Building the bridge to the next generation of primary markets

As primary markets move from document-led workflows towards data-led, interoperable and increasingly digital models, the Primary Market Innovation Project (PMIP) NextGen provides a practical transition guide for connecting today's issuance processes with tomorrow's market infrastructure.

Why this work matters now

Primary bond markets sit at the heart of capital formation. They connect issuers with investors and help channel capital to the real economy. They are robust, trusted and effective, but they are also entering a period of transition. ICMA's Primary Market Innovation Project (PMIP) NextGen report responds to that transition. It does not argue that the market is broken, nor does it advocate disruption for its own sake. Instead, it provides a practitioner-led roadmap for moving from today's document-led, manually coordinated issuance workflow towards a more modernised, data-led and interoperable market model, safely, and without weakening the trust, liquidity and accountability on which the market depends.

The case for change comes from two directions. First, today's issuance workflows are increasingly stretched by higher volumes, more diverse products, expanding data and regulatory requirements, and continued reliance on fragmented communication channels. Second, the infrastructure around capital markets is changing, with digital securities frameworks, tokenisation, artificial intelligence (AI), new settlement models and digital money reshaping expectations for how assets may be issued, settled, serviced and distributed.

These developments are not separate from primary markets. If data is incomplete, inconsistent or unstructured at the point where the asset is created, it becomes difficult to connect safely into future digital or hybrid infrastructure. Faster settlement rails will not solve poor upstream data. Digital assets still require legal certainty, accurate terms, settlement readiness, investor confidence, governance and operational control.

A transition agenda, not a technology manifesto

The report is organised around three connected workstreams: Workflow, Model Change and Cross-Cutting Themes. Together, they describe both the near-term work needed to improve how the market operates today and the longer-term conditions required for safe market evolution.

This matters because the next phase of market development is unlikely to involve the clean replacement of one model by another. Traditional, hybrid and digital models are likely to coexist. The challenge is therefore to connect them coherently, preserve liquidity and ensure that innovation strengthens rather than fragments the market.

Workflow: executing today

The Workflow workstream focuses on the most immediate opportunity: improving the way issuance is executed today. The market works, but it works with increasing friction. Core transaction data is often incomplete, inconsistent or received too late to be reliably reused; coordination still relies heavily on email, chat, spreadsheets and bilateral messages; and security set-up, allocation, documentation and settlement readiness all depend on clean and timely upstream data.

The report's workflow message is therefore clear: primary markets need to move from a document-led and manually coordinated workflow towards a more data-led, standardised, interoperable and controlled operating model. Capturing trusted data earlier, reusing it across the lifecycle, strengthening standards such as the ICMA Bond Data Taxonomy, and clarifying accountability for data creation and validation would reduce re-keying, improve settlement readiness, strengthen auditability and release skilled people from avoidable manual coordination.

Model Change: imagining the future

The Model Change workstream asks what becomes possible once today's workflow is modernised and the market has cleaner data, stronger interoperability, better controls and more flexible settlement arrangements. Its central message is not simply that today's model can become more efficient, but that the origination and distribution model for capital markets may gradually become more data-native, connected and diverse.

This does not mean replacing the syndicated public bond market. It means recognising that traditional bonds, digital bonds, tokenised instruments, private-market instruments and hybrid models may coexist for some time. Digital and tokenised bonds, tokenised funds, collateral mobility, private credit, emerging-market issuance, flexible settlement and broader investor access all point to a more diverse future market. But the report applies an important discipline: innovation is valuable only if it preserves legal certainty, operational resilience, investor confidence, interoperability, secondary-market readiness and liquidity.

Cross-Cutting Themes: foundations for a safe transition

The Cross-Cutting Themes workstream defines the safety layer for transition: liquidity, trusted data, interoperability, standards, governance, resilience, networks and hubs, AI-enabled integration and human accountability. These are the conditions that allow innovation to scale without undermining confidence.

Liquidity remains the benchmark for a safe transition. Fragmentation is the risk to manage. Interoperability is the discipline that preserves optionality. Networks and hubs can help different models coexist without creating disconnected pools of data, access or liquidity. In that sense, the cross-cutting themes anchor the journey towards modernised primary markets in what makes capital markets work today: trust, participation, legal certainty, resilience and efficient capital formation.

From report findings to industry priorities

The report brings a complex transition agenda back to three practical industry priorities: Process, Product and People. These provide a useful storyline for turning the findings into action.

Process: create a trusted and interoperable operating layer

Process is about creating a trusted and interoperable operating layer. Issuance data should be captured as early as possible, ideally at source, and reused across the lifecycle. The industry does not need a single platform or architecture; it needs an architecture of standards, in which common data fields, identifiers, taxonomies, messaging standards and governance arrangements allow different systems to interact more consistently.

Product: enable liquidity-safe optionality and lifecycle functionality

Product is about enabling liquidity-safe optionality and lifecycle functionality. New issuance formats, digital wrappers or settlement models are useful only if they improve real market outcomes: liquidity, legal certainty, investor confidence, operational compatibility, resilience and scalability. Products must work beyond issuance, through settlement, custody, servicing, reporting, secondary-market readiness, collateral management and redemption.

People: define ownership, preserve judgement and build capability

People are central because primary markets are relationship-driven, judgement-heavy and accountability-sensitive. Automation and AI can reduce repetitive work, but decisions on pricing, allocation, documentation, execution strategy and risk still require human judgement. Modernisation should shift human effort away from avoidable reconciliation and manual checking towards higher-value work: advice, strategy, risk management, client value and accountability.

The role for ICMA and the next phase of work

PMIP NextGen has established more than a report. It has created a shared market narrative for why primary-market modernisation matters, what needs to change, and how the industry can approach that change without losing the strengths of the existing market.

The bridge between today's market and tomorrow's market will be built from trusted data, common standards, interoperable systems, clear governance, resilient infrastructure and capable people. It must allow traditional, hybrid and digital models to coexist while preserving liquidity, legal certainty, market confidence and human accountability.

That is where ICMA's role is particularly important. Historically, ICMA has helped markets function through principles, standards, documentation and consensus-building. In the next phase, that role extends across Process, Product and People: helping the industry modernise safely while preserving the trust, liquidity and resilience on which capital formation depends.

The next phase should convert the report from a shared transition narrative into practical industry action. Targeted member engagement, directional advisory oversight and focused working groups could help maintain momentum, avoid fragmentation and ensure follow-up activity remains aligned with the report's core message.

For members, the invitation is clear: to consider where they have the interest, expertise and capacity to support the next stage of transformation, and to help turn PMIP NextGen into practical outputs that strengthen primary markets for the years ahead.

Contact: Georgina Jarratt
georgina.jarratt@icmagroup.org