses on three areas: promoting innovations, conducting self-regulation and providing quality services to its members.

www.nafmii.org.cn/english

The International Capital Market Association (ICMA) is the trade association for the international capital market, with over 550 member firms from 62 countries, including banks, issuers, asset managers, infrastructure providers and law firms. It performs a crucial central role in the market by providing industry-driven standards and recommendations for issuance, trading and settlement in international fixed income and related instruments.

ICMA established an Asia-Pacific representative office in Hong Kong in 2013 to address the needs of its members in the region and regulatory and market practice issues related to ICMA's areas of international expertise. ICMA has around 80 member institutions in Australia, China, India, Indonesia, Japan, Korea, Malaysia, New Zealand, the Philippines, and Singapore.

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