

Summary of practical initiatives by ICMA

The practical initiatives on which ICMA has been engaged over the past quarter with, and on behalf of, members, include the following:

Primary markets

- 1 *Public sector issuers:* The Public Sector Issuer Forum (PSIF) met at the World Bank in Washington on 12 October to discuss, in particular: LIBOR replacement, introduced by David Bowman, Special Adviser to the US Federal Reserve Board, and Donald Sinclair, Head of Asset Liability Management at the World Bank; and cybersecurity, introduced by Tom Harrington, Chief Information Security Officer at Citi, and Clay Lin, Chief Information Security Office at the World Bank.
- 2 *MiFID II/R implementation in primary markets:* In the run-up to the implementation of MiFID II/R and PRIIPs at the beginning of 2018, ICMA continued to work intensively with the ICMA Primary Market Practices Committee and the Legal & Documentation Committee on the implications for the primary markets of the MiFID II/R regime for product governance (eg in relation to “target markets”), justification for allocations, and inducements, and the PRIIPs regime.
- 3 *Future of LIBOR:* On 29 November, the Bank of England and the FCA announced the next phase of work with market participants on LIBOR transition. From January 2018, the market-led Working Group on Sterling Risk-Free Rates will have an extended mandate and broader participation. Two new sub-groups will be formed to focus on benchmark transition in the loan market, chaired by LMA, and the bond market, chaired by ICMA.
- 4 *Benchmark Regulation:* ICMA has prepared and circulated standard language for prospectuses reflecting Article 29(2) of the Benchmark Regulation.
- 5 *Prospectus Regulation:* With the support of the ICMA Legal & Documentation Committee and leading international law firms, ICMA responded to the ESMA consultation paper on Level 2 measures on the Prospectus Regulation by the 28 September deadline.
- 6 *STC short-term securitisations:* On 5 October, ICMA responded, jointly with the ASF, GFMA and IIF, to the BCBS/IOSCO’s consultative documents on criteria for and capital treatment of simple, transparent and comparable short-term securitisations.
- 7 *Omnibus III:* With the support of its primary market constituency and leading international law firms, ICMA has provided feedback to the European Commission on the proposals to centralise certain prospectus approvals with ESMA.
- 8 *FMSB Risk Management Standard:* ICMA submitted a response to the FICC Markets Standards Board (FMSB) on its transparency draft of the *Risk Management Transactions for New Issuance Standard* ahead of the deadline on 20 December.
- 9 *Primary Market Forum:* The 11th annual Primary Market Forum was held at JP Morgan in London on 8 November. There were 150 participants.
- 10 *Corporate Issuer Forum:* A marketing brochure has been prepared for the Corporate Issuer Forum. This is available on the ICMA website.

Secondary markets

- 11 *European Commission Expert Group on Corporate Bond Market Liquidity:* The report and recommendations of the European Commission High-Level Expert Group on Corporate Bond Markets, on which Andy Hill represented ICMA, was published on 20 November ahead of a launch on 24 November in Brussels. ICMA’s Chair, Martin Egan, was a keynote speaker at the launch.
- 12 *IOSCO:* ICMA responded to the IOSCO consultation on corporate bond market transparency by the deadline of 16 October, and is in contact with the IOSCO Secretariat in Madrid about ICMA’s research on corporate bond market liquidity (or lack of liquidity) in stressed market conditions.

- 13 *MiFID II/R regional workshops*: Led by Liz Callaghan, ICMA held a series of workshops for members in the autumn of 2017 in Stockholm, Brussels, Luxembourg, Paris, Frankfurt, Madrid, Milan, Dublin, Lisbon and Zurich as well as London, following earlier workshops in Hong Kong and Singapore. The workshops focused on the implications of MiFID II/R for fixed income trading. ICMA organised a separate session in London on 7 December with the FCA on outstanding MiFID II/R questions.
- 14 *Other MiFID II/R briefings for members*: ICMA provided members with monthly briefings on preparations for MiFID II/R, ahead of implementation on 3 January 2018, including an FAQ on the implications for non-EU members of ICMA.
- 15 *ICMA Secondary Market Rules & Recommendations*: ICMA is reviewing the impact of MiFID II/R and other proposed new EU regulations on the ICMA Secondary Market Rules & Recommendations.
- 16 *CSDR mandatory buy-ins*: Led by Andy Hill, ICMA has continued to explain to the authorities the potentially damaging impact of mandatory buy-ins on secondary markets.
- 17 *Single name CDS study*: Jointly with ISDA, ICMA is conducting a study into the state and evolution of the European single name credit default swap market.
- 18 *European investment grade bond market data*: Historical data on bond market trading activity, split between financials and non-financials, in both euro and sterling, have been made available on the ICMA website. The data are updated on a monthly basis.
- 19 *Asian corporate bond liquidity study*: ICMA has been researching the state and evolution of the Asian corporate bond markets, as an extension of its work on the European markets, with plans for a separate report to be published in early 2018.
- 22 *SFTR implementation*: ICMA is continuing to help members to implement the Securities Financing Transaction Regulation (SFTR), and is in ongoing contact with ESMA regarding a number of detailed points.
- 23 *Post-trade*: With the support of its ERCC Committee and its Operations Group, ICMA responded by the deadline of 15 November to the European Commission consultation on post-trade. The consultation reflects the conclusions of the European Post-Trade Forum, in which the ERCC was represented.
- 24 *ECB AMI-SeCo*: The ERCC is represented on the ECB's recently formed Advisory Group on Market Infrastructure for Securities and Collateral (AMI-SeCo). Among other things, this group is taking forward work on collateral management harmonisation which was initiated in the forerunner COGESI group. ICMA is actively involved.
- 25 *European repo market survey*: On 17 October, ICMA released the results of its 33rd semi-annual survey of the European repo market, which calculates the amount of repo business outstanding on 7 June.
- 26 *ERCC guide to repo best practice*: ICMA has published an updated version of the *ICMA ERCC Guide to Best Practice in the European Repo Market*. The amendments were prepared by the ERCC Guide Working Group, which continues to review and update the Guide to reflect latest market developments.
- 27 *FinTech mapping*: With the support of its FinTech Working Group, ICMA has posted on its website a FinTech mapping directory, which includes around 100 technology solutions for collateral management and ancillary services. ICMA's work on FinTech mapping has been led by Gabriel Callsen and Alex Westphal.

Repo and collateral markets

- 20 *Repo and the real economy*: The ICMA European Repo and Collateral Council (ERCC), chaired by Godfried De Vidts, held its latest biannual General Meeting in Brussels on 14 November, with over 200 participants. The meeting highlighted the importance of repo for the real economy. Speakers included Benoit Coeuré from the Executive Board of the ECB, Mahmood Pradhan from the IMF, Peter Grasmann from the European Commission and Steffen Kern from ESMA.
 - 21 *MiFID II/R and the repo market*: Following ICMA's intervention, the authorities clarified that pre- and post-trade transparency, most transaction reporting and some of the critical best execution requirements under RTS 27 do not apply to securities financing transactions.
 - 28 *AMIC Council*: The biannual ICMA Asset Management and Investors Council (AMIC), chaired by Bob Parker, was held at Schroders in London on 8 November with 110 participants. Themes for discussion included: the future of the asset management industry; systemic risk in investment management; and research unbundling under MiFID II/R.
 - 29 *MiFID II/R research unbundling survey*: AMIC has surveyed its members to discover firms' current intentions and their progress in implementing MiFID II/R research unbundling, with a specific focus on FICC research only. The survey was organised by Bogdan Pop. The results were unveiled at the AMIC Council on 8 November.
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- 30 *ESDM: research unbundling*: At the request of Anne Leclercq, the Chair of the EFC's Sub-Committee on EU Sovereign Debt Markets (ESDM), Andy Hill made a presentation and answered questions on research unbundling at an ESDM Committee meeting in Brussels on 8 November.
- 31 *Leverage and asset management*: The joint AMIC/EFAMA report on fund leverage has been presented by René Karsenti at the ESMA Securities and Markets Stakeholder Group, and discussed by ICMA and EFAMA with a number of national regulators. The report analyses how leverage is used and how the European legislative framework regulates leverage, and makes recommendations to improve the monitoring and analysis of leverage risk.
- 32 *ETFs*: The AMIC responded to the Central Bank of Ireland consultation on exchange-traded funds (ETFs), and focused on the potential for systemic risk from ETFs and the impact of ETFs on corporate bond market liquidity.
- 33 *Bail-in*: The Bail-In Working Group held a workshop in Zurich on 16 November, led by Tim Skeet.
- 34 *Infrastructure finance*: On behalf of ICMA, Katie Kelly delivered a lecture on infrastructure finance, public-private partnerships and the state of infrastructure in Europe to a delegation from Jinan City in China.

Green, social and sustainable bond markets

- 35 *European Commission Expert Group on Sustainable Finance*: ICMA is represented by Nicholas Pfaff as an observer on the European Commission High Level Expert Group on Sustainable Finance.
- 36 *Tokyo Green Bond Conference*: On 2 November, ICMA held an innovative and successful green/social bond event focused on Asia/Japan. The event was co-hosted by ICMA and the Japan Securities Dealers Association in Tokyo. This was the first large-scale ICMA event on GBP/SBP outside Europe - with 400 participants and 36 speakers - including major official sector names (the Governor of Tokyo, Japan Ministry of Environment, ASEAN Capital Markets Forum etc.) and senior private sector speakers (including several ICMA Board member firms).
- 37 *Green finance in Asia*: ICMA and the GBP Executive Committee have provided comments to the ASEAN Capital Markets Forum on south-east Asian securities regulation related to ASEAN green bond standards.
- 38 *France's Green Evaluation Council*: ICMA has been nominated as an observer on the Evaluation Council of France's green sovereign bond and will be represented by Nicholas Pfaff. The Evaluation Council will define the specifications and schedule for evaluation reports on the environmental impact of France's green sovereign bond.

Other meetings with central banks and regulators

- 39 *Brexit*: ICMA has continued to keep in contact on Brexit with the UK, the euro area and the EU authorities, and to discuss with members - both in the UK and the EU27 - through ICMA Market Practice and Regulatory Policy Committees how it can best help the international capital markets to prepare.
- 40 *ECB*: On 20 November, ICMA held a series of meetings at the ECB in Frankfurt with Ulrich Bindseil, Director General of Market Operations and his team, Vitor Constancio, Vice-President of the ECB, and Korbinian Ibel, Director General of Microprudential Supervision IV.
- 41 *DG FISMA*: On 22 November, ICMA held a meeting in Brussels with Olivier Guersent, Director General of DG FISMA, on progress on Capital Markets Union and related issues.
- 42 *ESM*: On 8 December, Paul Richards made a presentation on Capital Markets Union and Brexit at the European Stability Mechanism in Luxembourg during a seminar on capital flows and Capital Markets Union.
- 43 *Official groups*: ICMA continues to be represented, through Martin Scheck, on the ECB Bond Market Contact Group; through René Karsenti, on the ESMA Securities and Markets Stakeholder Group; and through Godfried De Vidts on the ECB Macroprudential Policies and Financial Stability Contact Group, and on the Consultative Working Group to ESMA's Secondary Markets Standing Committee.