

The European Commercial Paper Committee

Proposal

February, 2021

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It is proposed that ICMA's executive committee:

- rename the Euro Commercial Paper Committee (ECP Committee) as the **Commercial Paper Committee (CPC)**.
- widen the membership of the CPC to reflect the entire ecosystem of the European commercial paper market, including representatives of issuers (financial and corporate), investors, dealers, and infrastructures.

Background

In November 2020, in response to member interest, ICMA hosted a workshop entitled *'The European Commercial Paper Market Reimagined'*. The objectives of the workshop were: (i) to look back on how the European Commercial Paper (CP) market performed during the peak of the COVID-19 crisis, and (ii) to identify possible initiatives, whether market-based or regulatory, that could help in developing the market. Participants in the workshop included issuers (financial and corporate), investors (including money market funds), dealers, and infrastructures.

In a follow-up meeting in December 2020 to discuss next steps, ICMA identified two potential parallel workstreams: one focused on money market funds and possible advocacy, and another focused more specifically on the development of the European CP market. In the case of the former, it was agreed that this would be best managed through ICMA's Asset Management and Investors Council (AMIC). In the case of the latter, it would be important to involve the entire ecosystem, including issuers, investors, dealers, and infrastructures. It was suggested that this could possibly be achieved by expanding on ICMA's existing ECP Committee.

Issues specifically identified as relevant to the *development of the European CP market*, and where ICMA could play an active role by bringing together all relevant stakeholders, included:

- Encouraging greater standardization of issuance frameworks
- Assisting the development of a repo market for European CP
- Supporting improved market transparency and data availability
- Developing standards and best practices around automation and electronic trading
- Promoting the importance of the European CP market, particularly to regulators

Proposed scope of the CPC

The ICMA CPC would seek to be the representative voice of the European Commercial Paper market, bringing together all relevant stakeholders with the goal of supporting market development. It would aim to do this by:

- Providing a platform for dialogue and the sharing of ideas between market stakeholders
- Developing and supporting market standards and best practices
- Facilitating the dissemination of relevant information amongst members related to market developments and, where possible, data and research
- Promoting the best interests of the market with regulators, policy makers, and other key stakeholders

The CPC would not be restricted from focusing its attention on, and serving members' needs in, other regions beyond Europe (e.g. Asia).

Proposed structure of the CPC

The structure of the CPC is to be determined by members and should aim to strike a balance between ensuring the continued engagement of all relevant stakeholders while also achieving its objectives and agreed deliverables.

Possible considerations should include:

- The possibility of different engagement structures based on the underlying stakeholder groups (investors, dealers, issuers, infrastructures)
- Whether member firms should appoint a Principal Representative for the CPC (with the possibility for multiple Additional Representatives)
- Whether the CPC should have a Chair structure, and also possible vice-chairs or co-chairs, ensuring representation of the different stakeholder groups
- Frequency of engagement (e.g. some ICMA committees aim to meet four times a year or as required)
- The creating of ad hoc 'Task Forces' to focus on specific initiatives or deliverables
- Coordination with other associations (usually other interested associations are granted reciprocal observer status)