



ICMA

International
Capital
Market
Association

Covered Bond Investor Council

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Introduction

- » Covered Bonds are an important part of the financing of the mortgage and public sector markets. There is a significant public policy role for the asset class which we acknowledge
- » The asset class also represents an important source of bank financing and therefore plays a part of the solution to the liquidity crisis
- » The financial crisis has provoked debate across the industry. Action in other market segments suggests investors are slow to react or have their views listened to
- » Covered bond issuers and traders have their own organisations to voice their views
- » Regulators are anxious to discuss their treatment of covered bonds with the industry
- » Investors need to ensure that their views are made known and interests protected at an early stage in every industry discussion
- » The Covered Bond Investor Council (CBIC) is an investor driven organisation, independent of Issuers and the market
- » The CBIC was set up in 2009 as a part of the International Capital Market Association which provides a strong platform and administrative support for the Council

Mission

- » The objective of the CBIC is to represent investor interests, and promote the long term future development of the European covered bond market.
- » The CBIC wants to embrace all investors, diversified by geography, type of activities and size.
- » The CBIC will not engage in discussions/recommendations with individual issuers about their Covered Bond Programmes.

Mission

The CBIC seeks to promote the long term development of:

- » Covered Bonds as a highly secure product
- » Covered Bond Market liquidity

Mission

Liquidity Issues

- » The CIBC acknowledges that liquidity in the Covered Bond Market must be viewed in the context of overall liquidity in the fixed income markets
- » The CBIC will work to promote a liquid and smooth functioning market

Organisation

Umbrella Organisation

- » The CBIC was established in 2009 as a Council under the umbrella of the International Capital Market Association (ICMA)
- » It exists alongside the existing Asset Management and Investors Council (AMIC), whose facilities it shares

Organisation

Membership

- » The CBIC is open for membership by all entities considered investors in covered bonds as agreed with the chairman
- » The aim is for there to be a fair representation at steering committee and membership level of central bank/sovereign wealth funds, investment management companies, insurance companies, pension funds, and money manager/bank liquidity manager representatives
- » The CBIC also tries to achieve a fair international representation in Europe
- » The CBIC works to extend its network by including important investors outside the European area.

Communications

Statements

- » The CBIC addresses issues that members find important in the functionality of the European Covered Bond Market.
- » The CBIC is available to comment on proposals forwarded to it via the secretariat. Direct approaches to individual members are not encouraged. The CBIC reserves the right to respond, or not, as the case may be, to specific enquiries
- » The CBIC will not engage in discussions with individual issuers about their Covered Bond Programmes.

ICMA

- » ICMA, an association with more than 430 member firms in 52 countries, promotes efficiency in the cross-border capital market by facilitating interactions between all market participants including: issuers, lead managers, dealers and investors.
- » ICMA's market conventions and standards have been the pillars of the international debt market for over 40 years.

AMIC

The Asset Management and Investors Council (AMIC) was established in 2008. The AMIC:

- » Discusses macro level industry and regulatory issues
- » Identifies and offers solutions to practical issues for members at a technical level
- » Proposes market-led initiatives in response to the challenges it has identified
- » Provides a coordinated response to the authorities, which is representative of the views of its cross-border membership from the international asset management and wealth management industry
- » Has established pro-active relationships with regulatory authorities at national, European and international level in a world where the regulatory authorities are increasingly moving from a national to an international remit.
- » Works to ensure that authorities fully understand the consequences of any regulatory proposals for the asset management and wealth management industry
- » Establishes partnerships and actively works with other industry groups to ensure a coordinated approach. The AMIC has an inclusive and international perspective; it respects the work of the various national associations and specialist industry bodies, and works with them on specific topics.

Contact

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