

# ICMA Quarterly Report

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Pioneering Women in Finance



**ICMA**

International Capital Market Association



ICMA

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The mission of ICMA is to promote resilient and well-functioning international and globally integrated cross-border debt securities markets, which are essential to fund sustainable economic growth and development.


ICMA is a membership association, headquartered in Switzerland, committed to serving the needs of its wide range of members. These include public and private sector issuers, financial intermediaries, asset managers and other investors, capital market infrastructure providers, central banks, law firms and others worldwide.

ICMA currently has over 630 members in 71 jurisdictions worldwide. ICMA brings together members from all segments of the wholesale and retail debt securities markets, through regional and sectoral member committees, and focuses on a comprehensive range of market practice and regulatory issues which impact all aspects of international market functioning. ICMA prioritises three core fixed income market areas – primary, secondary and repo and collateral; with cross-cutting themes of sustainable finance and FinTech and digitalisation.





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# Tokenisation and the next chapter of capital markets



by **Christoph Hock, Union Investment**

## Introduction

Capital markets are entering a new phase of transformation. Tokenisation - the representation of financial assets on distributed ledger technology (DLT) - has moved decisively from experimentation to strategic relevance. The key question is no longer whether tokenisation will reshape our markets, but how quickly and how coherently we will scale it.

This shift must be understood in a broader context. Tokenisation is a core pillar of the ongoing digital transformation, alongside artificial intelligence and the emerging potential of quantum computing. Unlike many other innovations, however, tokenisation directly affects the core infrastructure of financial markets. It is not a marginal improvement - it is a structural change.

As European Commissioner Maria Luís Albuquerque recently stated: “Tokenisation is perhaps the most important part of digital transformation. It is about rebuilding the machinery of finance. The next decade of finance will be code-written, shaped by networks, powered by tokenised assets and influenced by decentralised systems.”

This perspective is increasingly shared across regions. In the Americas, Europe, and Asia-Pacific, we see the same direction of travel: towards more digital, interconnected, and programmable markets. The challenge now is execution.

## What is blockchain technology and what is tokenisation?

DLT enables a shared, synchronised record of transactions across multiple participants - together with the potential to reduce fragmentation, eliminate the need for reconciliation, and create a single source of truth.

Tokenisation builds on this foundation. Financial assets such as bonds are represented as digital tokens on DLT. These tokens embed the rights and obligations of the underlying instrument and can be issued, traded, and settled directly on the ledger.

The result is a more efficient operating model. Processes are simplified. Lifecycle events are automated. Manual intervention is reduced. At the same time, programmability allows financial instruments to become more flexible and adaptive.

## The background to “Assets on Chain”

“Assets on chain” are no longer theoretical. DLT-based bonds provide a clear and practical use case. They demonstrate tangible benefits. Issuance is faster and less complex. Lifecycle events such as coupon payments and redemptions can be automated. Transparency improves through near real-time data.

More importantly, tokenised assets are transforming market dynamics by enabling fractional ownership, expanding investor access, and reducing friction across the value chain. DLT facilitates straight-through processing (STP) throughout the entire lifecycle of a security, from issuance and trading to settlement and servicing.

While adoption is still at an early stage, the direction is clear. Assets on chain are evolving from pilot transactions into a structural component of future market infrastructure.

## The background to “Cash on Chain”

Assets on chain require cash on chain. Without a digital settlement asset, the benefits of tokenisation remain limited.

Progress in this area is accelerating. Wholesale CBDCs, particularly in Europe, are moving from concept to implementation. Initiatives such as the Eurosystem’s Pontes and Appia illustrate how central bank money could operate within DLT-based markets. At the same time, private sector solutions - stablecoins and tokenised deposits - are gaining traction. These instruments offer flexibility and programmability and can be integrated into existing financial systems.

The impact is significant. Settlement can become near instantaneous. Counterparty risk can be reduced. Liquidity



can be managed more efficiently. 24/7 markets become feasible. Cash on chain is therefore not optional—it is a prerequisite for scale.

### **Outlook: Tokenisation of financial assets**

The industry is now moving from experimentation to scaling. Several developments are accelerating this transition.

Regulation is evolving globally. Europe is advancing its Savings and Investments Union (SIU) agenda, while the United States is defining its framework through initiatives such as the GENIUS Act and the expected Clarity Act. At the same time, the asset management industry is pushing forward - particularly through tokenised fund shares and tokenised money market funds. These instruments introduce yield-bearing, efficient solutions for treasury and collateral management.

In parallel, digital cash is progressing, and traditional infrastructures - from central securities depositories to trading platforms - are preparing to support tokenised instruments. However, scaling is not guaranteed. Tokenised securities remain heterogeneous. Custody models continue to evolve. Legal harmonisation across jurisdictions poses significant challenges that require active attention. Additionally, the interaction between on-chain and off-chain systems remains complex.

The conclusion is straightforward: Scaling tokenisation is not primarily a technology challenge - it is a coordination challenge. Four elements will determine success. First, standardisation - without common data and process standards, automation and interoperability will not be achieved. Second, regulation - clarity is essential to build trust and enable adoption. Third, interoperability - fragmented platforms will limit efficiency gains. And fourth, cooperation - close alignment between public and private stakeholders is critical.

### **The role of ICMA**

ICMA has been engaged in digitalisation since 2017 and established its DLT Bonds Working Group in 2022. It plays a central role in aligning market participants and translating innovation into practical standards.

The Bond Data Taxonomy (BDT) is a key pillar of this work. The forthcoming release of version 2.0 reflects growing adoption across markets. The BDT is increasingly embedded in market infrastructures, supporting automation and interoperability for both traditional and digital bonds. Its use by the Hong Kong Monetary Authority, implementation by Swift, and alignment by ICSDs demonstrate its global relevance.

ICMA also supports market readiness through education, working groups, and industry engagement. It is deepening dialogue with custodians and the buy-side, addressing scalable custody solutions, and expanding its focus to tokenised repo, tokenised collateral, and digital cash.

Regulatory engagement remains a core priority for ICMA, which actively contributes across multiple jurisdictions. Since 2022, ICMA has engaged with the European Central Bank on wholesale Central Bank Digital Currency (wCBDC) and collaborated with UK authorities on the Digital Securities Sandbox (DSS). Another notable example is Project Guardian, led by the Monetary Authority of Singapore. In 2024, ICMA contributed to the Guardian Fixed Income Framework and, in 2025, took the lead on the Fixed Income workstream, delivering key guidance on delivery-versus-payment and custody models.

### **Conclusion**

Tokenisation is a decisive opportunity for capital markets. The direction is clear. The question is execution. Scaling will require collaboration and courage. Standardisation, regulatory clarity, and interoperability are not optional - they are prerequisites. Encouragingly, progress is visible across regions and across stakeholders. The building blocks are in place. What matters now is connecting them.

ICMA plays a key role in this process—bringing stakeholders together, promoting standards, and turning innovation into scalable market practice. If we succeed, tokenisation will not only improve capital markets—it will redefine them.

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# Market Integration and Supervision Package (MISP): Update



by **Natalie Westerbarkey** and **Thorsten Guthke**

Since December 2025, the ICMA Secretariat, with strong technical and political support from its committees and working groups, has developed a comprehensive position on the [Market Integration and Supervision Package](#), proposed by the European Commission to the European Parliament and Council on 4 December 2025.

ICMA, on behalf of its members, has a significant stake in this initiative and a wide range of insights and recommendations to contribute, from the perspective of European, and even, global debt capital markets. Given the rapidly evolving political and macroeconomic environment, this regulatory initiative represents an important opportunity that should be seized, not least against a backdrop of multiple, overlapping geopolitical challenges. Accordingly, political decision-makers are increasingly recognising the need for strengthened European capacity and strategic autonomy. At the same time, there is growing interest in financial integration, for example as reflected in the E6 format of finance ministers, namely Germany, UK, France, Italy, Spain and the Netherlands.

The Commission's MISP proposal – which forms part of the Savings and Investment Union (SIU) – is somewhat bolder and more ambitious than its predecessors under CMU I and II. There is growing recognition that Europe indeed has the potential to build much larger and more integrated capital markets. ICMA has identified 10 priority areas: supervision as the most prominent and far-reaching area; the consolidated tape; CSDR reform and post-trading; MiFIR/MiFID aspects in a cross-jurisdictional context; EMIR 3.0; fund passporting; asset management group structures; distributed ledger technology (DLT) and innovation; supervisory authority funding and governance; and an outlook on the future of bond markets.

All of these aspects are addressed under the MISP's Master Regulation, the broadest legal instrument within the package. In addition, amendments relating to investment fund regulation are of critical importance and are dealt with under the Master Directive. The Settlement Finality legal

act, which is intended to be converted from a Directive into a Regulation, also plays a crucial role. In collaboration with its members, ICMA [compiled a response](#) to the Commission's package, through its Regulatory Policy Committee, Asset Management and Investors Committee, Market Infrastructure Advisory Group, DLT Bonds Working Group, and Securitisation Taskforce. This paper was used to respond to the Commission's call for feedback in March 2026. ICMA puts forward the following key messages in its response:

- ICMA promotes well-functioning cross-border capital markets, which are essential to fund sustainable economic growth.
- ICMA contributes to overcoming fragmentation, to harmonising rules and bringing market operators together.
- ICMA strongly supports conducive measures that lead to a true and effective single capital market in the European Union and beyond.
- **Supervision:** ICMA supports a competitive mandate for ESMA as a secondary competence to reinforce the existing legal basis.
- **Supervisory convergence:** ICMA welcomes the extension of the scope of no action letters; the possibility for the EU Commission to suspend RTSs and ITSs is appropriate.
- **Asset management supervision:** safeguards are needed to prevent drift into direct ESMA supervision. Secondment and staff exchanges between NCAs, as well as between NCAs and ESMA, should be strengthened and systematised.
- **Consolidated tape** must be introduced for bonds – in addition to equities – supported by a well-calibrated deferral regime.
- **MiFIR:** Addressing undesired effects of the EU – UK divergence must prevent duplicative reporting of transactions, not only for OTC derivatives but also for bonds.



- **CSDR Reform:** ICMA supports the creation of a ‘CSD hubs’ model, and measures that increase the use of T2S.
- **EMIR 3.0:** Clearing plays a critical role in Europe’s fixed income markets, especially for repo. ICMA calls on co-legislators to strengthen the attractiveness of EU clearing without forcing the localisation that could fragment global liquidity.
- **Fund passports:** ICMA welcomes ‘passporting upon authorisation’ through the home NCA. The proposed ESMA documentation platform must facilitate simpler notifications. ESMA’s expanded role in resolving disputes should not result in a de facto veto that is removed from local market realities.
- **Asset management undertaking structures:** ICMA suggests 1) removing introduction of an “EU group of a management company and AIFM” and 2) replacing the derogation for intra-group arrangements by an acknowledgment that asset managers should maintain oversight over the delegate within the same undertaking.
- **DLT and innovation:** ICMA recommends a substantial increase in the scope of the DLT pilot regime and amendments to sectoral legislation, which place DLT-based securities and traditional securities on equal footing. ICMA supports the fast-tracking of the DLT and innovation aspects.
- **Funding and Governance:** ICMA suggests a clear and transparent cost-benefit analysis of the proposed supervisory changes. The new legal acts should reduce regulatory burden and enhance the competitiveness of EU market infrastructure.
- **Adjustments to the UCITS investment limit in securitisation:** many ICMA members support raising the 10% threshold significantly above 15%, while some support raising it to only 15 or 20%. In addition, focussing on changes to transparency, due diligence and delegation in securitisation regulation will be more impactful.
- **Settlement Finality Regulation** (and Collateral): With a view to enhancing market confidence, ICMA welcomes greater clarity on how the conditions set out in Art. 14 will be assessed. Provisions should always refer to “participants”.

It is important to make use of the current momentum, at a time when crises and geopolitical uncertainty afford greater flexibility. ICMA’s members believe that the European Union cannot afford to lose any more time. Now is the time to take decisive steps towards a truly common and single European capital market. While the Commission has put forward a valuable proposal (noting that a number of details require further discussion), it is now an opportunity for the European Parliament and national governments, within the Council, to seize the opportunity to throw their weight behind the package, incorporating additional relevant elements so that the set of rules becomes fully comprehensive.

Relatedly, ICMA welcomes the ongoing work within the Council in establishing a common insolvency regime for capital market firms. This represents a meaningful and realistic step in the right direction, with the potential to foster a fairer environment and enhance market efficiency. It should be complemented by alignment in taxation rules. Progress towards the EU fiscal union could generate significant savings, contributing to increased fairness, transparency, efficiency, and ultimately to reducing tax burdens. While harmonising tax rates remains challenging, the unification of tax procedures is a realistic objective that decision-makers should not delay in pursuing. ICMA stands ready to actively support such initiatives, which would strongly promote cross-border investment: a fundamental goal of the internal market.

The MISP package should progress successfully through the legislative process within a reasonable timeframe, supported by a fast-track of the DLT regime. ICMA calls on co-legislators to support the vision of a well-functioning EU capital market that will benefit all stakeholders, including the wealth of EU citizens. This could be Europe’s moment; ICMA and its members hope that we seize it.



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# Leveraging key metrics for responsible funding



by **Julie Imus** and **Kerstin Ahlqvist**, Swedbank

*This article from Swedbank Group Treasury demonstrates how issuers can use the “power of the wallet” to shape both funding outcomes and industry practices. Through a structured, data-driven evaluation of investment bank counterparties, the bank secures strong market access while rewarding high-quality advisory. Further, its approach integrates environmental and social considerations - promoting reduced carbon footprints, inclusive engagement and improved diversity within coverage teams. Over time, Group Treasury has observed that diversity and advisory quality reinforce one another, showing that responsible practices and long-term funding resilience are not only compatible, but mutually beneficial.*

The ability to issue bonds in the capital markets is an important funding tool for Swedbank’s long-term financing needs. Swedbank is by no means the largest issuer out there. By asset class, Swedbank is ranked 37 out of the top 50 European banks.<sup>1</sup> Those at the top of the list issue roughly five times the amount of bonds that Swedbank issues each year. Still, Swedbank’s issuance volume translates to about seven to ten benchmark bonds annually, meaning the bank regularly exposes itself to the temperament of the market and geopolitical situations to find cost-effective transactions that are well-timed and well-executed. Swedbank Group Treasury leverages the expertise and advisory capabilities of approximately 30 investment banks globally to help navigate the various funding projects during the year. This puts us in a unique position for meaningful global interaction and sharing of ideas. Moreover, as clients, we also hold the “power of the wallet.” Our mandates and fees serve as meaningful levers to encourage advisory quality, behaviours and values we want represented in our counterparties. This influence creates an opportunity not only to secure strong execution outcomes, but also to promote responsible and sustainable practices across the industry.

Swedbank’s Strategic Direction envisions “a financially sound and sustainable society.” At Group Treasury, this direction is embraced in what is called the **Sustainable Funding**

**Strategy**, which seeks to ensure both long-term access to capital markets and a positive contribution to environmental, social and governance outcomes. Our approach is built on two complementary pillars: securing future funding and doing so responsibly.

## **Funding 1.0: Ensuring future funding**

*Picking the right banks through systemic quarterly reviews*

First and foremost, one of Group Treasury’s main functions is to fund the bank without fail, securing a sound sustainable funding platform and good access to capital markets at competitive cost. Achieving this requires careful selection of banking partners for each public transaction. To ensure that our mandates are allocated objectively and consistently, Swedbank has established a rigorous governance structure for assessing its syndicate banks.

Since 2017, Group Treasury together with Investor Relations has conducted structured quarterly assessments of our counterparties. Each bank is evaluated from multiple perspectives, including its advisory quality on funding markets, capital considerations, rating strategy, ESG developments and regulatory trends. We also assess execution capabilities such as the strength of swaps and secondary trading platforms, distribution reach and overall market presence.

1. [Europe’s 50 largest banks by assets, 2025 | S&P Global](#)



These quarterly meetings serve as a platform to balance internal group-wide considerations, identify emerging trends and ensure that our banks remain aligned with our funding objectives. Banks that perform strongly in these assessments receive a greater share of mandates throughout the year. This systematic, data-driven approach strengthens our access to the market while rewarding high-quality, thoughtful advisory.

## Funding 2.0: Ensuring future funding in a responsible way

*Integrating environmental and social responsibility into the funding process*

If Funding 1.0 is focused on securing access to capital markets, **Funding 2.0** expands that responsibility by embedding social and environmental considerations into the funding process itself. Over the past several years, Group Treasury has implemented a range of initiatives to promote responsible practices among our coverage banks.

### Sustainable Meeting Policy

Following the easing of post-pandemic travel restrictions, Group Treasury introduced a **Sustainable Meeting Policy** towards our coverage banks aimed at limiting unnecessary in-person meetings. This policy had two core objectives:

- 1. Reduce our indirect carbon footprint by 75% compared to pre-pandemic levels**
- 2. Promote equality and inclusiveness through digital engagement**

Five years on, the results have exceeded expectations. Digital meetings have become more focused and purposeful, while in-person engagements when undertaken are more strategic and impactful. Rather than diminishing advisory quality, the shift toward digital interaction has in fact enhanced it.

### Diversity Ambition Statement

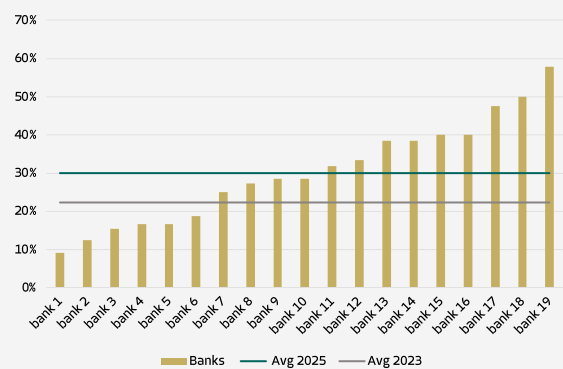
In 2023, we advanced our responsible funding agenda by launching Group Treasury's **Diversity Ambition Statement**. The statement is a declaration of our commitment to partnering with our coverage banks to encourage the creation of inclusive environments where individuals can thrive and contribute, regardless of gender, age, ethnicity, religion or other factors. To support this ambition, we evaluate diversity both **quantitatively** and **qualitatively**.

### Quantitative diversity assessment

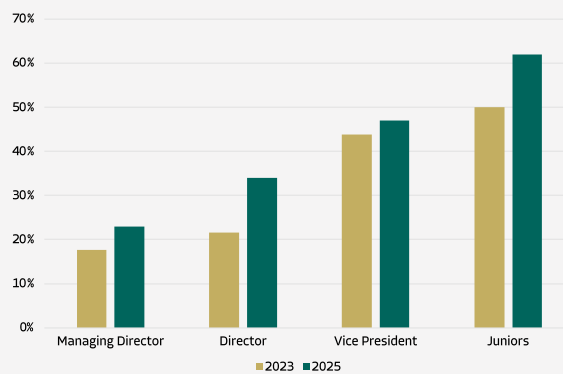
For the past five years, Group Treasury has monitored the gender composition of core coverage teams. Overall representation is balanced, with a 40/60 split between women and men. However, the picture changes at senior levels. In 2020, only 22% of senior roles - defined as Managing Director, Director and Vice President - were held by women. This figure remained relatively unchanged for several years before rising to 30% in 2025.

Looking deeper, the most senior position - Managing Director - has risen from 18% to 23% female representation, still well below parity. Representation improves gradually at Director and Vice President levels, and women are well represented within junior roles. These data indicate that the challenge is not one of pipeline, but of systemic or structural barriers that hinder progression into senior positions.

### Senior Positions Held by Women



### % of Women by Seniority



While we cannot explicitly demand certain diversity targets from our partner banks, we can demonstrate that we value and prioritise them. By consistently tracking data and engaging in transparent dialogue, we signal our expectations and encourage positive change.

We recognise that our data is only focused on gender. The more comprehensive measure of diversity could include data on ethnicity, culture, age, sexual orientation, disability and much more. Depending on the jurisdiction, some of this data is already required by law, but in other countries data collection is more challenging. We continuously monitor how to enhance our diversity metrics to reflect the broader society.



### *Qualitative diversity and team sustainability assessment*

Beyond metrics, Group Treasury also evaluates team sustainability as part of our annual ESG Survey. We consider factors such as promotion practices, succession planning, rotation, work-life flexibility and parental leave policies. We value hearing when team members take parental leave or when colleagues are promoted - these indicators reflect healthy, supportive work environments.

Furthermore, we appreciate both senior leadership participation and the inclusion of junior team members in our meetings. While experienced Managing Directors provide essential strategic guidance, Analysts and Associates often contribute important analytical insight. Encouraging a diversity of voices enriches dialogue and leads to better advisory outcomes.

Over the years, our banking group's senior management have proven to be important sponsors, allowing our respective banks to exchange ideas and to fulfil our goal of being covered by diverse teams.

### *Insight: Diversity correlates with advisory quality*

One of the most notable findings from years of data collection and dialogue is the strong correlation between diversity and our quarterly advisory assessments. Banks that score highly in our diversity evaluations also tend to deliver superior advisory quality. Diverse teams bring broader perspectives, challenge assumptions and ultimately drive better decision-making. Conversely, highly functional advisory teams often foster environments that naturally attract and retain diverse talent. These concepts reinforce one another.

### **Conclusion**

Every issuer approaches the selection of syndicate banks differently. Swedbank Group Treasury's approach is deliberately two-fold:

- 1. Evaluate each bank's advisory capabilities and execution strengths through a structured, consistent process.**
- 2. Promote responsible funding by assessing and encouraging diversity and sustainability within our coverage teams.**

Our experience shows that these objectives are not only compatible; they reinforce one another. Strong advisory performance and diverse teams go hand in hand. By recognising and strategically applying the power of the wallet, we demonstrated that it is possible to secure long-term funding while advancing responsible practices across the financial ecosystem. Still, we need more allies from the issuer, investor and broader banking community. The collective will to work responsibly - and indeed the collective wallet - is large and has the potential to be impactful.

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*Julie Imus is Senior Long-Term Funding Officer and Kerstin Ahlqvist is Head of Long-Term Funding & Sustainability at Swedbank Group Treasury*

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# Enhancing the resilience of the Gilt market



by **Andy Hill**

At the time of writing, the UK government bond (or “Gilt”) market, along with many other sovereign bond markets, is weathering the storm of higher oil and gas prices and the economic turmoil and uncertainty stemming from war in the Middle East and the closure of the Strait of Hormuz. The resilience of the gilt market in the face of a market sell-off and heightened volatility has been something to which HM Treasury, the DMO, and the Bank of England, along with the FCA, have been acutely alert since the Liability Driven Investment (LDI) “crisis” following the infamous Liz Truss budget of September 2022. This sparked the destabilising, and ultimately expensive, effects of a rapid unwind of leveraged pension scheme strategies in the face of a marked repricing of gilt risk, compounded by quantitative tightening and quarter-end bank balance-sheet pressures. The Bank’s prompt intervention helped to calm market nerves and potentially avoided disaster. The subsequent attention to leverage levels and liquidity risk management practices in the pension sector helped to address an identified vulnerability and a key trigger of systemic instability. This also prompted the introduction of a new policy tool: the Bank’s Contingent Non-Bank Financial Institution Repo Facility (CNRF),<sup>1</sup> which could be utilised as a backstop to provide liquidity to certain categories of non-banks (mainly insurance companies and pension funds with significant gilt market presence) if market-based repo channels became dysfunctional in a stress scenario, as determined by the Bank.

Since then, the UK authorities have looked at a number of other areas to improve the overall functioning and resilience

of the gilt market. Along with its groundbreaking System-Wide Exploratory Scenario (the “SWES”),<sup>2</sup> the UK has undertaken market consultations on three key areas of focus: the Bank’s Sterling Monetary Framework (SMF),<sup>3</sup> measures to enhance resilience in the gilt repo market;<sup>4</sup> and the potential to expand its Treasury Bill market,<sup>5</sup> so shortening the maturity profile of the UK’s outstanding debt. ICMA, with its diverse constituency of gilt market stakeholders, has responded to all three consultations and continues to engage with the authorities on these important themes.

## Transitioning to a repo-led operating framework

*Let’s get ready to repo!* was the Bank’s rally cry in July 2024<sup>6</sup> as it began to position itself for quantitative normalisation and a shift in how it manages its Sterling Monetary Framework (SMF). Repo markets are the heartbeat of healthy bond markets, as well as being the main transmission channel for central bank monetary policy. And in December 2024 the Bank consulted on a transition to a demand-driven system for supplying reserves into the banking system.

The key recommendation from ICMA<sup>7</sup> was that the Bank should modernise its repo operations to reduce operational and potential liquidity risk, particularly in times of stress. Despite the name, the Bank’s “repo operations” function more akin to collateralised loans, with securities usually needing to be prepositioned. The strong message from SMF users is that the Bank should adopt fully a delivery-versus-

- <https://www.bankofengland.co.uk/markets/bank-of-england-market-operations-guide/cnrf>
- <https://www.bankofengland.co.uk/financial-stability/boe-system-wide-exploratory-scenario-exercise/boe-swes-exercise-final-report>
- <https://www.bankofengland.co.uk/paper/2024/dp/transitioning-to-a-repo-led-operating-framework>
- <https://www.bankofengland.co.uk/paper/2025/discussion-paper/enhancing-the-resilience-of-the-gilt-repo-market>
- <https://www.gov.uk/government/consultations/consultation-on-the-uk-treasury-bill-market>
- <https://www.bankofengland.co.uk/speech/2024/july/victoria-saporta-speech-at-afme-seminar#:~:text=Vicky%20discusses%20the%20Bank's%20latest,demand%2Ddriven%20system%20for%20supplying%20reserves>
- [https://www.icmagroup.org/assets/documents/Regulatory/Repo/ICMA-ERCC-reponse\\_BoE-Transitioning-to-a-repo-led-operating-framework-DP\\_Jan-2025-310125.pdf](https://www.icmagroup.org/assets/documents/Regulatory/Repo/ICMA-ERCC-reponse_BoE-Transitioning-to-a-repo-led-operating-framework-DP_Jan-2025-310125.pdf)



payment (DVP) triparty model as standard.

Interestingly, in March 2026, the Bank of Canada announced that it will join the Canadian Collateral Management Service (CCMS) tri-party platform for its domestic repo operations by early 2027. In addition, it will join the Canadian Derivatives Clearing Corporation (CDCC) to centrally clear its repo operations, following the completion of the TMX's modernisations to facilitate access for a wider range of participants.<sup>8</sup> This follows announcements in November 2025 that the ECB would be joining two of the largest Eurozone repo CCPs.<sup>9</sup> Hopefully the Bank is watching.

### The System-Wide Exploratory Scenario

The Bank of England's SWES was designed to explore how banks, funds, insurers, pension funds, and CCPs react simultaneously to a severe market shock, and how those responses interact. What the exercise confirmed was: (i) individually rational risk management actions can collectively create procyclical dynamics; (ii) feedback loops can emerge across sectors; and (iii) interconnections between banks and non-bank financial intermediaries (NBFIs) are important transmission channels of stress. In particular, the exercise suggested that the main vulnerabilities lay in the gilt repo market, more so than in the outright gilt or credit markets.

From a positive perspective, the Bank concluded that the work undertaken around LDI-related risk post-2022 was effective in reducing many of the risks, and that the stress did not originate solely from open-ended funds. Rather, vulnerabilities depended on behaviours across the system and not stemming from any single segment. In particular, the SWES suggested that more could be done to address potential vulnerabilities linked to leverage, including the interconnection of exposures. Here the role of the repo market is potentially important. Furthermore, it highlighted data gaps that affected authorities' ability to monitor risks.

### Enhancing the resilience of the gilt repo market

Perhaps not surprisingly, following the SWES the Bank turned its attention to the functioning of the repo market. In particular, from the perspective of leverage and transparency. In its September 2025 discussion paper, the two key questions the Bank wanted to ask the industry were: *what can be done to increase the uptake of central clearing, primarily by non-banks? And: could applying*

*minimum haircuts help to prevent excessive, and potentially destabilising, levels of non-bank leverage, and if not, what could? In the wake of the US SEC's move to mandate central clearing for US Treasury cash and repo, this understandably raised significant concern across the gilt repo market, and some firm pushback in this respect.*

As the conversation evolved, it became clear that the focus on central clearing for gilt cash and repo was more nuanced, and largely about increasing volumes rather than necessarily imposing a mandate. Currently, 33% of all gilt repo is centrally cleared, but almost exclusively in the inter-dealer market.<sup>10</sup> However, ICMA was able to provide constructive suggestions that could support client clearing models for gilt repo, such as providing capital offsets between repo and derivatives counterparty exposures for sponsoring agent banks.<sup>11</sup> Clearing is as much a commercial decision as it is a risk management tool, and needs to be incentivised accordingly.

The industry had less constructive feedback when it came to minimum haircuts. Among the key points raised was that haircuts are not designed to curb leverage, but rather are a tool for managing liquidation risk in the event of default.<sup>12</sup> In many cases, haircuts are more effectively applied at the portfolio level, rather than on individual transactions. And what difference does it make if a haircut jumps from 2% or 0% to 15% in response to a spike in volatility? It is not the minimum bound that is the issue. But ultimately, haircuts are an additional friction (and cost) to doing business, at a time when leveraged funds are some of the key purchasers of gilts.

Among the most important feedback from ICMA's members, and in line with the findings of the SWES, is the importance of robust and timely regulatory data, particularly with respect to leveraged funds. This includes a deeper understanding of different investment strategies, particularly those involving leverage, and the risk management processes that support them. Following a recent follow-up roundtable of gilt repo market sell and buy-side participants, hosted by ICMA, this is an area where the industry is clearly aligned with the Bank's thinking and where more can be done.

### The UK treasury bill market

In January 2026, the UK government consulted on its assessment that there is scope to build up the stock of T-bills, so that they come to play a larger role in the government's debt financing programme, which could help to reduce the overall cost of financing the UK's public debt.

8. <https://www.bankofcanada.ca/2026/03/bank-canada-join-canadian-collateral-management-service-repo-operations/>

9. <https://finadium.com/ecb-to-join-eurex-repo-market-and-lch-repoclear-sa-in-q1-2026/>

10. <https://bankunderground.co.uk/2023/09/14/central-clearing-and-the-functioning-of-government-bond-markets/>

11. [https://www.icmagroup.org/assets/documents/Regulatory/Repo/ICMA\\_BoE\\_Enhancing-the-resilience-of-the-gilt-repo-market\\_DP\\_Final\\_281125.pdf](https://www.icmagroup.org/assets/documents/Regulatory/Repo/ICMA_BoE_Enhancing-the-resilience-of-the-gilt-repo-market_DP_Final_281125.pdf)

12. <https://www.icmagroup.org/assets/documents/Regulatory/Repo/ICMA-ERCC-white-paper-Demystifying-Repo-Haircuts-September-2025-180925.pdf>



ICMA members are fully supportive,<sup>13</sup> pointing to high cover ratios in the primary market and skewed bid-ask spreads in secondary. ICMA also notes that the stock of UK T-bills (around £100 bn) form only 3.5% of the government bond market, compared with 7% in France, and 21% in the US.

As well as institutional demand, such as an expanded sterling money market fund sector, bank treasuries, and foreign central banks, there is clear scope to nurture retail investment, particularly when one considers that some £1.7 tn is sitting in retail bank accounts earning little to no interest. The proposed introduction of sterling denominated stablecoins<sup>14</sup> could be another source of buyers. Key to underpinning an expansion of the UK's T-bill market will be a robust and liquid secondary market. Members discussed different dealer commitment models and incentives, based on peer markets, but all agreed that a DMO repo facility to support low-cost short-selling by market makers would be essential.

Having a more diverse funding profile, along with a shorter weighted average debt maturity, closer to that of its peers, could be appealing in the current interest rate cycle, reducing overall interest rate volatility while lightening the burden on taxpayers. Although this of course needs to be balanced with the potential for rollover risk, particularly if repo and short-term markets were to become the pressure points for market stress.

### Repo market resilience

At the time of writing, despite some significant moves across the gilt curve, the repo market has remained resilient. Usage of the Bank's repo facility has held steady at around £100 bn, repo-SONIA spreads are under no pressure, and deleveraging has not created any funding bottlenecks. At a time when hedge funds are believed to account for 60% of volumes in the outright market,<sup>15</sup> this should provide the UK authorities with some comfort. It also suggests that much of the good work to shore up market functioning and resilience has already been done. That said, as the SWES identified, more can still be achieved; not least with respect to regulatory transparency, and more targeted data gathering, sharing, and analysis. ICMA and its members are ready to help.



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13. [https://www.icmagroup.org/assets/documents/Regulatory/Secondary-markets/ICMA-response-to-the-UK-Government-TBill-consultation-document\\_-February-2026-Final-030326.pdf](https://www.icmagroup.org/assets/documents/Regulatory/Secondary-markets/ICMA-response-to-the-UK-Government-TBill-consultation-document_-February-2026-Final-030326.pdf)

14. <https://www.bankofengland.co.uk/paper/2025/cp/proposed-regulatory-regime-for-sterling-denominated-systemic-stablecoins>

15. <https://www.reuters.com/markets/wealth/hedge-fund-dominance-latest-risk-febrile-uk-debt-markets-2025-03-21/>



# ICMA Brussels hosts ‘Demystifying securitisation’ roundtable



by **Natalie Westerbarkey, Thorsten Guthke, Miriam Patterson and Sabah Anjum**

ICMA was pleased to invite EU and national policymakers, regulators and members of the policy community to an exclusive afternoon roundtable in Brussels, focused on “*Demystifying securitisation*”. The event was hosted by Natalie Westerbarkey and Thorsten Guthke at ICMA’s Brussels office, who were joined by London-based members of ICMA’s Market Practice and Regulatory Policy team.

With the relevant regulations under review in Europe and the UK, securitisation has returned to the centre of Europe’s financial policy debate, yet it remains one of the least widely understood tools in the financial markets toolkit. Still often viewed through global financial crisis (GFC)-era perceptions, it has evolved into a structurally, behaviourally and regulatorily robust funding tool with strong guardrails. The roundtable was designed to refresh understanding, clarify misconceptions and explore how policy and market practice can support a stronger European securitisation market.

The roundtable was led by Katie Kelly, Senior Director, ICMA. Panellists included Alex Shopov, Partner and George Gooderham, Counsel, Linklaters; Ian Bell, CEO, Prime Collateralised Securities (PCS); Taggart Davis, Vice President, PGIM and Jord Van Wingerden, Director, ING.

Focusing on traditional securitisation structures, the roundtable centred on three core questions: what securitisation is in practice, why securitisation policy matters, and what is required to build a deeper European market.

Linklaters opened the roundtable by providing a high-level overview of a standard securitisation structure, setting a clear foundation for the discussion. While several of the regulatory reforms currently under consideration extend beyond traditional securitisations, gaining a solid understanding of the core structural features helped to frame the issues being explored throughout the session.

A key theme of the roundtable was securitisation’s role as a facilitator of finance to the real economy. By enabling banks to recycle capital and increase funding capacity, securitisation supports continued lending to households

and businesses. Panellists stressed that this function is particularly relevant in the context of regulatory capital constraints and the need for diversified funding sources. Without securitisation, banks’ ability to operate as commercial lenders at scale would be materially constrained.

From the investor perspective, securitisation was described as a tool that channels savings in a transparent and diversified way. Structural features such as tranching provide for different risk-return profiles within the same transaction, enabling a wide range of investors to participate according to their mandates. Investors benefit from diversification into asset classes such as residential mortgages, consumer credit and automobile loans, alongside enhanced data and disclosure frameworks.

Confidence in securitisation, particularly in stress scenarios, was consistently linked to the quality of the underlying assets being securitised. As highlighted during the discussion, poor quality assets will lead to poor outcomes, but this is a reflection of asset quality rather than of the securitisation structure itself.

Another theme highlighted in the discussion was the pivotal role of securitisation in advancing the EU’s Savings and Investment Union (SIU). A central aim of the SIU is to encourage savers to shift funds from bank deposits into investments that support the real economy. Yet European investors remain comparatively risk-averse. Unlike in the United States, where retail participation in capital markets is far higher, most European savers continue to favour low-risk investment products. While government bonds typically meet this demand, many EU sovereigns have limited capacity to issue additional debt due to fiscal constraints and established debt-ceiling rules. As a result, this leaves few products that are both low risk and capable of being scaled up quickly to satisfy the demand from savers that the SIU contemplates. Securitisation is one of the few instruments that can deliver on both fronts. The wide pool of eligible assets—such as mortgages and automobile loans—supports rapid expansion, while tranching enables the creation of



highly rated senior notes, including AAA tranches. This is particularly significant given the very limited number of AAA-rated corporate issuers in the European market capable of meeting investor demand for high-quality investment products.

The post-GFC evolution of the European and UK securitisation frameworks was another central theme. Panellists acknowledged that reforms introduced in recent years have addressed structural weaknesses and significantly strengthened securitisation regimes, including through risk retention, the ban on re-securitisations and the development of high-quality securitisation standards (including STS, or simple, transparent and standardised securitisation), resulting in strong performance relative to corporate bonds. Traditional European securitisation was described as having performed well since the financial crisis, particularly in senior tranches of residential mortgage-backed securities. At the same time, panellists reflected on whether aspects of the current regimes are overly detailed and prescriptive, contributing to operational burden and reinforcing residual stigma.

Operational and non-regulatory barriers were discussed candidly. For issuers, securitisation involves considerable internal resource, particularly in relation to reporting and compliance. Extensive disclosure requirements, multiple reporting channels and data formatting obligations create complexity and cost. For first-time issuers in particular, establishing processes and meeting due diligence expectations can be demanding. On the investor side, detailed due diligence obligations and documentation requirements also require significant investment of time and expertise. While securitisation is widely regarded as one of the most transparent products in the European market, that transparency carries a tangible resource burden.

Market scale and fragmentation were also highlighted. Compared with the United States, the European securitisation market remains smaller and more fragmented, reflecting differences in legal systems and the absence of a fully integrated capital market. The discussion touched on the potential benefits of greater harmonisation and innovation, including simpler structures and clearer legal frameworks that could facilitate cross-border issuance and deepen the secondary market.

Looking ahead, panellists emphasised the importance of normalising securitisation and assessing it based on its current characteristics, rather than on GFC perceptions. A more investor-centric approach to regulation and careful calibration of due diligence and disclosure requirements were identified as important considerations in the current regulatory reviews. A focus on reducing unnecessary operational friction would also help improve market functioning and support broader participation. The overarching message was that securitisation is a heavily

regulated and transparent tool with significant capacity to mobilise savings into the real economy at scale, provided that the frameworks remain proportionate and fit for purpose.

A recording of the roundtable will be available to members on the ICMA website in due course. For more information about securitisation, please see details of ICMA Education and Training's [Introduction to Securitisation Course](#).



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# Summary of practical initiatives by ICMA

The purpose of this section of the ICMA Quarterly Report is to summarise recent and current practical initiatives by ICMA with – and on behalf of – members, and to provide relevant points of contact at ICMA.

## *MPRP Membership Activities*

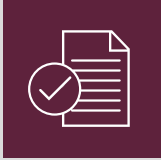
- 1 The MPRP team engaged in key membership annual meetings, including the ICMA networking events in Milan, Rome, Madrid, and Lisbon.

## *Regulatory Policy*

- 2 *ICMA RPC*: ICMA's Regulatory Policy Committee (RPC) met in Copenhagen on 9 December 2025 to focus on ICMA's position related to the EU Savings and Investment Union (SIU). It was hosted by NASDAQ in Denmark with guest speakers from the European Commission DG FISMA and a delegate from the upcoming Cypriot EU Presidency. The RPC was scheduled to take place in Nicosia, Cyprus, hosted by Invest Cyprus, on 24 March 2026 and changed to an online format. Thorsten Guthke based in Brussels is the Secretary to the RPC.
- 3 *SIU*: The EC published a SIU MISP (Market Integration & Supervision Package) on 4 December 2025 to which ICMA assessed a position carving out the most pertinent aspects related to international fixed income markets. It is the boldest and most ambitious measure within the remit of CMU (now SIU) since 2015. Three pieces of legislation are proposed to be amended in all 18 existing EU capital market legal acts. ICMA's comprehensive position paper on the MISP, led by the RPC, is being extensively assessed across all ICMA member committees impacted including AMIC, MIAG, DLT Bonds Working Group, and Securitisation Task Force. The position paper finalised on 20 March 2026 will be used to respond to the Commission's call for feedback on the package. The MISP initiative provides the potential to make significant steps toward a more harmonised and integrated EU capital market, eg through the introduction of a pan-European market operator, by streamlining the post-trading process, developing asset management group structures, and enhancing a more mature DLT regime that should evolve from a pilot to a permanent regime.
- 4 *Eurobond*: ICMA delivered another Eurobond session together with the two ICSDs on 26 February for the Dutch regulator AMF and central bank DNB in Amsterdam showcasing how this product boosts the objectives of the SIU. A session for IOSCO and its members is envisaged in Q2 2026.
- 5 *ICMA Brussels roundtables*: Following the launch edition of the ICMA Brussels roundtables hosted at ICMA's premises on 30 October 2025 featuring ICMA's secondary market data report, another session was delivered on 25 February 2026 on "Demystifying securitisation". These sessions have an educational focus, are recorded to be made available to members, and will be a regular occurrence.
- 6 *Eurofi*: ICMA participated again at the Eurofi event in online format from 25 to 27 March 2026 hosted by the Cyprus EU Council Presidency. The next Eurofi event will be hosted in Dublin, Ireland taking place 16 to 18 September 2026.
- 7 *ICMA meetings*: ICMA held the annual Brussels and Paris meetings with ICMA's CEO and C-level policy makers on 20 to 22 January 2026, including the Head of Cabinet of Commissioner DG FISMA, Director General of DG FISMA, IOSCO/Belgium FSMA chair and senior delegates from the EU Council.

## *Primary markets*

- 8 *ICMA issuer forums*: The Public Sector Issuer Forum (PSIF) met in Luxembourg on 6 March. The Corporate Issuer Forum (CIF) met on 5 February. The Financial Institution Issuer Forum (FIIF) met on 1 April. Katie Kelly acts as the Secretary of the PSIF, CIF and FIIF.
- 9 *ICMA principal underwriter groups*: The Primary Market Practices Committee (PMPC) is next due to meet on 25 June, with Ruari Ewing as Secretary. The Legal & Documentation Committee (LDC) met on 11 February and 18 March, with Miriam Patterson as Secretary. The ICMA Nordic Syndicate Managers Group (NSMG) is due to next meet on 24 June and the Swiss Syndicate Managers Group (SSMG), Asia Pacific Bond Syndicate Forum (ABSF) and Asia Pacific Legal & Documentation Forum (ALDF) met respectively on 5, 6 and 26 February - all with Ruari Ewing as Secretary. A new MENAT Legal



## Summary of Practical Initiatives by ICMA

& Documentation Forum (MLDF) has been formed at the request of members. It held its inaugural meeting in Dubai on 3 February, with Miriam Patterson as Secretary.

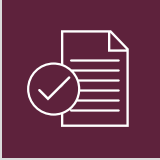
- 10 *UK post-Brexit reforms:* ICMA continued focus on the UK prospectus, MiFID product governance, CCI and MAR regimes, with: (i) 23 January feedback to FCA on co-manufacturing; (ii) 10 February briefing of FCA on UK MAR; (iii) a 6 March response to FCA on fractionalisation and (iv) initial drafting and circulation of further revised ICMA template UK selling restrictions (regarding the CCI regime) as well as consideration of other consequential changes to the ICMA Primary Market Handbook.
- 11 *EU CMU/SIU reforms:* ICMA continued CMU focus on (i) the prospectus regime with an 11 March response to the European Commission, (ii) the retail investment strategy (covering PRIIPs and MiFID investor protection topics) with monitoring of further trilogue discussions, and (iii) CSDR settlement discipline application to primary issuance with member outreach ahead of ESMA feedback. Focus also continued on the SIU, with further Eurobond market presentations (as noted under #4 Eurobond event above) and the SIU MISP package.
- 12 *US reforms:* The US SEC has [proposed](#) amendments to Rule 15c2-11 under the Securities Exchange Act of 1934 (as amended), to which ICMA is considering a response. The comment period ends on 18 May 2026.
- 13 *Other regulatory engagement:* ICMA commented on 30 January to a wide-ranging OECD draft of guidelines for corporate bond issuers.
- 14 *UK securitisation framework:* Consultation papers have been published by the UK FCA and PRA which propose reforms to the UK securitisation framework; the response deadline for both consultations is 18 May.
- 15 *Primary Market Handbook updates:* ICMA's work on revised ICMA template UK selling restrictions noted under the #10 UK post-Brexit reforms heading above will eventually result in a Handbook update. A new Bond Data Taxonomy Annex, prepared jointly by ICMA's Primary Market and FinTech members, will also be added to the Handbook.
- 16 *Primary market events:* The ICMA/A&O Shearman European Primary Bond Markets Regulation Conference was held at A&O Shearman's London offices on 27 January. The MENAT Primary Market Forum was held in Dubai on 2 February.
- 17 *CPC:* The co-chairs of the ICMA Commercial Paper and Certificates of Deposit Committee (CPC) met in February to agree a workplan for commercial paper (CP), which includes educational sessions and promotion of asset-backed CP. Katie Kelly is the secretary to the CPC.
- 18 *Treasury Bill consultation:* On 27 February, ICMA responded to the UK Government's consultation

document on the UK Treasury Bill market. Working with members, ICMA provides constructive recommendations to support the development and deepening of the market.

- 19 *ICMA Securitisation Taskforce:* The Securitisation Taskforce, led by Miriam Patterson, finalised its views on the amendments to the UCITS Directive proposed by the MISP and the EU securitisation reform package to increase the current limit applicable to UCITS funds investing in securitisations from a single issuer. These views were incorporated into the ICMA MISP position paper and ICMA's response to the EC's Call for Feedback on the MISP on 20 March 2026. The Taskforce is also considering the recently proposed UK reforms.

### *Secondary Markets*

- 20 *T+1:* ICMA continues active participation in discussions in the UK and the EU related to the shortening of the settlement cycle to T+1 on 11 October 2027. In the UK, ICMA has been engaged from the start as an active member of the UK Accelerated Settlement Taskforce and Technical Group. ICMA has been particularly focused on Trading and SFT impacts, providing the secretariat for the related Technical Workstreams. Alexander Westphal and Nina Suhaib-Wolf are leading ICMA's work on T+1.
- 21 *Bond market transparency:* The new post-trade transparency regimes for bonds went live on 1 December 2025 in the UK and 2 March 2026 in the EU. ICMA remains highly engaged in providing deep-dive data analysis to members and the authorities in relation to the regime changes and the differences between UK and EU deferral regimes. On 3 March 2026, ICMA held an educational webinar on the new transparency regimes and timelines for the Consolidated Tape Providers (CTPs). Relatedly, ICMA has applied to join both the EU and UK CTP Consultative Committees and has already been confirmed as an observer member in the case of the UK. ICMA held further discussions with its MiFID Working Group around the changes of SI regime for bonds and derivatives in the EU and UK and have co-signed the update of the recent joint [briefing paper](#) with AFME/ISDA on this topic, to provide further information and clarity to market participants.
- 22 *UK Transaction reporting:* A 2026 initiative has been to convene a Taskforce from the MiFID WG and other expert members to respond to the recent FCA Consultation Paper CP25/32 on Improving the UK Transaction reporting regime from a MiFIR perspective, under the lead of Aman Gill (see #34).
- 23 *Secondary Market Forum:* The annual Secondary Market Forum (SMF) is currently planned to take place, jointly with the AMIC forum, as a full one-day event in Paris in Q4 2026, where members are invited to visit both the SMF and buy-side areas. The first SMPC meeting of 2026



took place in London on 18 March (Nina Suhaib-Wolf is Secretary to the SMPC).

- 24 *ETF markets*: ICMA continues to monitor developments in market structure such as the growth of ETF markets, credit futures, the use of innovative trading protocols and further automation in electronic trading.
- 25 *European Secondary Market Reports*: ICMA will aim to publish its semi-annual secondary market data reports for European bond markets (covering sovereign and corporate bonds) in the coming weeks. These will cover the period of H2 2025. The reports are based on EU and UK MIFIR post-trade data.
- 26 *ETWG*: During 2025, ICMA's Electronic Trading Working Group (ETWG) held several joint meetings together with the FIX Fixed Income Axe Distribution Standards Working Group, to discuss the current deficiencies of Axe Distribution Standards. This has resulted in the publication of an ICMA/FIX whitepaper. ICMA is currently in discussion with its ETWG regarding a potential update of the past ICMA Industry guide on Bond Price distribution. Nina Suhaib-Wolf is Secretary to the ETWG, with the support of Aman Gill.

### *Repo and Collateral Markets*

- 27 *Repo year-end report*: On 23 January, ICMA's European Repo and Collateral Council (ERCC) published its annual analysis of how the repo market performed over the recent calendar year-end. Working closely with ERCC member firms, ICMA has assessed year-end market performance annually for the past ten years, following the severe dislocations observed during the 2016 turn.
- 28 *ERCC Committee elections*: On 4 February, ICMA announced the results of the 2026 elections to the ERCC Committee. This was the first election under the new rules and ERCC Terms of Reference (ToR) which were adopted in December 2025. Alexander Westphal is Secretary to the ERCC, while Zhan Chen is Secretary to the Global Repo and Collateral Forum (GRCF).
- 29 *UST mandatory clearing*: Building on the insights and feedback gathered through its various initiatives, ICMA has submitted a letter to the SEC seeking clarification on several key issues including extraterritorial scope of the rules, the inter-affiliate exemption, the treatment of triparty repo, and FICC licensing considerations. Zhan Chen is leading this workstream.
- 30 *T+1*: The impacts of the upcoming European transition to T+1 on the repo market continues to be one of the main priorities for the ERCC. A key focus of this work has been on concerns around intraday liquidity impacts and potential infrastructure changes to mitigate these. This has led to the creation of a dedicated Taskforce under the EU T+1 Industry Committee, co-chaired by ICMA, which concluded its work in December with the publication of a final report. The report recommends the introduction of a new settlement gating event across all EU CSDs to help optimise settlement under T+1, especially in relation to SFTs. While this is an important milestone, the discussion continues on the implementation details and related best practices.
- 31 *China repo developments*: In January, the PBoC formally recognised the use of the GMRA for bond repo transactions in the China Interbank Bond Market, including cross-border repos involving offshore investors. This follows ICMA's filing of the standard GMRA with the PBoC. In light of these developments, ICMA launched a call for interest to establish a dedicated China repo sub-committee under the GRCF to focus on related market developments and challenges. Zhan Chen and Alex Tsang are leading this workstream.
- 32 *Gilt repo market resilience*: Following its response to the Bank of England's Discussion Paper on Enhancing gilt repo market resilience, ICMA has had further discussions with the Bank on the topic and hosted a roundtable on 17 March 2026 with members of the relevant Taskforce to follow up on the response, focusing on concrete policy recommendations.
- 33 *ICMA Guide to the South African repo market*: On 18 February, ICMA published a guide which provides an overview of the South African repo market, highlighting recent developments and describing the structure and operation of the market, its infrastructure, types of collateral and counterparties, and the legal and regulatory framework. This report is the ninth in a series of guides on domestic repo markets around the world, published as part of our ongoing commitment to supporting the development of repo markets globally.
- 34 *Transaction reporting - SFTR*: On 20 February, ICMA submitted its response to the FCA consultation CP25/32 on Improving the UK transaction reporting regime. While the response itself focuses mainly on proposed amendments to MiFIR transaction reporting, we also took the opportunity to share the detailed list of proposals for an SFTR Refit, reflecting issues raised by members over the years.
- 35 *Islamic Repo*: On 19 February, ICMA and the International Islamic Financial Market (IIFM) announced the signing of a Memorandum of Understanding (MOU) and the formal commencement of their joint initiative to develop a global standardised documentation framework for a Shari'ah-compliant repo product.
- 36 *GMRA Digital Assets Annex*: Work on a second annex to the GMRA addressing the use of native digital debt securities under the agreement is ongoing. This annex is intended to complement the existing Digital Assets Annex, which sets out additional provisions relating to digital cash, digital securities including tokenised traditional securities and asset-backed digital assets,



## Summary of Practical Initiatives by ICMA

and traditional securities that use a digital platform to transfer ownership that in itself does not create a new digital asset that is property.

### Asset Management

- 37 **Board report:** Anita Karppi presented her board report on 13 March 2026 at the ICMA board meeting. She joined ICMA as Senior Director to lead the buy-side team on 30 September 2025 and will drive ICMA's overall international buy-side proposition and strategy, with a focus on engaging non-traditional asset managers and investors, as well as existing members.
- 38 **Team update:** In January, Sabah Anjum joined from ICMA's Primary team as an Associate to assist with buy-side growth. This takes the headcount of ICMA's Asset Management buy-side team to three.
- 39 **Buy-side Roundtables:** On 17 March 2026, ICMA hosted a second ETF roundtable. Led by Anita Karppi, the focus included key themes relevant to active fixed income ETFs.
- 40 **Podcasts and Quarterly Review article:** The first ETF podcast was recorded on 21 January with three senior buy-side participants from State Street IM, Schroders, and UBSGAM.
- 41 **ICMA AMIC Committee:** The next AMIC Committee meeting will be taking place in June. The AMIC Secretariat consists of Irene Rey.

### Sustainable Finance

- 42 **[The evolving landscape of ESG ratings and data products](#):** ICMA released a new research paper examining the rapidly evolving role of ESG ratings, scores and data products across capital markets, and the growing scrutiny around how these tools are produced, interpreted and used. Drawing on ICMA research, including a survey of asset owners and asset managers representing around USD28 tn in assets under management, the paper explores how ESG ratings and data products are used in practice across equity, debt and loan markets, from investment mandates and risk analysis through to engagement and regulatory compliance, and identifies issues for further consideration.
- 43 **[ICMA commentary and recommendations for the SFDR review](#):** This document presents ICMA's feedback for the upcoming EU co-legislation process. While ICMA welcomes the direction of travel of the SFDR 2.0, which reflects industry feedback for a simplified disclosure regime and a clearer ESG fund categorisation system, further improvement and clarification are recommended.
- 44 **[Harnessing Green Enabling: Real-World Applications and Investment Insights](#):** Following the publication of the [Green Enabling Projects Guidance](#) in 2024, and of complementary Q&As and [Example Checklist](#) in 2025,

a number of market participants started to finance such enabler projects via green finance. Moving from theory to practice, this webinar sought to help market stakeholders better understand the role these projects play within the sustainable finance universe, how they are considered by investors, and how they are defined by issuers, via a live discussion focused on real-world applications and investment insights.

- 45 **Transition finance:** ICMA participated as a keynote speaker and panellist in [CeFPro's Sustainable Finance Europe](#) event in London discussing transition finance. Conversations addressed the role of sustainable bonds in financing the transition and the move from portfolio decarbonisation to real-world climate transition.
- 46 **Webinar:** ICMA participated as a speaker in the [Pioneering Transition Bonds: Scaling Climate Finance in Emerging Markets](#) webinar hosted by Environmental Finance and the IFC, which explored the structuring, governance and market implications of the first bond issued under ICMA's Transition label, and what it signals for the future of transition finance in emerging markets.

### FinTech and Digitalisation

- 47 **FinTech Advisory Committee (FinAC):** A meeting was held on 18 March, focusing on tokenisation, digital money and implications for global bond markets.
- 48 **DLT Bonds:** ICMA DLT Bonds Working Group held meetings in January and March, as well as another workshop on smart contracts for corporate actions of debt securities in February.
- 49 **Digital bonds and BDT:** ICMA and HKMA held a joint webinar on 12 February on Hong Kong SAR's third digital green bonds issuance and how the BDT was implemented.
- 50 **Stablecoins:** ICMA held a webinar on stablecoins in capital markets on 19 March, focusing on regulatory developments, opportunities and risks, and the direction of travel.
- 51 **MAS Project Guardian:** The Fixed Income Workstream, led by ICMA, held a meeting on 25 March, which featured a presentation by Swift on its digital assets standards platform.
- 52 **Artificial Intelligence (AI):** The AI in Capital Markets (AICM) Working Group's quarterly meeting was held on 24 March, with a focus on regulatory developments and the Working Group's deliverables.
- 53 **Bond Data Taxonomy (BDT):** The BDT Working Group held its quarterly meeting on 10 March, which focused on finalising the release of BDT version 2.0.



## Summary of Practical Initiatives by ICMA

- 54 *FINOS Common Domain Model (CDM)*: The 4th annual CDM Showcase took place on 4 March in London, featuring presentations on CDM implementation (approaches) and pilots. ICMA continues to be involved in FINOS governance and maintenance of the CDM.
- 55 *Project Appia*: ICMA attended a meeting of the Eurosystem's New Technologies for Wholesale Settlement Contact Group (NTW-CG) on 17 March on project Appia.
- 56 *Post-trade harmonisation and standards*: ICMA attended a meeting of the ECB AMI-SeCo Securities Group (SEG) on 28 January, which focused on next steps on remaining barriers to post-trade harmonisation, and the EC's MISP package and its impact on relevant barriers.
- 57 *Data collection and reporting*: ICMA attended a meeting of the UK's Industry Data Standards Committee (IDSC) on 26 January.



# Primary Markets

by **Ruari Ewing, Miriam Patterson, Katie Kelly, Alex Tsang** and **Christopher Matthew**



## OECD corporate bond issuer guidelines

On 30 January 2026, ICMA submitted its [response](#) to an OECD consultation *Draft Guidelines for Corporate Bond Issuers*.

The draft guidelines originated from the OECD considering the potential cross-over of the G20/OECD [Principles of Corporate Governance 2023](#), from its listed equity context to the listed bond context (particularly by issuers without listed shares).

The response noted the draft guidelines seem to mainly set out concepts that are either well-established in the Eurobond context or with no relevance to these markets, and set out some selected illustrative examples in this respect. The response concluded no consequent changes are thus expected regarding regulations in those jurisdictions with well-established participation in the Eurobond markets.

ICMA will continue to engage as necessary with the OECD on this topic.



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## FCA on expanding consumer access: fractionalisation

On 6 March 2026, ICMA submitted [comments](#) on the fractionalisation aspects of FCA's [Discussion Paper DP25/3 Expanding Consumer Access to Investments](#).

The comments noted that:

- (a) fractionalisation may involve differing contexts / motivations – sometimes merely practical / logistical, but sometimes where an underlying bond issuer may have intentionally applied high denominations to restrict retail accessibility for regulatory compliance reasons;
- (b) one might however imagine a few specific cases (in substance and / or form) of an underlying bond issuer supporting fractionalisation, but this may be limited by

second party regulatory obligations (such as underwriter 'target market' regulatory obligations); and

- (c) in any case fractionalisation seems like the creation of a distinct instrument (potentially with a distinct risk profile), which should be treated accordingly by regulation (without prejudice to the underlying bond issuer or related parties, at least to the extent they are not acting in concert with the fractionaliser).

ICMA will continue its engagement with this topic as it develops.



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## EU Listing Act: Prospectus Regulation Level 2

On 11 March 2026, ICMA submitted [feedback](#) on the [draft Commission Delegated Regulation](#) amending [Commission Delegated Regulation \(EU\) 2019/980 \(CDR\)](#). The draft Regulation follows ESMA's June 2025 [Final Report](#) on related technical advice. (ICMA had responded to ESMA's consultation preceding the Final Report, as reported at pp.28-29 of the [2025 First Quarter edition](#) of the ICMA Quarterly Report).

### *Mandatory sequencing*

Regarding mandatory sequencing, ICMA's feedback noted:

- (a) that (i) the alleviation for base prospectuses is welcome, though (ii) some related explicit alleviation wording should be reinstated and (iii) the alleviation should also extend to registration documents for bi/tri-partite base prospectuses where standalone prospectus use has been excluded;
- (b) that the Level 1 Prospectus Regulation alleviation for (notably) 144A prospectuses is welcome, though alleviating other standalone prospectuses (including 'drawdown' prospectuses) would be welcome; and



- (c) otherwise that: (i) cover pages will still come first; (ii) the alleviation for prospectuses not based solely on Annexes 7a/15a is welcome; (iii) application based on section order only is welcome; and (iv) expected groupings presumably remain possible (such as for information incorporated by reference and no material adverse / significant change statements).

### ***Non-EuGB ESG issuance***

Regarding ESG-labelled issuance not under the EU Green Bond (EuGB) Regulation, ICMA's feedback noted:

- (a) that disclosure of project/activity goals/characteristics will presumably be at framework level;
- (b) that (i) disclosure of deviations from proceeds allocation should not be limited just to contractual "terms and conditions" and (ii) hyperlinks should be allowed for disclosure of structured securities' underlying;
- (c) that (i) the disclosure requirement on purchasing underlying assets is of unclear value and (ii) the disclosure requirement on "advanced amortisation" could more clearly reference its application to early redemption; and
- (d) that (i) disclosure of proceeds' percentage allocation to compliant activities (for bonds advertised as EU taxonomy or other classification compliant) should be 'Category C' whilst (ii) disclosure regarding "advanced amortisation" and regarding structured securities' as 'non-direct investment' should both be 'Category B'.

### ***EuGB ESG issuance***

Regarding EuGB ESG issuance, ICMA's feedback noted that incorporation by reference / inclusion of just "relevant" information, and via final terms, is welcome.

### ***Other substantive aspects***

ICMA's feedback noted several other substantive aspects – namely:

- (a) that, for own indices, disclosing where information can be obtained (or otherwise website access on request, free of charge, to an index rules summary - together with performance data) should be allowed;
- (b) that permissive references to "other negative statements" regarding trend information should be deleted;
- (c) that, where the Securitisation Regulation applies, disclosure on how its transparency and reporting obligations are met should suffice in terms of meeting the 'documents available for inspection' requirement; and
- (d) that disclosure items that merely repeat other provisions should be deleted.

### ***Drafting corrections***

ICMA's feedback lastly flagged some drafting corrections, noting:

- (a) that current drafting should be reinstated regarding (i) "otherwise" in the accounting/audit context and (ii) investors' "own assessment" in the investing suitability context;
- (b) that disclosure provisions are missing from certain Annexes regarding (i) PRIIPs/MiFID expenses, (ii) issuer risk materiality ordering / corroboration and (iii) securities note responsibility statements;
- (c) that (i) there should be no A/B/C categorisation in the standalone non-equity prospectus Annex and (ii) there should be consistent use of "classification" (or "categorisation") terminology in the ESG context; and
- (d) that several typographic errors should be corrected.

ICMA will continue to assist members as the remaining Listing Act reforms regarding the Prospectus Regulation regime head into application from 6 June 2026.



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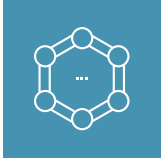
## **ICMA Primary Market Handbook UK templates**

The *ICMA Primary Market Handbook's* Appendix A8 *Final terms and pricing supplement*, Appendix A12b *Product governance (UK) language* and Appendix A13b *Selling restrictions and legends (UK)* are subject to pending amendment further to (i) the UK Public Offers and Admissions to Trading Regulations (POATRs) regime (and accompanying UK regulatory changes) that came into force on 19 January 2026 and (ii) the UK Consumer Composite Investment (CCI) regime that replaced the UK Packaged Retail and Insurance-based Investment Products (PRIIPs) regime on 6 April 2026. (Other Handbook items may also be impacted.)

ICMA does not expect to formally publish amendments until some point after these dates. In the interim however, and following prior circulation to the [ICMA Primary Documentation Group](#), ICMA has [informally posted](#) revised redlined drafts of UK selling restrictions and final terms on its [Other ICMA primary market documentation webpage](#) (ICMA members only).



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### ICSDs launch new dematerialised securities issuance option

Euroclear and Clearstream (the International Central Securities Depositories, or ICSDs) have introduced the option for issuers to issue their debt securities in dematerialised form from 16 March 2026. These dematerialised debt securities are traditional bonds, but they are not issued in physical form (so there are no physical certificates kept in physical vaults), and they are distinct from digital bonds that are tokenised assets that use DLT or blockchain technology for their register of ownership. ICMA staff have worked with the ICSDs to help communicate information about this initiative clearly to relevant ICMA community members.

In terms of the benefits of dematerialisation, the ICSDs expect the dematerialised issuance of Eurobonds to increase efficiency and compress the issuance timeline; reduce operational, market and business resilience risks; and pave the way for further automation and digitalisation. Although issuance of securities in dematerialised form is optional, the ICSDs hope that issuers will see the benefits in dematerialisation (for all issuers but especially for those that are frequent issuers) – as removing the need to print and store paper helps to streamline processes and remove risk (as well as being more aligned with ESG related goals) while also providing a basis for the Eurobond market to modernise and innovate for the future.

#### *Scope of new Dematerialised Notes Structure*

Under this new initiative, the ICSDs are able to support the clearing and settlement of a new structure of English law debt security which they refer to as the Dematerialised Notes Structure. The Dematerialised Notes Structure is available for issuances of dematerialised debt securities that are both:

- Governed by English law.
- Issued by:
  - an entity incorporated under the laws of England & Wales, Scotland or Northern Ireland; or
  - a supranational issuer (where that supranational issuer does not have a jurisdiction of incorporation).

In-scope debt securities include medium-term notes, commercial paper, certificates of deposit (CDs), convertible bonds and equity-linked notes, although initially commercial paper and CDs will not be supported until the European pre-issuance messaging system (EPIM) has adopted the necessary changes. The timeline for this adoption will be announced by the ICSDs in due course.

As 70% of debt securities issued in the Eurobond market are governed by English law, the ICSDs estimate that 30% of all Eurobond issues will now be in-scope to issue under the Dematerialised Notes Structure.

### *Other key points to note*

- *ECB Collateral Eligibility:* The ECB has announced that, as of 30 March 2026, international debt instruments issued with the ICSDs in fully dematerialised form will be eligible as Eurosystem collateral, provided they meet all other eligibility criteria. (See [ECB amends monetary policy implementation guidelines](#).)
- *US TEFRA restrictions would not apply:* The ICSDs have been advised that the dematerialised securities should be considered to be in registered form for US federal income tax purposes and therefore should not be subject to the US TEFRA restrictions that apply to bearer instruments.
- *Electronic global notes will be decommissioned:* Since June 2024, the ICSDs have permitted certain issuers to issue certain global notes in electronic form (e-GNs). See *ICSDs' new electronic signature and electronic global note initiatives* on page 23 of the [ICMA Quarterly Report](#) for the Third Quarter 2024. The expectation is that dematerialised issuance will supersede e-GNs as the technical potential of the dematerialised form is broader.

### *Resources to support issuance of dematerialised securities*

The ICSDs have published a legal pack and an FAQ document to support issuers and legal advisors if issuers wish to use this new optionality. These resources are available on each of [Euroclear](#) and [Clearstream](#)'s websites (which also contain more information on the dematerialised securities initiative).

For illustrative purposes, the legal pack includes sample forms of documents for MTN programmes and standalone issues (each governed by English law), with anticipated additions and deletions that would be required to reflect the Dematerialised Notes Structure highlighted in the documents. The execution of a new Issuer-ICSD agreement which permits the issuance of dematerialised securities would also be required if issuers were to issue securities in dematerialised form.

However, issuers and legal advisors will need to review their own forms of documents to determine whether and to what extent changes are necessary to allow for the use of the Dematerialised Notes Structure in stand-alone or programme transactions, and to decide whether they are satisfied with the legal analysis that underpins the Dematerialised Notes Structure.



### What next?

The ICSDs have indicated that the measures announced to date represent only the first phase of their dematerialised securities initiative. The next phase is expected to broaden the scope of the dematerialised offering, either by extending it to additional issuer jurisdictions under English governing law or by incorporating further governing laws beyond English law. The uptake of dematerialised issuance by issuers within the initial phase would help to reinforce the case for this wider expansion.

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### The Asian International Bond Markets: Issuance Trends and Dynamics

On 31 March 2026, ICMA published *The Asian International Bond Markets: Issuance Trends and Dynamics*. Supported by the Hong Kong Monetary Authority, the sixth edition of the annual report provides global market stakeholders with an updated overview

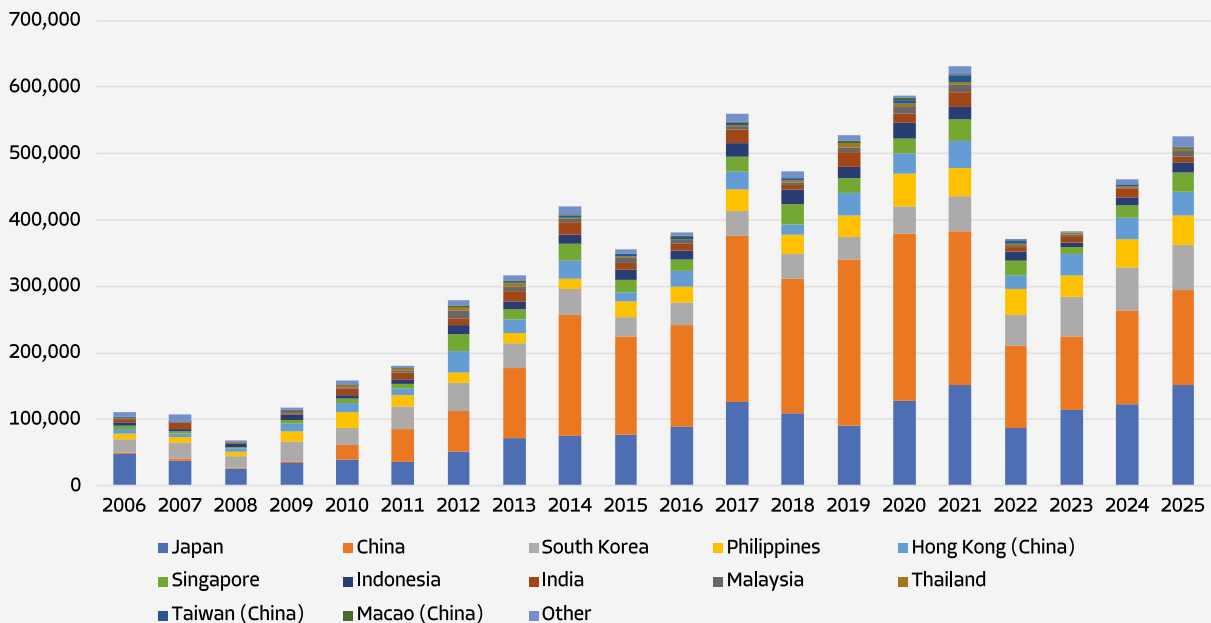
of issuance trends and dynamics of international bonds<sup>5</sup> issued by Asian issuers through the end of 2025.

Following two years of subdued activity driven by global monetary tightening and macroeconomic uncertainty, Asia’s international bond market posted USD527 bn in total issuance in 2025, a 14% increase year-on-year and a steady recovery from the 2022–2023 trough. Although issuance volumes remained below the 2021 peak, the region reclaimed roughly one-third of the decline experienced during the tightening cycle. Over the longer horizon, Asian international issuance continued a steady upward trajectory, expanding at a compound annual rate of approximately 4% since 2015. These figures underscored both the resilience of regional borrowers and the continued appetite from global investors for Asian credit.

### Issuance trends by jurisdiction

The report highlights substantial differences in issuance patterns across Asia’s largest economies, reflecting evolving funding needs, sectoral restructuring, and shifts in investor demand. Japan and China were the principal drivers of activity in 2025, together accounting for over half of total regional issuance (~USD300 bn).

International bond issuance in Asia – by deal nationality



Source: ICMA analysis using Dealogic data (January 2026)

1. In the report, international bonds are defined as debt securities sold in the primary markets of at least two jurisdictions. This analysis excludes domestic bonds, which are securities denominated in the issuer’s national currency, underwritten by domestic banks, and sold within the domestic market.



Japan slightly outpaced China in terms of issuance volume in 2025, mainly led by the financial sector. In China, government and utilities entities drove most of the growth, while the property sector remained restrained amid ongoing balance-sheet adjustments and tighter refinancing conditions.

Elsewhere in the region, the ASEAN markets staged an especially strong rebound. Combined issuance grew by about one-third, with Singapore, Malaysia, Indonesia, and the Philippines all contributing meaningfully to the recovery. The breadth of this rebound reflects improving funding conditions, enhanced credit differentiation, and deeper engagement from international investors. South Korea maintained a stable issuance profile, with banks continuing to dominate supply. In contrast, India experienced a pronounced decline, with issuance increasingly concentrated among financial institutions and materials companies as other sectors stepped back from the international market.

### *Analyses across debut deals, currency and tenor*

Debut international issuance from Asian issuers totalled around USD20 bn in 2025, broadly consistent with recent years. China accounted for the largest share at USD10 bn (51%), followed by Japan at USD4 bn (21%) and Singapore at USD1 bn (7%); together, these three markets represented nearly 80% of all inaugural activity. The 2025 pattern fits within a broader multi-year trend in which debut issuance is driven primarily by the region's larger, more advanced economies – China, Japan and Singapore – while frontier and lower-rated sovereigns and corporates participated more opportunistically as market windows allow.

The report also captures meaningful shifts in currency and maturity structures. The US dollar continued to dominate regional issuance, accounting for two-thirds of total supply (USD354 bn). Following the US dollar, Euro-denominated issuance represented about 15% (USD69 bn) of the currency breakdown, and Renminbi (RMB) issuance at around 10% (USD49 bn).

Despite small contributions of less than 3% each, GBP, SGD, and AUD volumes recorded absolute increases, reflecting diversification by select sovereign and FIG issuers. In contrast, the slight decline in JPY-denominated issuance reflected shifts in cost-of-funding dynamics associated with Japan's domestic yield normalisation.

In terms of tenor distribution, Asian international issuance in 2025 showed a continuation of the region's gradual shift toward longer-dated funding, even as 1–3-year and 3–5-year maturities remained the core of supply. Issuance in the 1–3-year bucket reached USD187 bn, accounting for 36% of total activity, while the 3–5-year segment rose to USD140 bn (27%). The 5–7-year and 7–10-year ranges increased to USD56 bn (11%) and USD60 bn (11%) respectively.

### *Sustainability in cross-border financing*

Sustainable finance continued to play an important role in Asia's cross-border funding landscape. International sustainable bond issuance reached USD94 bn in 2025, a slight year-on-year decline in absolute terms, but still accounting for around 20% of overall regional issuance. This share is roughly double the global average, underscoring Asia's sustained position as a leading hub for green, social, and sustainability-linked financing in the international bond markets. Despite increasing scrutiny of sustainable finance frameworks and definitions, the data points to enduring supply from issuers and demand from investors, supported by regulatory initiatives and the ongoing integration of climate and transition considerations into capital allocation.



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# Secondary Markets



by **Andy Hill, Nina Suhaib-Wolf,**  
and **Aman Gill**

## UK transaction reporting: ICMA response to the FCA consultation paper

Following the publication of discussion paper [DP24/2](#) in November 2024, the FCA published its consultation paper [CP25/32 on Improving the UK transaction reporting regime](#) on 21 November 2025, with ICMA submitting its formal [response](#) by the deadline of 20 February 2026. ICMA's feedback to this consultation covers two distinct perspectives, focusing on: (i) MiFIR transaction reporting, as it relates to the reporting of cash bond transactions; as well as (ii) SFTR reporting, recognising that the latter is only a smaller component of the consultation. These two aspects of the response were led by two separate ICMA working groups and consolidated to form a single response. On the MiFIR side, the response is based on feedback provided by a dedicated MiFIR Transaction Reporting Taskforce, which had been assembled only recently, as a sub-group of ICMA's broader [MiFID Working Group](#). On the SFTR side, feedback was given from ICMA's long-established [SFTR Taskforce](#), created in 2015 to coordinate the industry's SFT reporting implementation effort from a repo perspective, and which has since actively continued to follow further regulatory developments.

In its response, ICMA strongly supports the FCA's stated objective to *"deliver a streamlined framework that will cut costs for business while ensuring effective regulatory oversight of our world-leading capital markets"*, and highlights that there is indeed ample scope for such improvements. ICMA members welcome the FCA's proposal to streamline and harmonise existing transaction and post-trade reporting regimes, bearing in mind that any changes need to be thought through carefully and should not lead to burden increases in other areas; some examples of which have been given in more detail under the respective responses. Given the priorities of the consultation, most of the responses to the individual questions focus on the relevant MiFIR proposals (so from a cash bond market perspective). However, ICMA also used the opportunity to present to the FCA its views and proposals in relation to

the SFTR reporting regime, similar to those that had already been shared with ESMA recently. (See article "Transaction reporting" on page 32 for further information on SFTR.)

ICMA remains committed to contributing actively and constructively to the ongoing reviews of transaction reporting requirements across the EU and the UK, through our consultation responses as well as our bilateral engagement with the FCA and ESMA.



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## Bond consolidated tapes UK and EU: Recent updates

On 3 July 2025, ESMA [announced](#) their selection of fairCT as the first Consolidated Tape Provider (CTP) for bonds in the EU. On 28 January, fairCT [launched](#) an open invitation for qualified industry stakeholders to join the fairCT Consultative Committee. The deadline to submit the application was 28 February. On 30 April, the fairCT Consultative Committee (CC) composition will be announced, with the Committee formally commencing its activities on 1 July 2026. Further information can be found on the [fairCT website](#).

In the UK, the FCA announced in August 2025 that ETS Connect UK was selected as the UK bond Consolidated Tape Provider. ETS Connect UK has held several webinars for market participants over recent weeks and will hold one more webinar on 8 June. ETS Connect UK has also made public the selected members for the ETS Connect Consultative Committee. ICMA's application to the UK Bond CTP Consultative Committee (CC) has been successful, and ICMA will join the committee as an observer member. The full list of voting members and observer members can be found



## Secondary Markets

on the [ETS Connect UK website](#). ICMA joined the first meeting of the Consultative Committee on 10 March. The list of board of directors was also published at the end of February. In March, the UK bond Consolidated Tape draft documentation entered into the final feedback phase, following the publication of the draft framework from 2 February. The final versions of all documentation were scheduled to be published on 31 March 2026. All information and details can be found on the [ETS Connect website](#), including a roadmap and timeline with further steps and the intended UK CT go-live date of 22 June 2026.



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### Bond market transparency EU and UK – ICMA webinar and further work

On 3 March 2026, ICMA hosted a webinar on the New Bond Market Transparency Regimes and Consolidated Tapes in the EU and UK, which was attended by around 230 participants. Whilst these important topics have been discussed regularly and extensively in ICMA’s Secondary Market Practices Committee (SMPC), Electronic Trading Working Group (ETWG), and specifically in the MiFID Working Group (MWG), over the last months and even years, this webinar was designed to be primarily educational, and directed specifically to those members who might be affected by the changes but who perhaps might have not yet been able to get fully up to speed with the background, features, and recent key developments.

In terms of content of the webinar, an overview was provided on the timelines of the implementation of the new bond transparency frameworks and consolidated tapes for bonds. This was followed by a deeper dive into the EU and UK deferral regimes, highlighting their main features as well as differences between the EU and UK frameworks. ICMA then presented some of the findings of its extensive data analysis and retrofitting undertaken during 2025 to predict future transparency levels (both real-time and deferred). Some first live-data insights from the UK were also shared, with the new UK regime having applied already from 1 December 2025. The presentation finished with most recent updates on the UK and EU Consolidated Tape Providers (CTPs), followed by a brief Q&A session. The recording of the webinar is available to ICMA members who had signed up to attend. Other members who are interested are welcome to get in touch for further information. With the new EU transparency regime having started on 2 March 2026, ICMA is planning to hold a follow up webinar at the end of Q2, with a focus on EU and UK trading activity and market impact.

As has been presented and discussed extensively with members throughout the consultation phase up to 2024

as well as during the past year, both regimes represent a significant change to the old transparency models, facilitating a marked increase in available post-trade bond market data, especially in terms of real-time transparency. In some instances, this includes stark differences between the EU and UK deferrals across various bond classes and size thresholds.

For more detailed information and extensive analysis, see for example last year’s ICMA Quarterly Report articles in [Q2 2025](#) (page 31) and [Q3 2025](#) (page 34). With both regimes having gone “live” now, a key focus of our further work in this field over the next weeks and months will be to establish whether and how the market “reacts” to these significant changes to trade reporting, as well as to the differences between both jurisdictions. ICMA plans to undertake extensive analysis and monitoring, with the help of MiFID trade data around: i) the levels of transparency; ii) trading activity (looking for example at ticket sizes, distribution channels, jurisdiction of trade); and iii) pricing and liquidity. ICMA will share its findings with members as well as the regulatory community. ICMA also hopes to receive member input on how it can add the most value with respect to analysis of impacts of the new post-trade frameworks on pricing, liquidity, and market behaviours.



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### Axe Distribution standards: update on ICMA/FIX joint initiative

The discussion around Axe Distribution in bond markets, and related inefficiencies, specifically when distributed via electronic trading platforms, remains highly topical. As such, ICMA, through its Electronic Trading Working Group (ETWG), in collaboration with the FIX Trading Community, through its Fixed Income Axe Standards Working Group, joined forces in 2025 to investigate this topic further with their respective working group members. This resulted in the publication of the joint white paper: “[Bond Market Axe Distribution in Europe](#)” in December 2025. The paper aimed to present a balanced overview of deficiencies and their causes, both from a sell-side and buy-side perspective, and to provide a better understanding and articulation of the current challenges and experiences of market participants, with the goal of serving as a basis for future discussions.

Following the publication of the paper, the natural next step for ICMA is to review with members of the ETWG ICMA’s definitions for bond price distribution, [published](#) in 2021 (*see table on page 5 for the current pricing distribution terminology*), to ensure that these are still relevant, or whether they can be enhanced to support more consistent practices among market participants. A first ETWG call was



## Secondary Markets

held on 21 January 2026, where members put forward various suggestions, such as to integrate the Run and Market-run columns, and, on the other hand, to differentiate further between different types of streaming, to signify whether it would be indicative or firm. These and other price distribution nomenclatures are currently being discussed and, subject to further feedback, ICMA will publish an updated version of the definitions in Q2 2026. In parallel to ICMA's work, FIX is exploring technical enhancements and data fields with a view to improving axe data quality and usability.

A joint ETWG/FIX call took place on 16 April where the above items were further discussed. Members who would like to join the initiatives still are welcome to get in touch with either ICMA or FIX.



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# Repo and Collateral Markets

by **Andy Hill, Alexander Westphal, Zhan Chen, Aman Gill** and **Deena Seoudy**



## ICMA's ERCC and GRCF

**Results of the 2026 ERCC election:** On 4 February, ICMA [announced](#) the results of the 2026 ERCC election. Based on votes received from 78 ERCC member firms (out of a total of 115 firms eligible to vote), 21 individuals were successfully elected to form the new [ERCC Committee](#). This was the first election under the new rules and [ERCC Terms of Reference](#) (ToR) which were [adopted](#) in December 2025. In line with the new ToR, the term of office of the Committee has been increased to two years which means that it will come to an end in early 2028 when the next election concludes. The number of seats on the Committee is usually set at 20. However, as there has been a tie in the election for the last seat on the Committee, the number of seats has been increased by one for the 2026-2028 term, equally in line with the new rules.

**ERCC Committee meetings:** On 10 March, the ERCC Committee held its first meeting in the new composition, hosted by ICMA in London. The Committee re-elected Gareth Allen, UBS, as ERCC chair and Thomas Hansen, Santander, as vice-chair. Following a longer discussion on repo market conditions in the face of current broader market volatility, the meeting was an opportunity for the Committee to discuss priorities for the upcoming term. A further virtual meeting will be held in late April, before the Committee gathers in person again on 15 June in Lisbon, in the margins of the annual ISLA conference.

**GRCF meetings:** On 18 March, ICMA's [Global Repo and Collateral Forum](#) (GRCF) held its first quarterly meeting of 2026. As usual, the virtual session covered a broad range of topics, covering updates from the different regions as well as global themes. In the latest meeting, a particular focus was on the APAC region and especially the important developments in the China repo market with a guest presentation by Benton Wong, Head of Sales and Marketing at China Bond Connect. The GRCF meets on a quarterly basis and is open to all ICMA members with an

interest in global cross-border repo markets. If you would like to join, please send an email to [grcf@icmagroup.org](mailto:grcf@icmagroup.org).



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## ICMA repo market reports

**ICMA's 50<sup>th</sup> European Repo Market Survey:** On 26 March, ICMA's ERCC released the results of its latest European Repo Market Survey recording a new record of EUR13.7 tn in terms of the overall size of the market, measured in terms of the value of all repo and reverse repo transactions outstanding on the survey date in December 2025. This is the 50<sup>th</sup> edition of the ERCC's semi-annual survey, marking an important milestone for one of the longest-running and most authoritative datasets on repo market activity. The survey results are based on data received from a sample of 59 market participants and must be taken as the minimum size of the European market.

In terms of trends, growth of 9.8% since June and 24.6% year-on-year extended the strong expansion observed in the first half of 2025, driven by tariff-related macroeconomic uncertainty and heightened financial market volatility. In this environment, the repo market efficiently met increased demand for precautionary liquidity while continuing to provide a safe haven for investors. It also absorbed the rising volume of government debt issuance. Moreover, despite the elevated uncertainty and volatility, repo rates remained broadly stable, including over the year-end, partly reflecting central bank efforts to encourage routine use of their liquidity facilities. The full survey report and a summary of key findings is available [here](#).



*Year-end in the European repo market:* On 23 January, ICMA's European Repo and Collateral Council (ERCC) [published](#) its annual analysis of how the repo market performed over the 2025 year-end. Working closely with ERCC member firms, ICMA has assessed year-end market performance annually for the past ten years, following the severe dislocations observed during the 2016 turn. While those extreme conditions have not been repeated, the legacy of that period continues to shape how market participants anticipate and manage year-end funding risk. While the analysis also covers repo market developments in GBP, USD, and JPY, the European experience remains central. A key conclusion is that balance sheet availability, rather than pure cash or collateral scarcity, continues to be the dominant and least predictable driver of year-end dynamics, a theme with important implications as markets move deeper into a post-QE environment.

*ICMA guide to the South African repo market:* On 18 February, ICMA [published](#) a guide which provides an overview of the South African repo market, highlighting recent developments and describing the structure and operation of the market, its infrastructure, types of collateral and counterparties, and the legal and regulatory framework. This report is the ninth in a series of guides on domestic repo markets, published as part of our ongoing commitment to supporting the development of repo markets globally. Previous guides covering [China](#), [Japan](#), [Indonesia](#), [the Philippines](#), [South Korea](#) and [Vietnam](#), were published in 2022 and 2023 (ICMA member login required), followed by [Australia](#) in 2024 (open access) and most recently [India](#) in 2025 (login required).



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### SEC mandatory clearing for US Treasuries

Over the past quarter, ICMA has continued to engage actively with regulators and members on key implementation issues associated with the U.S. Treasury clearing mandate for repo transactions. Building on the insights and feedback gathered through [various initiatives](#), ICMA submitted a [letter](#) to the U.S. Securities and Exchange Commission (SEC) highlighting outstanding cross-border implementation challenges for international market participants. The letter seeks further clarification and regulatory guidance on the key issues, including the extraterritorial scope of the mandate, the inter-affiliate exemption, the treatment of triparty repos, and FICC membership and access considerations. In light of the global nature of the market, ICMA has also shared the letter with other relevant authorities in the UK, EU and Asia.

On 6 March, the SEC published a [Notice of Request for Exemptive Relief](#) seeking comments on a potential limitation

to the extraterritorial scope of the mandate. The proposal considers exempting transactions between a non-U.S. clearing member and a non-U.S. counterparty where there is no U.S. nexus. This would mean that a foreign firm's non-U.S. business conducted with non-U.S. clients would fall outside the scope of the mandate. The SEC is inviting public comments on the scope and appropriateness of the proposed exemption, including its potential impact on market functioning, competition, risk management, and regulatory objectives. The comment deadline is in early April, and ICMA is coordinating with members to prepare a formal response.

In addition, the SEC has approved additional clearing services for U.S. Treasury securities. ICE launched a U.S. Treasury cash clearing service and plans to expand into repo clearing later in the year. CME has also received approval for its Treasury clearing service, with launch expected in the second quarter. These developments will broaden clearing capacity and access beyond the FICC.

Finally, ICMA is in the process of establishing a working group to circulate relevant updates on the development and implementation of the mandate. The current objective is to share timely information, but if there is sufficient member interest, we would consider establishing a more structured forum for discussion. If this is relevant and you would like to join, please email [grcf@icmagroup.org](mailto:grcf@icmagroup.org).



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### Europe's transition to T+1 settlement

*EU T+1 IC publishes Implementation Handbook:* Following the publication of the [High-Level Roadmap](#) to EU T+1 in June, on 3 February 2026 the EU's T+1 Industry Committee issued additional guidance in the form of the [T+1 Settlements Handbook](#). The Handbook has been developed as a structural and practical implementation companion which is fully aligned with the Roadmap and provides further complementary guidance on the implementation of the various recommendations. The Handbook is not a static document. As further guidance, regulatory clarifications and market practices are developed, it will be supplemented by additional materials published by the EU T+1 Industry Committee and its workstreams. Market participants are encouraged to use this Handbook as a reference point, to engage actively in ongoing industry efforts, and to begin implementation planning well in advance of the October 2027 go-live date.

*SFT settlement optimisation:* As reported previously, SFTs have played a central role in the discussions around T+1, especially in the EU. From a repo perspective, one of the key concerns has been related to the expected shift of a significant part of the repo market to T+0 settlement and the



impacts this would have on firms' intraday liquidity. Without any change to the current settlement setup, it is feared that such a shift could have significant impacts on firms' intraday liquidity as netting opportunities would be reduced. The issue is clearly acknowledged in the [EU Roadmap](#), which includes a detailed problem statement (see SF-01 and related box 1). However, finding a solution to the issue was left to a dedicated Taskforce, co-chaired by ICMA which brought together all the relevant stakeholders, including FMIs and the ECB/4CB as T2S operator. In December 2025, after extensive discussions, the Taskforce issued its [final report](#), recommending the introduction of a new 'Gating Event' at 11am CET across all relevant EU CSDs. The key specifications of the gating event are set out in the report. However, a number of important related questions had been left open for further discussion. Since then, further progress has been made. As SWIFT confirmed in January, an exceptional fast-track procedure has been launched to introduce a new structured field into settlement messages by November 2026 which can be used as an identifier for the new gating event. A second important ongoing discussion is seeking to agree a common approach across CCPs in relation to the gating event. A short explanatory note and a questionnaire have been finalised and are currently being consulted on with users. In the meantime, CSDs are working on the implementation of the new gating event. This includes the ICSDs, but also the ECB/4CB as operator of the common T2S settlement platform (see related [T2S Change Request](#) with technical details).

*Testing:* As we get closer to the T+1 go-live in October 2027, there is an increasing focus on operational testing. Separate workstreams on testing established in the UK and the EU have been merged into a single workstream to ensure full coordination between the different jurisdictions. The joint workstream put together a detailed EU-UK-CH T+1 [Testing Plan](#) which was released on 25 March. The testing and readiness plan outlines the general scope and principles of industry-wide testing and the business readiness activities each stakeholder should consider in preparing for the T+1 transition, including specific considerations for a number of scenarios/business activities, including SFTs (repos and securities lending).

*Potential DvP cut-off time extension:* The ECB launched a survey to gather views from AMI-SeCo members on potentially moving the T2S EUR DvP cut-off from 16:00 to 17:00 CET. On 18 February, ICMA submitted its [response](#) based on feedback from ERCC members, led by the ERCC Ops Group. The response was submitted by ERCC Ops co-chair Kathleen Bendernagel (Goldman Sachs) who represents the ERCC on the ECB's AMI-SeCo. The ECB survey follows up on a recommendation in the EU Roadmap to T+1 to explore a potential extension of the DvP cut-off by one hour across all relevant CSDs. This proposal was initially put forward by the SFT workstream and subsequently agreed by the T+1 Industry Committee. ICMA is supportive of such an extension and highlights in its response the benefits this would have in the

context of the upcoming move to T+1, however, also noting related challenges and costs, along with possible mitigating measures to reduce those.

*ERCC Best Practices:* In light of the upcoming move to T+1, ICMA has launched a comprehensive review of its existing best practices, specifically on the repo side. The idea behind this project is to explore the key challenges facing repo trades such as lifecycle event management and pair offs, and to reconsider related best practice recommendations in order to make sure they are fit for purpose. This includes a mapping between existing ERCC best practices and the T+1 industry recommendations and is also an opportunity to highlight key recommendations. The review is led by the ERCC Operations Group but will also involve the ERCC Best Practice Working Group and the ERCC Committee and will continue throughout the year, also extending to other areas such as the usage of the new gating event.



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### Regulatory update

#### *Transaction reporting*

On 20 February, ICMA submitted a response to the FCA consultation CP25/32 on Improving the UK transaction reporting regime. The consultation focuses on planned reforms to simplify the UK MiFIR regime and lower reporting burden for firms. SFTR is not a core part of the consultation but is mentioned in the wider strategic context, where the FCA, Bank of England and HM Treasury are considering longer-term alignment across MiFIR, EMIR and SFTR. ICMA's ERCC, guided by members of the ERCC's SFTR TF used the opportunity to share with the FCA a detailed list of proposals for a structured review of the SFTR reporting regime. These are the results of a detailed review of the current requirements and issues flagged by members over the past years. In its response, ICMA strongly supports the FCA's stated objective to "deliver a streamlined framework that will cut costs for business while ensuring effective regulatory oversight of our world-leading capital markets" and highlights that there is indeed ample scope for such improvements.

#### *FSB report on repo vulnerabilities*

On 4 February, the Financial Stability Board (FSB) published a [report](#) on vulnerabilities in government bond-backed repo markets. The report outlines the potential sources of structural vulnerabilities within repo markets and the sources of potential contagion risk, highlighting the prevalence of uncleared repo transactions across jurisdictions and by financial actors including MMFs, pension funds and other non-banks, in yet another example of intensifying regulatory scrutiny on the role of NBFI and related risks.

#### *LCR and open repo*

The EBA's [latest guidance](#) regarding the treatment of open reverse repos under LCR from May 2025 continues to raise questions. While the initial [Q&A update](#) in May 2024 helpfully clarified that open reverse repos can be recognised as inflows for LCR purposes under certain conditions, the additional guidance puts this into question again, if interpreted strictly. After considering the guidance with members of the ERCC's Prudential Working Group, ICMA followed up bilaterally with the EBA to seek clarification, sharing our own interpretation of the guidance for confirmation and reiterating previous [ICMA feedback](#) to the EBA which explained in more detail why open reverse repos can safely be considered as inflows in stressed conditions. We hope that the issue can be clarified in due course in a proposed meeting with the EBA.



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### Legal developments

*IIFM and ICMA partnership to standardise Islamic repo markets:* On 19 February 2026, ICMA and the International Islamic Financial Market (IIFM) [announced](#) the signing of a Memorandum of Understanding (MOU) and the formal commencement of their joint initiative to develop a global standardised documentation framework for a Shari'ah-compliant repo product. The project is officially titled the IIFM/ICMA Islamic Repo (I'aadat Al Shira'a) Master Agreement. This landmark initiative addresses long-standing liquidity management challenges in Islamic finance by replacing fragmented practices with a unified, Shari'ah-compliant, and robust operational standard. The collaboration leverages ICMA's extensive experience with the Global Master Repurchase Agreement (GMRA) and IIFM's specialised expertise in Shari'ah-compliant standard-setting. Yusuf Battiwala, Partner at Norton Rose Fulbright has been appointed as Legal Counsel for the project. The standardisation project is designed to enhance market liquidity by providing Islamic financial institutions worldwide with reliable tools for short-term funding, while simultaneously reducing operational costs and Shari'ah complexities. The project will be supported by a joint ICMA/IIFM working group which is currently being established. On 4 March, ICMA sent out an invitation to all GRCF and ERCC members firms to participate. For further information on the project, please reach out to [grcf@icmagroup.org](mailto:grcf@icmagroup.org).

*ICMA GMRA Digital Assets Annex:* Work on a second annex to the GMRA addressing the use of native digital debt securities under the agreement is ongoing. This annex is intended to complement the existing Digital Assets Annex, which sets out additional provisions relating to digital cash, digital securities including tokenised traditional securities and asset-backed digital assets, and traditional securities that use a digital platform to transfer ownership that in itself does not create a new digital asset that is property. Members are encouraged to participate actively in the working group and to continue contributing to the development of this project. If you would like to be an active participant in the legal working group or have any questions on the above, please do reach out to [Deena Seoudy](#) directly.



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# Buy-side



by **Anita Karppi, Irene Rey**  
and **Sabah Anjum**

## Introduction to the ICMA buy-side team

ICMA's buy-side activities are now supported by a dedicated three-person team, reflecting the importance of ICMA's engagement with the buy side. The team is led by Anita Karppi, Senior Director buy-side, who joined ICMA on 30 September 2025, alongside Irene Rey, Director and Secretariat of AMIC. Sabah Anjum recently joined the team as an Associate from ICMA's Primary Market team. This strengthened team expands ICMA's capacity to engage with asset managers, institutional investors, private banks, pension funds, sovereign wealth funds and insurance companies. It also supports ICMA's broader policy and market practice work by facilitating dialogue on market and regulatory developments relevant to buy-side members

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## Q1 2026 buy-side roundtable: fixed income ETFs

On 17 March, ICMA held its second ETF roundtable in London, bringing together heads of ETF capital markets to discuss current market and regulatory developments affecting the buy-side.

The discussion covered a range of issues, including regulatory developments in the ETF market, tokenisation, securities lending in both the US and the UK, T+1 settlement and the wider move towards 24/7 trading. Sabah Anjum and Anita Karppi presented ETF data analysis, while Tom Stephens and Pravin Bagree provided updates on recent ETF-related developments among ICMA buy-side members.

Sabah Anjum also provided an update on the ETF regulatory watchlist and summarised key takeaways from the ETF launch meeting held on 27 November 2025. The roundtable concluded with an exchange of views on the market dynamics and priorities for future ICMA buy-side engagement on ETFs.

The next ETF buy-side roundtable will be held in the margins of the ICMA AGM & Conference, on Thursday 28 May.

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## Q1 2026 AMIC Committee

The most recent meeting of the AMIC Executive Committee was held in Paris on 19 March and hosted by Schroders. The AMIC Committee brings together market participants and policymakers to discuss current developments affecting the asset management industry. In the most recent meeting, officials from the Banque de France joined the discussion and provided an update on recent developments in non-bank financial intermediation (NBFi), including the French SWES test and its implications for market resilience and financial stability.

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## ICMA's position paper on the SIU Market Integration and Supervision Package (MISP)

The European Commission's proposed Market Integration and Supervision Package (MISP) aims to strengthen the integration of EU financial markets and enhance supervisory convergence. From an asset management perspective, the proposals could deliver benefits through enhanced data sharing, helping to support more consistent application of rules and reduce duplication in reporting.

At the same time, the package raises questions around supervisory complexity, proportionality and the allocation of responsibilities between ESMA and national competent authorities. While a stronger ESMA role could improve coordination, it may also introduce additional procedural layers and legal uncertainty, particularly for cross-



border activities. Further concerns relate to the proposed identification and review of large asset managers, as well as the treatment of global operating models and delegation structures.

Overall, MISP represents a potentially positive step towards greater market integration. Its effectiveness will depend on whether the final framework is proportionate, operationally practical and focused on supervisory convergence across the EU single market. The [paper](#) was subsequently finalised on 17 March and shared with the European Commission in response to their call for evidence on 20 March.



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### Demystifying Securitisation

On 25 February 2026, ICMA held a roundtable in Brussels on “Demystifying securitisation”. The discussion took place against the backdrop of ongoing regulatory reviews in both the EU and the UK, and renewed policy interest in the role of securitisation in supporting capital markets financing. Often still viewed through the lens of global financial crisis, securitisation has evolved as a funding tool, supported by stronger structural, behavioural and regulatory safeguards. The roundtable sought to clarify common misconceptions and explore how policy and market practice could support the development of a stronger European securitisation market.



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### Q1 2026 buy-side podcasts

ICMA published three buy-side related podcast series during the quarter, covering developments in fixed income ETFs, the market outlook for 2026 and the implications of geopolitical developments for investors. All the podcasts are available [here](#).

#### *The ICMA ETF Podcast: What's new in fixed income ETFs?*

On 10 February 2026, ICMA published a [podcast](#) on developments in fixed income ETFs, covering portfolio use, product development and investor adoption. The discussion was moderated by Anita Karppi, ICMA and included contributions from Tom Stephens, Head of ETFs at Schroders Investment Management, Pravin Bagree, Head of ETF Capital Markets at UBS Asset Management and Josh Gibbs from the Client Coverage Group UK at State Street Investment Management.

#### *ICMA AMIC Market Update*

On 16 February 2026, ICMA published a [podcast](#) under the Asset Management and Investors Council (AMIC), its forum for buy-side members, including asset managers, institutional investors, private banks, pension funds and insurance companies. The episode featured Anita Karppi, Robert Parker, former Chairman of AMIC and Senior Adviser to ICMA, and Dr Massimiliano Castelli, Managing Director and Head of Strategy & Advice at UBS Asset Management and Co-Chair of the AMIC Executive Committee.

The discussion focused on the outlook for 2026, including the role of geopolitics, key asset classes to watch and developments in US monetary policy. The speakers also discussed investor sentiment and the implications for portfolio positioning in an evolving macroeconomic environment.

#### *Five-part buy-side series on the market implications of developments in the Middle East*

ICMA also released a five-part [podcast](#) series examining the implications of geopolitical developments for financial markets and investors. The series featured Robert Parker, Dr Massimiliano Castelli and Anita Karppi.

The episodes considered a range of themes, including possible scenarios arising from developments in Iran, the response of financial markets and investors, the longer-term influence of geopolitical risk on investment strategy and the implications for central banks and monetary policy in an uncertain macroeconomic environment. The final episode broadened the discussion to other key drivers of capital markets and the implications for investors. The podcasts are available on the ICMA podcast page.



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#### *Fixed income ETFs: buy-side perspectives from the ICMA ETF podcast*

In the ICMA [podcast](#) on exchange-traded funds, buy-side members discussed how fixed income ETFs are evolving in terms of portfolio use, product development and investor adoption.

#### *The evolving role of fixed income ETFs*

A consistent theme emerged across the discussion. Fixed income ETFs are moving beyond their original role as access products and are becoming embedded within portfolio construction and risk management frameworks across the buy-side.

According to Tom Stephens, 2026 is likely to represent a structural shift in the role of fixed income ETFs. After an



extended period in which cash and ultra-short strategies dominated allocations, investors are now rebuilding exposure across the yield curve using ETFs as more permanent portfolio components.

Stephens described this shift as a graduation point for the market, noting that *“2026 is the year fixed income ETFs fully graduate from being access products to becoming core portfolio infrastructure”*. He also highlighted growing dispersion within credit markets. While headline indices may appear stable, differences in issuer quality and refinancing risk are becoming more pronounced. In this environment, selectivity has become increasingly important. As Stephens observed, *“exposure alone is not enough. Selectivity matters.”*

Institutional use of fixed income ETFs has also broadened. ETFs are now actively traded even when underlying bond markets are less liquid, and are routinely used for transitions, rebalancing, hedging and intraday risk management. Stephens characterised this as a lasting change, stating that *“this behaviour feels structural rather than cyclical.”*

### Active vs passive

Actively managed ETFs were a central focus of the podcast discussion. Pravin Bagree highlighted strong momentum in active fixed income ETFs, driven by the need for professional judgement in an increasingly complex macro environment. The “active revolution” was one of the many key themes highlighted by Bagree, flagging the record percentage of net active ETF inflows potentially being as much as thirty five percent of all ETF flows.

Bagree reiterated Stephens’ point on the shift from cash. With around USD9 tn sitting in money market funds, it is likely that many investors will look to divest from cash like instruments as the Fed and the ECB continue to cut rates. Bagree pointed to divergent global policy cycles as a key driver, noting that investors are increasingly relying on active managers *“to navigate a desynchronised global rate cycle”*.

He outlined three broad segments within the active ETF universe. Low tracking error strategies currently dominate assets, while fundamental alpha strategies and defined outcome products represent areas of potential growth. Despite this expansion, Bagree emphasised that passive ETFs remain dominant within UCITS, observing that *“active ETFs represent only around three percent of UCITS assets today”*.

### Fees, liquidity, and flexibility

Fee compression and liquidity were also highlighted as important factors supporting adoption. Bagree noted that the intraday liquidity of ETFs has proved particularly valuable during periods of market stress and that active bond ETFs are increasingly competitive with mutual funds on cost. Regulatory developments were highlighted by Josh Gibbs, who pointed to increasing flexibility in allowing a broader range of fixed income exposures within ETFs. He noted that *“regulators, particularly ESMA, are becoming*

*more permissive in terms of what is eligible within ETFs”*. This is enabling growth in alternative and less liquid exposures, including structured credit. Gibbs expects this trend to continue as ETF structures are used to access a wider spectrum of fixed income markets.

Gibbs also discussed how ETF adoption across Europe is evolving. While institutions remain the dominant users, discretionary managers, robo-advisers and wealth platforms are increasingly using ETFs as core building blocks. He noted that although the UK ETF market is large and liquid, retail adoption continues to lag other European markets and the United States. Tom highlighted the rate of change and growth that is being seen in the active ETF space and it was flagged that *“forty one percent of UCITS in the US products are active”*.

The discussion suggested that ETF usage across the buy-side universe has entered a more mature phase. Tom Stephens observed that ETFs are increasingly embedded within mandates and portfolio frameworks rather than used solely for individual trades. This has shifted the focus toward consistency and clarity of role within portfolios.

### Future growth

As Stephens noted, *“the conversation has shifted from whether ETFs can be used to which ETFs are most appropriate”*. Pravin Bagree reinforced this point, highlighting that ETFs still represent only a small share of global fixed income assets. He noted that *“only around three percent of fixed income assets globally sit in ETFs today,”* underlining the scale of potential future growth. Participants in the ICMA ETF podcast expressed a shared view that structural tailwinds for fixed income ETFs remain strong. Demand for liquidity, transparency, and adaptability continues to support adoption, while active ETFs are expected to play an increasingly important role in managing dispersion and portfolio complexity.

Summarising the discussion, Stephens noted that *“fixed income ETFs are no longer just about access. They are about adaptability,”* while Gibbs highlighted a continued structural shift driven by investor demand for liquidity and transparency.

Anita concluded by highlighting that ETFs continue to thrive because they *“make markets more accessible, diversified and adaptable”*. Insights from the ICMA ETF podcast suggest that fixed income ETFs are entering a new phase of maturity, with their role shifting decisively from market access to portfolio infrastructure.

The full podcast is available to listen to [here](#).



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### **MISP: AMIC perspective**

The European Commission's proposed [Market Integration and Supervision Package](#) (MISP) seeks to deepen the integration of EU financial markets while strengthening supervisory convergence across Member States. From an asset management perspective, several elements of the proposal could support the functioning of the single market, particularly in relation to cross-border supervision and improved data sharing. At the same time, aspects of the package raise important questions regarding supervisory architecture, proportionality and operational complexity for asset managers.

### ***ESMA's evolving role in cross-border supervision***

A central element of the MISP is the proposed strengthening of ESMA's role in addressing cross-border supervisory issues. The proposal would move certain provisions relating to cross-border distribution of funds from the Directive into the corresponding Regulation, with the objective of enhancing regulatory harmonisation and limiting national gold-plating. From a single market perspective, this shift could contribute to a more consistent application of rules across Member States.

The package also contemplates granting ESMA additional powers to intervene in certain cross-border supervisory situations. While improving coordination between supervisory authorities is an important objective, there are concerns that additional procedural layers could increase supervisory complexity without necessarily resolving existing home-host supervisory challenges. In particular, interventions at a later stage of the product lifecycle could create legal and operational uncertainty where services or products have already been launched.

Maintaining clarity in the allocation of supervisory responsibilities therefore remains important. In this context, ESMA's role should continue to focus primarily on facilitating supervisory convergence and coordination, while supervisory actions affecting individual firms remain within the remit of the relevant national competent authority.

### ***Strengthening data sharing and supervisory convergence***

One area where the proposals could bring clear benefits is the development of a centralised supervisory data platform, enabling ESMA to act as a European data hub. Improved information sharing between asset managers, national authorities and ESMA could support more consistent supervision across jurisdictions while strengthening overall market oversight.

From an operational perspective, the possibility of a single EU-level reporting channel could also reduce duplication in reporting requirements. Asset managers operating across several Member States currently submit similar data sets to multiple national authorities. A more integrated reporting framework could therefore contribute both to supervisory convergence and to reducing operational burdens for firms.

In parallel, greater use of existing supervisory convergence tools – including peer reviews, coordination groups and staff exchanges between authorities – could further support consistent supervisory practices across the EU and help build mutual understanding between supervisors.

### ***Supervisory focus on large cross-border asset managers***

The proposal also introduces a framework under which ESMA would identify “large EU groups” of asset managers and conduct annual reviews of the supervisory approaches applied to them. While the objective of improving supervisory insight into cross-border activities is understandable, the proposed approach raises questions regarding proportionality and practical implementation. In particular, a threshold based primarily on aggregate EU assets under management may not accurately reflect the level of cross-border activity or supervisory risk associated with a firm. As a result, firms with largely domestic activities could potentially be captured despite posing limited cross-border supervisory challenges.

There is also a risk that annual reviews could create an additional layer of supervisory scrutiny alongside existing NCA oversight. Before introducing such mechanisms, priority should instead be given to strengthening ESMA's role in data aggregation and supervisory coordination.

### ***Asset management structures and delegation***

The proposal further introduces the concept of an “EU group of a management company and AIFM”, which distinguishes between EU and non-EU entities within asset management organisations.

In practice, asset management firms often operate through globally integrated structures where governance, risk management and operational functions are organised across jurisdictions. A rigid regulatory distinction could therefore create misalignment between regulatory definitions and the operational reality of asset management businesses.

Delegation arrangements within the same undertaking frequently benefit from shared systems, controls and governance frameworks. Recognising these characteristics through a risk-based and proportionate supervisory approach could help avoid unnecessary duplication in oversight and reporting requirements.



## ***Conclusion***

Overall, the MISP represents an important step in the ongoing discussion on strengthening the EU supervisory framework and further integrating capital markets. From an asset management perspective, ensuring that reforms remain proportionate, operationally workable and focused on supervisory convergence will be essential in achieving these objectives while preserving the efficiency of the EU single market framework.



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# Sustainable Finance

by **Nicholas Pfaff, Simone Utermarck, Valérie Guillaumin, Özgür Altun** and **Kacie Sampson**



## Summary

We provide a first quarter update on 2026 issuance volumes, which are encouraging. We give details on the organisation and programme of the 12<sup>th</sup> Annual Conference of the Principles that will take place in Milan, Italy. We summarise recent transition related initiatives and methodological developments. We also highlight ICMA publications and responses related to ESG ratings and data products. Finally, we summarise ICMA’s published commentary on SFDR 2.0 and report on a number of regulatory developments internationally.

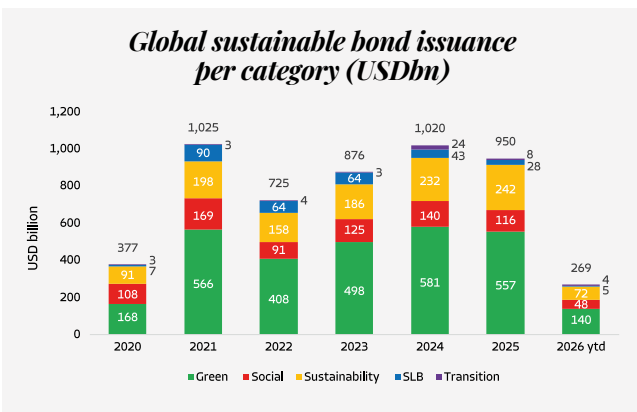
## S Sustainable bond market update

As of 25 March 2026, sustainable bond issuance surpassed 269 billion, reflecting an 8% increase compared to the same period in 2025. Transition bond issuance has more than tripled compared to the same period last year, notably driven by Japanese government bonds. Green and social bonds have had a strong start to the year, increasing by 14% and 19%, respectively, compared to the same period last year. Sustainability and sustainability-linked bond issuance has decreased compared to the same period in 2025, by 8% and 33%, respectively.

Green bonds remain the dominant segment of the sustainable bond market, with USD140 billion issued year-to-date, representing 52% of total sustainable bond issuance in 2026. Transactions included a **GBP6.25 billion** (USD8.4 billion) green gilt, issued by the UK Debt Management Office, the first UK green bond issued under its updated Green Financing Framework. The Agence France Tresor (AFT) announced it has increased its 2026 green bond programme ceiling to **EUR23 billion** (USD27 billion), which, if reached, would make it the largest sovereign green bond issuer. Notably, the Asian Development Bank issued a **USD100 million** green bond dedicated to financing resilience projects focused on the impacts of glacier melting.

Eleven European Green Bonds (EuGBs) were issued since the beginning of the year, totalling approximately USD12 billion. Bpifrance issued its inaugural **EUR1 billion** (USD1.2 billion) EuGB, becoming the second French agency to issue under the label. Deutsche Bank raised **EUR500 million** (USD595 million) from its inaugural EuGB. Nordea raised **EUR1 billion** (USD1.2 billion) from the first-ever EuGB issued in covered bond format.

Social bond issuance exceeded USD48 billion, accounting for 18% of total sustainable bond issuance this year. France’s Agence Centrale des Organismes de Securite Sociale (ACOSS) issued its debut social bond at **EUR1.5 billion** (USD1.7 billion). CAF development bank executed a **USD61.6 million** private placement following the launch of its USD1 billion Children and Youth Bond Programme.



Source: ICMA based on LGX DataHub and Bloomberg data as of 25 March 2026. ICMA is updating its methodology. This can result in discrepancies with past reported numbers.



Sustainability bond issuance topped USD72 billion, comprising 27% of total sustainable bond issuance so far this year. Mexico issued a triple-tranche euro-denominated sustainability bond, raising **EUR4.75 billion** (USD5.5 billion) in total. The issuance is the largest sustainable bond from a Latin American sovereign. In addition, the Regional Government of Andalusia returned to market with its largest ever sustainable bond at **EUR1.25 billion** (USD1.5 billion).

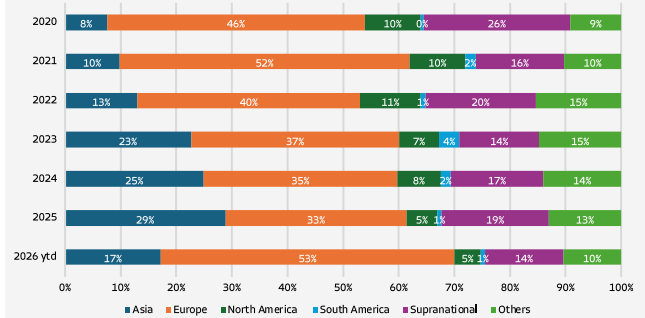
Sustainability-linked bond (SLB) issuance has reached nearly USD5 billion year-to-date, representing only 2% of the sustainable bond market in 2026. Despite a slower market, Carrefour issued its first SLB of 2026, raising **EUR500 million** (USD595 million) and Aeroporti di Roma raised **EUR500 million** (USD595 million) from its fourth SLB. Outside of Europe, 20Twenty Financial Solutions became the second issuer in Namibia to use the label, with a **NAD92 million** (USD5.6 million) SLB. Chile raised **EUR1.5 billion** (USD1.8 billion), from an SLB which is the first tied to a key global biodiversity protection target agreed under the Kunming-Montreal Global Biodiversity Framework.

Transition bond issuance saw a strong start to the year, reaching USD4 billion for the period, although it accounts for only 1% of the total sustainable bond market this year. The Japanese Government has issued **two transition labelled** bonds in 2026, totalling nearly USD3.8 billion.

Several innovative structures came to market in Q1 2026, including a **USD120 million** biodiversity bond from Banco Bolivariano in Ecuador, the region’s largest biodiversity bond to date. The Inter-American Development Bank issued its second “Amazonia-Bond” with the **AUD1 billion** (USD671 million) deal, the first benchmark-sized transaction using the label. Emirates NBD raised **USD1 billion** from a dual-tranche blue and green bond transaction, which is considered the largest dual-tranche blue and green bond from a financial institution, and the largest public benchmark-sized blue bond issued in the Middle East.

Looking at regional breakdown, European issuers have had a strong start to the year, representing 53% of issuance year-to-date versus its full-year average of 33% in 2025. Despite leading transition-labelled issuance since the beginning of the year, Asian issuers represent only 17% of the sustainable bond market year-to-date, compared to its full-year average of 29% in 2025. Similarly, despite representing approximately 20% of the social bond market and 32% of the sustainability bond market year-to-date, supranational issuance is slightly slower than average, reaching 14% for the period.

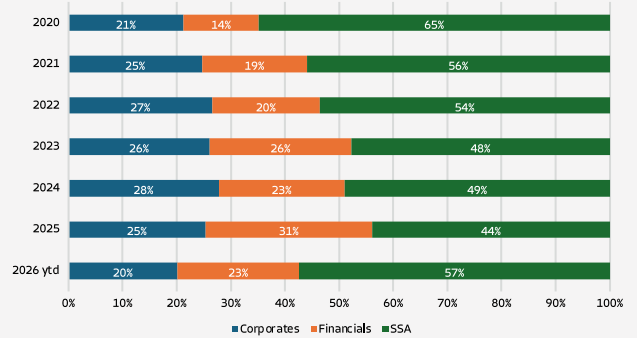
### Sustainable bond issuance breakdown by region (%)



Source: ICMA based on LGX DataHub and Bloomberg data as of 25 March 2026. ICMA is updating its methodology. This can result in discrepancies with past reported numbers.

When comparing sustainable bond issuance by issuer type, there is slightly lower issuance from financials at 23%, versus its full-year 2025 average at 31%. Conversely, SSA issuance has slightly increased to 57% for the period, compared to its full-year 2025 average of 44%.

### Sustainable bond issuance breakdown by issuer type (%)



Source: ICMA based on LGX DataHub and Bloomberg data as of 25 March 2026. ICMA is updating its methodology. This can result in discrepancies with past reported numbers.

## S 12th Annual Conference of the Principles

The 12<sup>th</sup> [Annual Conference of the Principles](#) will take place at Bocconi University in Milan, Italy on Tuesday 23 June 2026. It will be conducted in-person only. This full day conference is the premier global annual event for the sustainable bond market, gathering key representatives from around the world and across the value chain to engage in critical discussions on the future of sustainable finance.

The programme will feature keynote speeches and panel discussions by leading market participants and experts in sustainable finance. Agenda highlights include presentations and reflections on:



- 2026 innovations and guidance from the Executive Committee of the Principles
- The state of play in the global sustainable bond market
- Market experience with the new transition finance labels in the bond and loan markets
- How official standards relate to the Principles
- How the Principles support market specificities, particularly in emerging markets

Attendance is free for ICMA members, as well as members and observers of the Principles.

On the day prior to the conference, Monday 22 June, the [members and observers of the Principles](#) will hold their **Annual General Meeting**, pursuant to the [governance framework](#), at Borsa Italiana in Milan. That will give the opportunity for the [Executive Committee](#) to report on the work undertaken over the

past months, either directly or through working groups, and to engage in dialogue with the Principles' community.

During this AGM, the Secretariat of the Principles will announce the results of the **elections of the Executive Committee** (12 seats, representing half of the Executive Committee, are up for elections on a yearly basis). The 2026 election calendar has been scheduled as follows:

- On 20 April, ICMA will send a call for candidacy. All the members of the Principles have the opportunity to put themselves forward.
- Organisations will have up to 13 May to send back their candidacy form to ICMA.
- From 21 May to 15 June, ICMA will open the online vote. Only the members of the Principles will be entitled to cast their vote to select 4 candidates per category (issuer, investor, underwriter).

### **S** New ICMA paper on ESG ratings and data products



On 12 March 2026, as part of its thought leadership series, ICMA published "*The evolving landscape of ESG ratings and data products*". The staff publication examines the role of ESG ratings, scores and data products across capital markets, and the growing scrutiny around how these tools are produced, interpreted, and used. It looks at

the practical role they now play for investors and other market participants, the methodological differences that can lead to divergent outcomes across providers, and the regulatory and market-led responses now taking shape.

Drawing on ICMA's own research, including a survey of asset owners and asset managers representing around USD28 trillion in assets under management, the paper explores how ESG ratings and data products are used in practice across equity, debt and loan markets, from investment mandates and risk analysis through to engagement and regulatory compliance. The survey confirmed that there continues to be widespread reliance on third-party ESG ratings and data products, but also extensive use of internal ESG scores and ratings by asset managers and owners.

The paper otherwise looks at how IOSCO's recommendations made in 2021 have led to market-led

responses in Japan, Singapore, the UK and Hong Kong, including the creation of the [ICMA Code of Conduct](#) for ESG Ratings and Data Product Providers as well as more recently to regulation in the EU as well as India and the UK. It also mentions the new [Interoperable Mapping Reference](#) (IMR) to compare attestation documents for the ICMA, HK and Singapore Codes.

Some key insights from ICMA's research are that the market has already become much more transparent since IOSCO's Final Report in November 2021, helped by providers signing up to voluntary codes of conduct such as the ICMA Code of Conduct, and following regulatory developments. We expect that the interaction between voluntary codes, formal regulation, investors' internal models and standardised sustainability disclosures will shape how this market develops. As already recognised by the UK's Financial Conduct Authority (FCA), ESG products not covered by current or future regulation, such as ESG data products, can continue to be covered by voluntary codes of conduct.

Details from the survey conducted by ICMA with asset managers and owners can be found in Annex I. Annex II of the paper contains a comparison of the ESG ratings methodologies of seven providers (Bloomberg, ISS Sustainability Solutions, LSEG, MorningstarSustainalytics, MSCI Solutions, S&P GlobalSustainable1 and SustainableFitch).

ICMA is planning to hold a webinar related to the topic of ESG ratings and data products as well.



## S Transition frameworks and methodologies

### Net Zero Asset Owner Alliance

In March 2026, the Net Zero Asset Owner Alliance (NZAOA) published the fifth edition of its Target Setting Protocol. It introduces regional flexibility to adapt global targets to diverse local markets, reinforced incentivisation for asset manager engagement, and updated KPIs to enhance target-setting and stewardship practices. Version 5 includes a quantitative investment target for climate solutions, focusing on funding green transition technologies, and a new “transition target” category to support high-emitting companies with credible net-zero plans. Additionally, it clarifies methodologies for private assets like infrastructure and real estate, ensuring a consistent approach to sustainable investment across portfolios. These refinements are designed to provide a more actionable pathway for investors to drive the transition to meet the goals of the Paris Agreement.

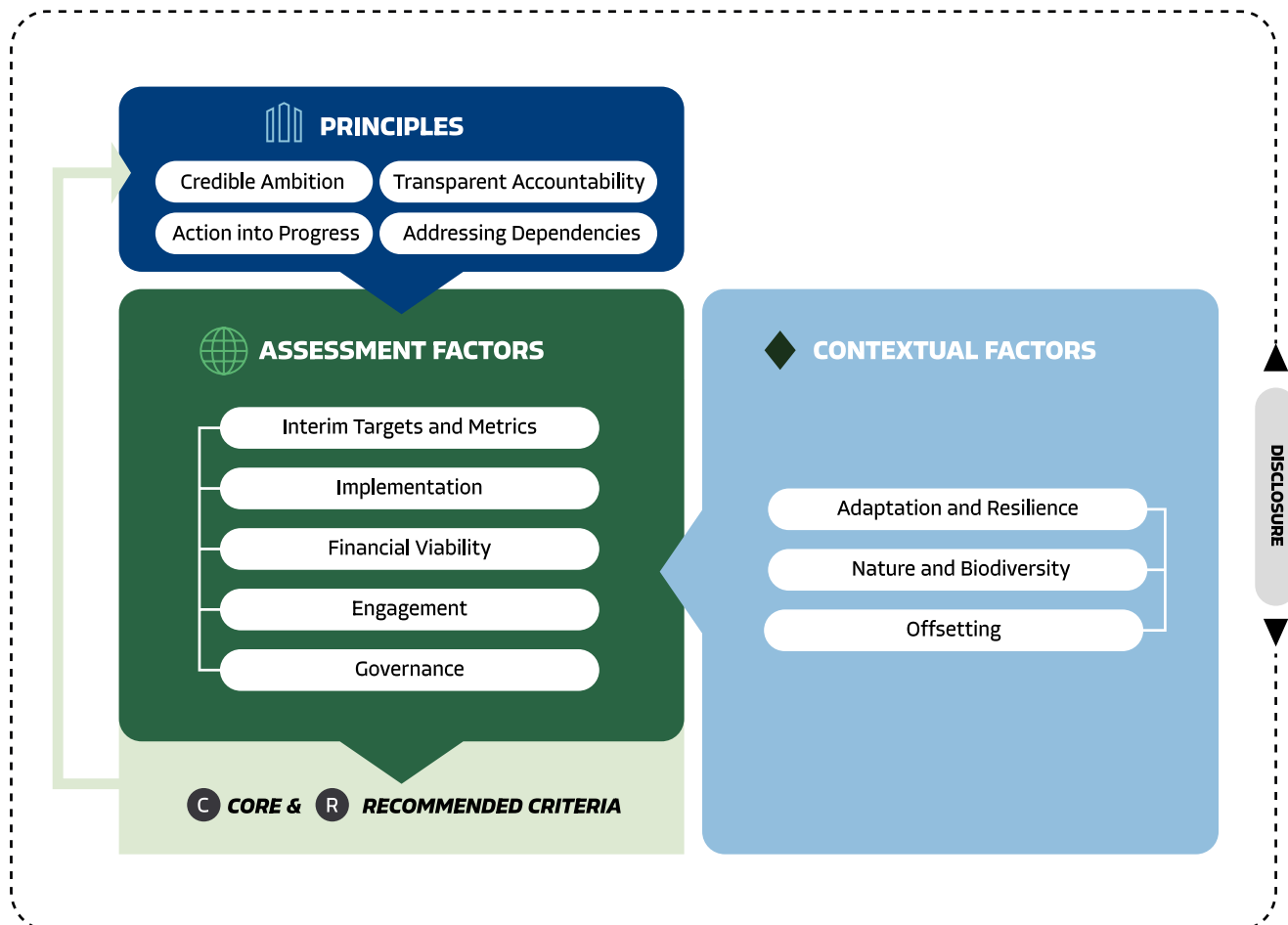
### UK Transition Finance Council Guidelines

Also in March, following two public consultations in summer and winter 2025, the UK Transition Finance Council (UK TFC) published the “Transition Finance Guidelines” (the “Guidelines”) which focus on entity-level financing in transitioning corporates or real asset operators. The Guidelines have been developed by Working Group 1 (“Credibility & Integrity”) on which ICMA is represented.

The Guidelines are intended for unlabelled general equity and debt investment and finance. They provide a methodology for investors and lenders (capital providers) to assess the credibility of a real economy entity’s transition ambition, planning and investment, and are anchored to the goals of the Paris Agreement. Where real economy entities raise capital for the transition by issuing labelled bonds or through a labelled loan, they will in the first place have to align with the respective guidance from ICMA and the Loan Market Association (LMA) for credibility.

In the case of labelled instruments, the Guidelines can be used as additional complementary guidance.

The Guidelines consist of “Principles” and “Factors” which are used to assess an entity’s approach to transition:





The Guidelines are accompanied by an [Implementation Handbook](#). Other documents published by Working Groups 2 and 3 under the Council are: the Finance Playbook, the Long Duration Energy Storage (LDES) financing scale up roadmap, and four policy recommendations delivered for HM Government consideration. Going forward, the UK TFC's focus will shift from framework development to implementation and global engagement.

### ***Partnership for Carbon Accounting Financials (PCAF)***

In December 2025, the [Partnership for Carbon Accounting Financials](#) (PCAF) expanded its Standard (Part A) for accounting the financed emissions of portfolios, widely used by financial institutions and investors. Among other things, the updated standard provides guidance on the carbon footprint assessment of use-of-proceeds structures including green bonds. The new PCAF methodology recommends emissions accounting to be based on the underlying assets financed by the UoP bond, rather than the issuer's entity-level emissions. Separately in December 2025, PCAF published supplementary guidance entitled "[Financed avoided emissions & forward-looking metrics](#)".

### **S Regulatory and policy developments**

#### ***ICMA publishes commentary and recommendations for the SFDR review***

On 4 February, ICMA published its [position paper](#) outlining its commentary and recommendations on the Sustainable Finance Disclosure Regulation (SFDR) review. This follows the European Commission's (EC) [amendment proposal](#), published in November 2025, and intends to contribute to the upcoming EU co-legislation process. ICMA's paper also provides a detailed overview of EC's proposed key changes for SFDR 2.0, notably of the new ESG fund categorisation system. See also our [previous QR](#) (p.50) for a brief summary.

In short, ICMA welcomes the direction of travel of SFDR 2.0 which considers industry feedback for a simplified disclosure regime (eg deletion of entity-level PAI statements) and a clearer ESG fund categorisation system. The proposal reflects a shift towards a more prescriptive fund categorisation regime when compared with the current Article 8 and 9 disclosure-based system but accommodates some important flexibilities for the new categories of "Transition" (new Article 7), "ESG Basics" (new Article 8), and "Sustainable" (new Article 9) funds. The next step is that the European Council and the EU Parliament adopt their negotiating positions ahead of the trialogue process.

ICMA's recommendations for further improvement and clarification are summarised below concerning the general aspects of the SFDR 2.0:

- For the Transition and ESG Basics categories, we argue against the extension of the exclusion list to cover entities with legacy turnover exposure to hard coal and lignite as it could conflict with the objective of accelerating their transition.
- Asset managers should have the option to count non use-of-proceeds bonds of public entities into the 70% threshold of the Sustainable and Transition categories based on the principle of "proper justification" which is already embedded in the proposal, backed with transparent methodologies.
- Effective implementation should be ensured notably through the immediate application of the simplification measures (including the removal of entity-level Principle Adverse Impact (PAI) disclosures) and the timely publication of the operational Delegated Act(s), if any.
- Many market participants call for further voluntary guidance on some key terms, such as what it means to have a "credible" transition plan based on usable, practical, and inclusive definitions considering also international guidance in the space.
- The EU can encourage, on a voluntary basis, a universal disclosure for all relevant funds to disclose their exposure (%) to entities with credible transition plans/targets for their investments in high climate impact sectors.

We also comment specifically on the treatment of UoP bonds and sustainable fund categories:

- While eligible investment types, standards, indicators, and tools for each new product category are not specified in an exclusive manner, we recommend explicit recognition of sustainable bonds aligned with established and credible market standards such as the ICMA Principles.
- The exemptions foreseen for EU Green Bonds (EuGBs) from several exclusions should also apply to all UoP bonds aligned with established and credible international standards such as the ICMA Principles.
- For both EuGBs and ICMA-aligned UoP bonds, the new exclusions triggered by greenfield fossil fuel supply projects and coal power should not apply at the entity-level under Transition and Sustainable categories if the new project is not related to hard coal and lignite and the issuer is pursuing a credible transition trajectory backed by an entity-level strategy/plan. As a potential unintended drafting, the proposed EC draft currently implies a stricter regime for the Transition category than the Sustainable one, and therefore requires clarification or correction.
- Under the future potential Delegated Act(s), permitted limited deviation from the Paris-aligned Benchmarks exclusions should be introduced for the Sustainable category for green UoP bonds which allocate only a small (non-meaningful) portion of their proceeds to climate transition projects in line with the ICMA's recently published Climate Transition Bond Guidelines (CTBG).



### European Commission (EC) reverses its prohibition of CapEx refinancing in EU Green Bonds (EuGBs)

As highlighted in [our previous QR](#) (p.51) a dedicated FAQ issued by EC in November 2025 had created concerns among EuGB issuers as it had effectively prohibited refinancing of CapEx under EuGB issuances. ICMA has been engaging with the EC on this topic to find a fix.

On 16 March 2026, EC has helpfully [amended](#) its previous guidance and confirmed the eligibility of CapEx refinancing, correctly justified by the absence of a look-back period limitation in the [EU Green Bond Regulation](#).

Furthermore, the renewed FAQ guidance states that in the absence of a specific look back period provided by the EuGB Regulation, general market practice and standards, including investors' expectations of timelines for historical CapEx to be refinanced, are expected to guide the approach taken by issuers.

### Response to FCA Consultation on ESG Ratings regulation

On 31 March 2026, ICMA on behalf of its buy-side members [responded](#) to the FCA's [consultation](#) on its proposed approach to regulation of ESG ratings. Members overall agreed with the FCA's proposed approach including on the exclusion of firms that are providing ESG ratings as part of an existing activity that it already regulates. However, we proposed additional disclosures and added several points that are part of the EU's ESG Regulation such as fees charged to clients.

As background, the UK government, in its October 2021 policy paper "[Greening Finance: A Roadmap to Sustainable Investing](#)" said that it would consider bringing ESG ratings into the regulatory perimeter. On 14 November 2024, the government published a draft legislation, the "Statutory Instrument" or SI which frames how the regulatory perimeter for ESG ratings provision will be established. Once legislation is passed, the FCA will develop the standards and regulatory requirements that will need to be met by ESG rating providers.

The overall process of designing, developing and commencing the ESG ratings regulatory regime is expected to take approximately four years. On 27 October 2025, the government [laid](#) the requisite secondary legislation before Parliament and on 1 December 2025, prior to the regulatory regime being finalised and implemented, the FCA published

this consultation on its proposed approach to an ESG ratings regulation. Affected firms will then go through the authorisation process, with the regime ultimately going live at the end of the authorisation gateway.

### Taxonomies

On 17 March 2026, the EC [published](#) its proposed detailed amendments to the EU Taxonomy Technical Screening Criteria (TSC). The proposals for the renewed Climate Delegated Act (covering TSC for climate change mitigation and adaptation objectives) and Environmental Delegated Act (covering remaining four environmental objectives) are open for public feedback until 14 April.

The initiative sits in the broader context of the Omnibus simplification initiative whereby one of the main objectives is to enhance the EU Taxonomy's usability. The proposal is a second and more expanded phase of the EC's efforts to revise the detailed TSC. For background, other amendments were already finalised in January 2026 to specifically simplify generic Do No Significant Harm (DNSH) criteria of pollution prevention and control in relation to the use and presence of chemicals, alongside measures to ease Taxonomy reporting.

In March 2026, the Australian Sustainable Finance Institute released "[Australian Taxonomy-aligned Debt Guidance: Issuing use-of-proceeds debt](#)". It provides practical direction to establish a common understanding between issuers, external reviewers and investors regarding the taxonomy's application in use-of-proceeds issuances, supporting consistency and comparability in Australian sustainable debt markets.



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# FinTech and Digitalisation

by **Georgina Jarratt, Gabriel Callsen, Francisco Parente** and **Emma Thomas**



## **F** EC's Market Integration and Supervision Package – ICMA's Key Points on DLT and Innovation Aspects

The European Commission's Market Integration and Supervision Package (MISP) is an ambitious and broad piece of legislation that proposes substantial changes of financial markets regulation in the EU as part of the drive towards a Savings and Investment Union (SIU), aiming to eliminate barriers and fragmentation, encourage innovation and strengthen the EU's competitiveness.

From a DLT and innovation perspective, MISP includes a number of substantive amendments which are generally considered favourable for scaling digital (DLT-based) bond markets, falling broadly in line with ICMA's [recommendations](#). These include:

- A substantial increase in the scope of the DLT Pilot regime, especially with the (i) inclusion of new services, participants, and DLT settlement schemes, (ii) clarity on its duration, and (iii) rework and increase of its thresholds (with additional flexibility to make adjustments); and
- Amendments to sectoral legislation (primarily through changes to CDSR) and a proposal for new Settlement Finality Regulation, which place DLT-based securities and traditional securities on a mostly equal footing.

To ensure that the DLT Pilot Regime stays fit for purpose as the market develops, the delegation of powers to the Commission to further amend the maximum aggregate market value thresholds should also be extended to the permitted activities and participants that may take part in it.

ICMA members have raised concerns that the proposed changes in the MISP package are not sufficient as outlined below:

- Given the proposed changes are not expected to enter into force before 2027 at the earliest, there is a risk that the EU may fall behind other global jurisdictions. ICMA supports the fast-tracking of the DLT and innovation aspects of the MISP,

to ensure the current proposals stay fit for purpose and up to date in light of competitive dynamics and the pace of change of technology.

- While clarity on the DLT Pilot Regime's duration is deemed positive, the co-existence of a DLT-specific regime alongside the traditional framework is perceived to create a bifurcated market structure. This gives rise to additional complexity for established market participants such as potentially duplicative licensing requirements and additional supervision by ESMA.

ICMA's consolidated position paper on MISP can be found [here](#).



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## **DLT Bonds Working Group**

The first quarter of 2026 was marked by important announcements related to digital money and tokenisation by the European Central Bank, His Majesty's Treasury on a Digital Gilt, as well as by market infrastructures on securities tokenisation and digital settlement in the US and the UK, among others (see [ICMA's FinTech tracker](#)).

Following the [publication](#) of the Appia roadmap for Europe's tokenised finance by the Eurosystem on 11 March, ICMA's DLT Bonds Working Group held a series of meetings to review the roadmap and gather input with a view to responding to the Eurosystem's related public consultation in April 2026.

The Working Group's quarterly meeting held in March featured a presentation on Regulated Layer One, a DLT initiative led by a consortium of market participants. Other agenda items included ICMA's position paper on the European Commission's MISP package and key points on DLT and innovation, as well as the OECD's crypto-asset reporting framework and potential implications for DLT-based bonds.



Programmability and automation being key features of DLT and tokenisation, ICMA held a follow-up workshop on smart contracts and corporate actions for debt securities in February.

Further information on the Working Group and recent publications can be found on [ICMA's website](#).



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### Smart contracts for corporate actions of debt securities

ICMA's work on smart contracts follows from contributions to the Monetary Authority of Singapore's Project Guardian, ever since the initial release of the Guardian Fixed Income Framework (GFIF) in 2024. GFIF includes proposals on how to integrate ICMA's Bond Data Taxonomy (BDT) in smart contracts to automate lifecycle events of debt securities in a DLT environment.

In November 2025 and February 2026, ICMA's DLT Bonds Working Group held two workshops on smart contracts with an initial focus on fixed-rate coupon payments and redemption of debt securities. The purpose was to discuss definitions and divergences, take stock of existing industry initiatives and regulatory guidance related to smart contracts, consider ongoing post-trade harmonisation initiatives, identify current pain points in the lifecycle of a bond that could be addressed by smart contracts, and address the potential role of standards and focus areas going forward.

To become involved or learn more, please get in touch.



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### Bond Data Taxonomy Working Group

In the first quarter of 2026, ICMA's Bond Data Taxonomy (BDT) Working Group reviewed successive draft iterations of forthcoming BDT Version 2.0. In the quarterly meeting held in March, the fatal-flaw materials were reviewed, including a walkthrough of a redesigned BDT reference sheet. The reference sheet is an easy-to-navigate Excel sheet highlighting the core components, including data fields, that make up the XML structure of the BDT. The BDT Working Group provides governance and oversight of the BDT, a key

function of which is to review additions and enhancements to the BDT in line with market developments, and we thank them for their contributions.



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### MENAT Primary Market Innovation Roundtable

Alongside the ICMA MENAT Primary Market Forum in Dubai in February, ICMA convened a members-only roundtable on primary market innovation, bringing together issuers, banks, investors, infrastructure providers and law firms.

The discussion built on ICMA's Primary Market Innovation Project and the 2025 report "[Balancing Vision & Reality](#)", which distinguishes between workflow efficiency (process innovation) and longer-term model change. Participants confirmed that, while both are important, the immediate focus remains on improving existing workflows.

The roundtable highlighted the strong growth of Middle East primary markets, driven by sovereign issuance, Sukuk expansion and increasing activity in sustainable and digital bonds, including the region's first digital United Arab Emirates dirham-denominated benchmark issued by Emirates NBD in January this year. This growth brings clear opportunities, but it also raises operational challenges. As issuance volumes and diversity rise, so too do the demand on operational processes and resources, reinforcing the need for efficiency and scalability.

While the region's relatively limited legacy infrastructure may support faster adoption of new and innovative models and workflow processes, progress remains constrained by fragmentation and limited standardisation.

Data standardisation and interoperability were again identified as critical enablers, with ICMA's Bond Data Taxonomy (BDT) highlighted as a key foundation for both efficiency gains and future innovation.



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### F

## Regulatory Developments

### ***Bank of England and FCA: Operational incident, outsourcing and third-party reporting rules for financial market infrastructures***

On 18 March 2026, the [Bank of England](#) and [FCA](#) published their operational incident and outsourcing and third-party reporting (IOREP) rules for financial market infrastructures (FMIs). The FMIs that they supervise are crucial to the smooth operation of the UK financial system and the broader economy. The rules set a framework for high-quality and consistent reporting of the operational incidents and third-party arrangements that may have the greatest impact on financial stability. The rules and guidance will take effect on 18 March 2027.

### ***SEC: Clarification of the application of Federal securities laws to cryptoassets***

On 17 March 2026, the SEC [published](#) a clarification note explaining how federal securities laws apply to certain cryptoassets and transactions involving cryptoassets. This is a major step in the Commission's efforts to provide greater clarity regarding the Commission's treatment of cryptoassets and complements Congressional endeavours to codify a comprehensive market structure framework into statute.

### ***The Financial Markets Authority, Banque de France, General Directorate of the Treasury: Tokenisation industry group***

On 12 March 2026, the Financial Markets Authority, the Banque de France, and the General Directorate of the Treasury [launched](#) a strategic industry group dedicated to innovation and the tokenisation of finance. The intention is to promote the adoption of DLT to improve the French and European economy. The group will bring together institutions active across the financial ecosystem (issuers, investors, financial intermediaries, and infrastructure providers) and support the planned rollout of wholesale central bank digital currency in Europe.

### ***ECB: Appia Roadmap for a tokenised financial ecosystem***

On 11 March 2026, the Eurosystem [published](#) the roadmap for Appia, a strategic initiative to shape the development of a European tokenised financial ecosystem. Appia aims to build integrated, innovative and resilient tokenised wholesale financial markets in Europe. It has a long-term perspective and will investigate different configurations for DLT networks that could serve as basic infrastructures for wholesale financial services. It is part of the broader Eurosystem strategy for providing tokenised wholesale central bank money, alongside another initiative named Pontes. As part

of the Appia initiative, the Eurosystem recently [launched](#) a consultation giving public and private sector stakeholders the opportunity to provide feedback on the approach set out in the publication.

### ***ECB: Opinion on the proposed regulation as regards the simplification of the digital legislative framework (digital omnibus)***

On 10 March 2026, the ECB [published](#) its opinion on the Digital Omnibus, at the request of the European Parliament. Generally, the ECB supports the proposed regulation, and aims to simplify and optimise the application of the digital rulebook in the Union. However, the ECB has concerns regarding the extent to which the proposed regulation would give effect to the objective of simplification in specific cases where it does not alleviate the burden of regulatory compliance faced by businesses and public authorities. Accordingly, the ECB offers in this Opinion some specific technical observations and suggestions on the proposed regulation.

### ***Federal Reserve Board: Capital treatment of tokenised securities***

On 5 March 2026, the Federal Reserve Board [published](#) a set of FAQs on tokenised securities due to the increasing interest in representing ownership rights in securities using DLT. Questions include "What is the capital treatment for eligible tokenised securities?" and "Would a tokenised security qualify as financial collateral for purposes of the capital rule?". The responses highlight the technology neutral position of the Federal Banking Agencies, and as a consequence, the similar treatment of the securities. It also highlights that the technologies used to confer legal rights to a security do not impact its ability to meet the definition of "financial collateral" in the capital rule.

### ***ECB: Stablecoins and monetary policy transmission***

On 3 March 2026, the ECB [published](#) a paper studying the effect of stablecoin adoption on bank intermediation and the transmission of monetary policy. The paper finds that stablecoin adoption induces a deposit-substitution mechanism, whereby funds shift from retail bank deposits to digital assets, which increases banks' reliance on wholesale funding and can ultimately constrain their intermediation capacity. It also shows that stablecoins alter the passthrough of policy rates to bank funding costs and lending conditions, and potentially weaken the predictability of policy actions. Finally, it documents a potential risk associated with the growing prevalence of foreign-currency-denominated stablecoins.



### ***Bank of England: Synchronisation lab participants announced***

On 23 February 2026, the Bank of England [announced](#) the firms that will be participating in the Synchronisation Lab, launching in spring 2026. The Lab is a non-live environment that would allow prospective synchronisation operators to demonstrate how they would interact with the Bank's RT2 synchronisation capability (RT2 is the renewed core ledger and settlement engine). It will enable its participants to simulate the interactions required to achieve synchronised settlement.

### ***ECON: Draft report on digital assets***

On 19 February 2026, ECON [published](#) a report on the challenges for the competitiveness and integrity of the European Union's financial system as brought about by digital assets. The report launches a parliamentary motion and supports the long-term aim of a system-wide, activity-based and technologically neutral approach for the EU regulatory framework for financial services. It emphasises that the emergence of new technologies poses new challenges for the regulatory and supervisory framework and underlines the potential innovation and connectivity capabilities of cryptographically secured distributed ledgers and similar technologies for financial services infrastructure, both within the EU and for the EU's global role.

### ***SEC: Frequently asked questions relating to cryptoasset activities and DLT***

On 19 February 2026, the SEC [added](#) a question to its FAQs on cryptoasset activities and DLT. The question, "what haircut should a broker-dealer take in calculating its net capital under Rule 15c3-1 for a proprietary position in payment stablecoin?", was responded to with the following assessment: "the staff will not object if a broker-dealer treats a proprietary position in payment stablecoin as having a "ready market" under Rule 15c3-1, and takes a haircut of 2% of the market value of the greater of the long or short proprietary position in payment stablecoin in calculating its net capital".

### ***HM Treasury: Announcement of Digital Gilt platform provider***

On 12 February 2026, HM Treasury [announced](#) it had chosen HSBC Orion as the platform provider for the Digital Gilt Instrument (DIGIT) pilot issuance. This places the UK in pole position among the G7 nations to issue the first-ever tokenised sovereign bonds on a blockchain. HSBC Orion has to-date enabled the issuance of over USD3.5 bn in digitally native bonds globally across sovereign, supranational, central bank, financial institutional and

corporate sectors, and has been used in first-of-their-kind transactions, including the world's largest digital bond to-date, the multi-currency USD1.3 bn-equivalent green bond issued by the Hong Kong Government (2025).

### ***HM Treasury: Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026***

On 4 February 2026, HM Treasury [published](#) the updated Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026, along with an explanatory [memorandum](#). The statutory instrument delivers the UK's financial services regulatory framework for cryptoassets. It defines the principal categories of cryptoassets that will be part of regulation as "qualifying cryptoassets", "qualifying stablecoin" and "specified investment cryptoassets". It also specifies certain activities related to these assets will be regulated activities by the FCA.

### ***Securities Commission Malaysia: Practice note on offering of broking services for digital assets***

On 30 January 2026, the Securities Commission Malaysia [published](#) a practice note on the offering of broking services for digital assets. The Note sets out that under the Capital Markets and Services (Prescription of Securities) (Digital Currency and Digital Token) Order 2019 (PO Order), digital currency and digital tokens that meet the criteria are prescribed as securities (collectively referred to as digital assets).

### ***BIS: Project FuSSE exploring flexible, scalable and secure settlement engines***

On 29 January 2026, the BIS [published](#) the key findings from Project FuSSE, a proof-of-concept exploring how a modular, microservices-based architecture could support the design of settlement systems that could scale under sustained growth and stress conditions, adapt to change, and strengthen security through quantum readiness and cryptographic agility. Project FuSSE was launched in the context of continued expansion of digital payments, AI-driven commerce and broader fintech participation, raising new demands for scalability, flexibility and cyber resilience.

### ***U.S. Securities and Exchange Commission: Statement on tokenised securities***

On 28 January 2026, the U.S. SEC [published](#) a statement on tokenised securities as part of an effort to provide greater clarity on the application of the federal securities laws to cryptoassets. It is intended to assist market participants as they seek to comply with the federal securities laws and prepare to submit any necessary registrations, proposals,



or requests for appropriate action to the Commission or its staff. The statement defines a tokenised security as a financial instrument enumerated in the definition of “security” under the federal securities laws that is formatted as or represented by a cryptoasset, where the record of ownership is maintained in whole or in part on or through one or more crypto networks. The statement includes a section on “issuer-sponsored tokenised securities” and “third-party tokenised securities”.

### ***ECB: Accepts marketable assets issued in CSDs using DLT-based services as eligible collateral***

On 27 January 2026, the ECB announced it would [accept](#) marketable assets issued in central securities depositories (CSDs) using DLT as eligible collateral for Eurosystem credit operations as of 30 March 2026. They must comply with Eurosystem collateral eligibility criteria and collateral management requirements. These criteria include availability for settlement in eligible securities settlement systems, which must be compliant with the CSD Regulation and reachable via TARGET2-Securities (T2S). In parallel, the Eurosystem has launched an ambitious work plan to explore if, how and under what criteria assets issued using DLT and not represented in eligible securities settlement systems could become eligible and be mobilised as Eurosystem collateral in the future jurisdictions in the euro area.

## **F Artificial Intelligence (AI) Regulatory Developments**

### ***MAS: AI risk management operationalisation handbook***

On 20 March 2026, the Monetary Authority of Singapore (MAS) [published](#) an AI Risk Management Operationalisation Handbook under Project MindForge. Project MindForge was launched in 2023 as the continuation of a multi-year legacy of proactive industry collaboration to address the responsible use of AI with the long-term leadership and support of the MAS. The document provides detailed guidance on the operationalisation of the implementation practices recommended in the Handbook.

### ***European Commission: Missed deadline for AI act guidance and delayed implementation on high-risk systems***

On 13 March 2026, the European Union Council [agreed](#) its position on streamlining the AI Act as part of the Digital Omnibus package, called “Omnibus VII”. Within the amendments introduced by the council is the proposal to adjust the timeline for applying rules on high-risk AI systems by up to 16 months, so that the rules start to

apply once the Commission confirms that the needed standards and tools are available. The delay was originally proposed in November 2025, and means that stand-alone high-risk systems (Annex III) and high-risk AI embedded in regulated products (Annex I) will follow in late 2027 and 2028. As part of this process, the council was also due to publish guidelines on high-risk AI classification by 2 February 2026, but [missed](#) the deadline.

### ***ESMA: Supervisory briefing on algorithmic trading***

On 26 February 2026, ESMA [issued](#) a supervisory briefing on algorithmic trading, providing the National Competent Authorities (NCA’s) with practical tools and clarified expectations for supervising firms engaged in algorithmic trading under MiFID II. It focuses on key areas where supervisory practices have diverged, including pre-trade controls, governance arrangements, testing frameworks and outsourcing of algorithmic trading systems.

### ***ESMA: AI adoption and trends in securities markets***

On 20 February 2026, ESMA [published](#) a report on recent trends related to the use of AI in securities markets. Based on a survey conducted in the summer of 2025 across the EU, it examines financial market participants’ self-reported use of AI and yields insights on the benefits and the challenges associated with AI’s growing relevance for firms’ competitiveness. The report finds firms’ sentiment on AI appears to be trending upwards, with 70% of firms anticipating an increase in AI-related investment between 2025 and 2027.

### ***FMSB: AI in trading, a practitioners’ view of the current landscape***

On 13 February 2026, the Financial Markets Stability Board (FMSB) [published](#) a report on AI in trading. This report addresses the main observations found by the FMSB on the use of AI in trading drawn from discussions with practitioners. It examines the use cases of AI, their risk profiles, and the suitability of existing control frameworks, seeking to advance the AI debate in financial markets. It finds that the most common use of AI is within smaller modules of larger systems, for example, analytics that assess liquidity conditions, make venue recommendations, inform pricing predictions, or produce trading metrics. The report also addresses control frameworks, human accountability, model risk and more.



### ***UK Treasury Select Committee: Report on the current approach to AI in financial services***

On 20 January 2026, the Treasury Select Committee, appointed by the House of Commons to hold HM Treasury, the Bank of England, the FCA, and others, to account, [published](#) a report finding these institutions are exposing the public and financial system to potentially serious harm due to their current wait-and-see approach towards the use of AI in financial services. It finds that the Bank, FCA and HM Treasury are not doing enough to manage the risks presented by the increased use of AI in the financial services sector and makes the recommendation for the Bank and the FCA to conduct AI-specific stress-testing to boost businesses' readiness for any future AI-driven market shock.

# ICMA Capital Market Research

*The Asian International Bond Markets: Issuance Trends and Dynamics, Sixth Edition*

**Published:** March 2026

**Authors:** Mushtaq Kapasi and Alex Tsang, ICMA

*ICMA European Repo Market Survey number 50 conducted December 2025*

**Published:** March 2026

**Author:** Richard Comotto, ICMA

*International Capital Market Association comments on European Commission Legislative package on market integration and supervision from 4 December 2025*

**Published:** March 2026

**Author:** Natalie Westerbarkey and Thorsten Guthke, ICMA

*The evolving landscape of ESG ratings and data products*

**Published:** March 2026

**Authors:** Nicholas Pfaff and Simone Utermarck, ICMA

*ICMA ERCC Briefing Note: The European repo market at 2025 year-end*

**Published:** January 2026

**Author:** Andy Hill, ICMA

*The Stablecoin question: An impractical distraction or a powerful alternative?*

**Published:** January 2026

**Author:** Francisco Parente, ICMA

*Bond Market Axe Distribution in Europe - An ICMA and FIX Trading Community White Paper*

**Published:** December 2025

**Author:** Andy Hill

*ICMA Guide to Asian Repo Markets: India (Members only)*

**Published:** 10 December 2025

**Author:** Richard Comotto

*ICMA European Repo Market Survey number 49 conducted June 2025*

**Published:** November 2025

**Author:** Richard Comotto, ICMA

*Creating the conditions to scale up the European commercial paper market*

**Published:** 19 November 2025

**Author:** Katie Kelly, ICMA

*Understanding the opportunity from carbon markets for sustainable finance and the wider market*

**Published:** 25 October 2025

**Authors:** Nicholas Pfaff, Mushtaq Kapasi, Alex Tsang and Christopher Matthew, ICMA

*ICMA Secondary Market Practices Committee - European Secondary Market Data Report H1 2025 - Corporate Edition*

**Published:** October 2025

**Authors:** Simone Bruno, ICMA

*ICMA ERCC white paper: Demystifying Repo Haircuts*

**Published:** 18 September 2025

**Authors:** Andy Hill and Alexander Westphal, ICMA

*ICMA Report: European Secondary Bond Market Data Sovereign Edition (H1 2025)*

**Published:** 27 August 2025

**Author:** Simone Bruno, ICMA

*ICMA Position Paper: NBF1 Macroprudential Framework for Bond Market Activity*

**Published:** 15 May 2025

**Author:** Andy Hill, ICMA

*ICMA Report: European Secondary Bond Market Data Corporate Edition (H2 2024)*

**Published:** 3 April 2025

**Author:** Simone Bruno, ICMA

*The Asian International Bond Markets: Issuance Trends and Dynamics (Fifth edition)*

**Published:** 26 March 2024

**Authors:** Mushtaq Kapasi and Alex Tsang, ICMA, with support from the Hong Kong Monetary Authority

*A time for change in the sustainable fund market - Reflections and Recommendations in a New Regulatory Environment*

**Published:** 25 March 2025

**Authors:** Nicholas Pfaff and Ozgur Altun, ICMA

*ICMA Report: European Secondary Bond Market Data Sovereign Edition (H2 2024)*

**Published:** 21 March 2025

**Author:** Simone Bruno, ICMA

*ICMA ERCC Briefing Note: The European repo market at 2024 year-end*

**Published:** January 2025

**Author:** Andy Hill, ICMA

*ICMA DLT Bonds Reference Guide*

**Published:** 11 December 2024

**Author:** Gabriel Callsen, ICMA

*ICMA Report: European Secondary Bond Market Data Corporate Edition (H1 2024)*

**Published:** 4 December 2024

**Author:** Simone Bruno, ICMA

# Pioneering women in finance

## Stacey Parsons The driving force behind retail access to UK bond markets

When the Financial Conduct Authority (FCA) published the new Public Offers and Admissions to Trading Regime (POATR) in January 2026, it marked a landmark modernisation of UK debt capital markets. Katie Kelly (**KK**) talks to Stacey Parsons (**SP**), Managing Director of RetailBook, about her significant role behind this shift, why it was a personal and professional milestone and what lessons she learned along the way.



**KK: Stacey, POATR landed on 19 January. What did that feel like?**

**SP:** Pride, collective pride. What stands out is how many people collaborated behind the scenes. Policy changes don't happen because one person shouts loudly, and this is a tangible example of where collective effort creates meaningful change when the industry comes together with a shared sense of responsibility. I'm very grateful to everyone along that journey, including my family.

**KK: Where did your journey with the POATR begin?**

**SP:** Retail access to bond markets has always been important to me, and I think that when you know a concept has merit, it's imperative not to let noise, doubt or early resistance derail it. Conviction is often the difference between a good idea and a realised one. So in 2022, I set up the Investor Access to Regulated Bonds (IARB) working group and convened a handful of experts in a room: issuers, intermediaries, regulators, HM Treasury and the government. We didn't leave until there was a credible path to safe retail investor access, and when the London Stock Exchange stepped in as Executive Sponsor, I knew we were on the right track.

**KK: What does it mean for individuals and for the UK?**

**SP:** The FCA's shift to a single disclosure standard will result in lower denominations, which in turn allows the broader UK public to invest in products that align with their goals, needs, risk appetite and income expectations. For the UK, it strengthens domestic capital raising and allows new capital to reach companies, and more participation in capital markets means more resilience.

Unlocking investor access to primary market transactions - both debt and equity - is where genuine participation can and does happen. It's that moment that matters, because in this case, success means more people investing for their future. This is important to me because a clear "why" made it easier to stay the course when challenges arose.

**KK: What was the hardest part, convincing the rule-makers or the market?**

**SP:** The whole process was anything but simple. Some said "*this can't be changed*", and at times it felt like persuading a super-tanker to parallel park! And I did listen widely, but I also filtered carefully, knowing which voices to act on and which to disregard.

Entrenched views around retail investors' understanding and the need for their capital had to be changed, which required demonstrating that lower denominations with proper guardrails doesn't mean lower standards or a slowdown in execution. But working through the details and the legal framework resulted in bonds being recognised as part of a healthy retail investment market. And I've always been clear: this is a milestone, not a finish line.

**KK: What do you mean by “milestone, not finish”?**

**SP:** There is much more to do over the next 12 months. My mission is to support the debt and equity ecosystem to truly deliver public inclusion – that means refining issuance workflows, denominations, documentation, distribution, disclosure and timing, all without disrupting the institutional market. There is a role for technology (and leveraging that of the equity markets) to support market integrity: simplifying what is complicated, without dumbing it down. Making communication clearer, processes simpler, and access fairer without compromising standards.

We also need to work on education and investor relations and rethink the language used with the public. In April, an industry-wide UK retail investment campaign will be launched, which combined with the FCA's targeted support regime, will help consumers to navigate important decisions across their investments.

Proof of concept will be important, so we'll pilot more straightforward listed bond transactions to test the end-to-end process, including communications and investor journeys, feeding back where relevant to ensure the regime evolves with market behaviour. This has already started with the UK Treasury Bill programme, enabling over £1bn of retail capital to flow directly to the UK Government over the past year.

My ambition is clear: a primary market where raising capital remains efficient for issuers and new issuance is accessible, understandable and trusted by a wider range of investors.

**KK: Let's talk about the person behind this. What did it take to keep going?**

**SP:** A stubborn streak, a good sense of humour and not being afraid to be the squeaky wheel in meetings! Speaking up, asking questions or challenging the status quo can be uncomfortable, but it's often necessary to make change happen.

Some days it felt like running up an escalator the wrong way. But persistence is key: sticking with something, especially in the face of naysayers, is often what innovation requires, and when your purpose aligns with your core values and stands up to your family over Sunday lunch, you keep going.

But persistence alone wasn't enough. Having the guiding principle and a clearly defined goal gave me the conviction to pursue it.

**KK: After 30 years working in the City, how has the journey changed you?**

**SP:** More grey hair and a few more wrinkles! But seriously, it has reinforced my belief that capital markets don't change themselves, we have to work together. If you're in the room looking after your own interests, you're in the wrong job, because real influence and change come from considering the bigger picture and the collective good. I've learned that both data and empathy can co-exist, which has sometimes steered me towards the “soft” points in hard technical debates. Markets are numbers, but they're also built on trust.

**KK: Any misconceptions you want to dispel?**

**SP:** For me, it was important to challenge conventional thinking and recognise that investors increasingly *want* to participate meaningfully in capital markets, not be excluded from them or constrained unnecessarily. So the industry needed to meet that expectation with proportionate, well designed processes rather than defaulting to restrictive, outdated and unhelpful assumptions, such as that retail investor participation is inherently “risky” or that retail investors are somehow “uneducated”.

A related misconception is that retail investors require days to engage in capital markets, yet it is striking how equity markets have progressed rapidly with technology and digital enablement where debt markets have lagged. As a leader, it is important to see this as an opportunity rather than an obstacle, because there is no structural reason why these efficiencies should not translate. Technology, with the right safeguards, can facilitate timely access and informed participation without compromising market integrity.

**KK: What advice would you give yourself back in 2022?**

**SP:** When faced with “that's how we've always done it”, don't be afraid to challenge tradition, stay steady, trust your vision and keep going. You'll smile (or cry) later when everyone celebrates the very change you believed in from the start.

*As well as Managing Director of RetailBook, Stacey is founder and Chair of the IARB working group. A long-standing member of the London Stock Exchange Group's Primary Markets Group, she was recognised in the 2025 Innovate Finance Fintech Powerlist for championing investor inclusion across UK capital markets.*



**Katie Kelly is Senior Director, Market Practice and Regulatory Policy, ICMA**

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# ICMA Events, Education and Training

This year, ICMA has continued to deliver a full schedule of in-person conferences, addressing the latest developments across sustainable finance, FinTech and digitalisation as well as primary and secondary markets, with particular focus on emerging markets.

## Highlights from the LMA-ICMA Annual Africa Summit 2026 in Cape Town

The inaugural **LMA-ICMA Annual Africa Summit 2026** attracted nearly 1,200 delegates in Cape Town to hear from industry experts on strengthening Africa’s capital markets. Bringing together policymakers, investors, issuers and DFIs, the Summit focused on mobilising capital more effectively, deepening market infrastructure and driving integration across the continent.

Day 1 examined Africa’s position in a shifting global financial landscape, highlighting the need for transparency, credible policies and market-building reforms to counter persistent risk. Thought provoking discussions on the main stage centred on developing both the loan and bond markets, strengthening local currency ecosystems, improving benchmark and repo frameworks, and enhancing the role of private credit and DFIs in unlocking capital.

Industry-led breakout sessions emphasised that sustainable, scalable financing depends on robust market plumbing including legal certainty, harmonised standards and operational readiness, alongside better risk-sharing structures.

Day 2 turned to the outlook for 2027 and beyond: digital innovation, securitisation, and tools to expand access to finance. Speakers stressed that Africa’s opportunity depends not just on available capital but on the systems that enable efficient capital flow -interoperable digital infrastructure, improved information, and smarter regulation.

Roundtables addressed rebuilding confidence in sustainability-linked bonds, while technical workshops strengthened market capacity across syndicated lending, fund finance, securitisation and credit risk insurance.

The closing session of the formal agenda, Africa Capital Markets Roadmap, set out a shared vision for 2030: more investable, integrated and transparent markets, supported by deeper local currency funding, credible regulation, harmonised standards and stronger partnerships across public and private sectors. The audience was left with a powerful message: Africa’s opportunity is real—now the priority is execution.

The final afternoon of the Summit featured a series of Industry-led specialised technical training workshops designed to deepen practitioner knowledge across key areas of Africa’s loan, credit, repo, and securitisation markets.

We would like to thank our sponsors, speakers and attendees for their support.

**SAVE THE DATE:** 17 & 18 March 2027, when we return to Cape Town for the LMA-ICMA Annual Africa Summit 2027!



## Highlights from the China Debt Capital Market Annual Forum 2026

On 31 March 2026, ICMA held its third China Debt Capital Market Annual Forum in Beijing. The forum attracted over 400 industry professionals, including key representatives from the official sector and market participants. The full-day event featured a series of keynote speeches and panel discussions examining the latest market and regulatory developments in the domestic Chinese and international bond markets.

**Bryan Pascoe, Chief Executive, ICMA**, highlighted the importance of RMB internationalisation, sustainable finance, repo market opening, and ongoing enhancements to cross-border infrastructure to improve liquidity and resilience. He noted the significance of the People's Bank of China's recent recognition of ICMA's Global Master Repurchase Agreement (GMRA) for onshore repo, reaffirming ICMA's commitment to supporting China's long-term market development and international integration.

**Deputy Director General Dai Ze, Financial Market Department, People's Bank of China (PBOC)**, delivered the first keynote, outlining recent opening-up measures in China's bond market and further initiatives to come. The second keynote, from **Deputy Director General Huang Jianshan, Department of Bond Supervision, China Securities Regulatory Commission (CSRC)**, outlined developments across China's capital market and the bond, ABS, and REITs segments under CSRC oversight. He noted that China's multi-layered market system continues to expand, with the exchange bond market playing an increasingly central role in supporting real-economy financing and accommodating a diverse investor base.

**Lu Ying, Deputy General Manager of Corporate Banking and Investment Banking Department at Bank of China**, pointed out that the allocation value of RMB bonds is increasingly prominent amid the reshaping of the global capital landscape. She noted growth in both the Panda bond and Dim Sum bond markets with an increasingly diversified issuer base and rising long-term investors.

**Panel 1: Recalibrating China's Value in Global Capital Markets**, moderated by moderator **Rocky Tung**, Executive Director and Board Member of the Financial Services Development Council (FSDC), alongside panellists **Domenico Nardelli**, Acting Chief Financial Officer and Treasurer of the Asian Infrastructure Investment Bank (AIIB); **Lei Wang**, Assistant Treasurer in the Client Solutions Division of the Asian Development Bank (ADB); **Toby Cheung**, Senior Vice President for FIC Product Development at the Hong Kong Exchanges and Clearing (HKEX); and **Zhao Xin**, Deputy Director of the Financial Innovation Promotion Department at the National Association of Financial Market Institutional Investors (NAFMII). The panel examined how China's market scale, reforms, and connectivity frameworks are reshaping its global position. Panellists stressed the need for clearer investment frameworks, stronger liquidity tools, and improved cross-border infrastructure, alongside the rising importance of green and technology-oriented financing.

The panel was followed by a keynote from **Zamir Iqbal, Vice President (Finance) and CFO of the Islamic Development Bank**, who highlighted the bank's long-standing mission supporting sustainable development across its member countries. He described its emphasis on infrastructure, poverty reduction, green growth and economic resilience, financed through real-economy and ethical principles. Despite global volatility, Islamic finance and sukuk continue to expand. He pointed to significant potential for deeper China engagement, noting that sukuk could serve as both a liquidity management tool and a bridge between China's markets and the Islamic financial world.

**Panel 2: From Vision to Action - Financing for Sustainable Development and Transformation Activities**, featured moderator **Beibei Gu**, Vice President of the Green Finance Forum of 60 (GF60), alongside panellists **Arnaud Delestienne**, Chief Commercial Officer and Executive Committee Member of the Luxembourg Stock Exchange; **Fanny Zou**, Greater China Vice President of Bureau Veritas; **Rahul Ghosh**, Managing Director and Global Head of Sustainable Finance at Moody's Ratings; and **Shuangbo Shen**, Chief Operating Officer of China Chengxin Green Finance International (CCXGFI). The panel explored the maturing sustainable finance landscape, evolving green and transition instruments, credible taxonomies, and the importance of transparency for investor confidence. Speakers highlighted China's rapid growth in green and ESG bonds, the role of external verification, and the challenges of cross-jurisdiction harmonisation.

From an offshore market perspective, **Darryl Chan, JP, Deputy Chief Executive of the Hong Kong Monetary Authority (HKMA)**, highlighted Hong Kong's strategic role in Asia's rapidly recovering bond market. He emphasised that conditions are now highly favourable for further internationalisation of RMB bonds, supported by a stable exchange rate, low RMB borrowing costs, investors' growing need for diversified allocations, and the increasing use of RMB in global trade. He also outlined how Hong Kong's efforts align with China's national financial development strategy, detailing the HKMA's plans to deepen cross-border market connectivity, enhance market infrastructure, develop a more comprehensive offshore RMB yield curve, advance digital bond initiatives, improve risk and liquidity tools, and upgrade the CMU into a leading regional securities depository—all aimed at unlocking the full global potential of RMB bonds.

Then, **Dr Eric Yip, Executive Director, Intermediaries, Securities and Futures Commission of Hong Kong** reviewed that, unlike other major markets where fixed-income activity dominates, Hong Kong's bond market remains comparatively underdeveloped, signalling considerable untapped potential. He emphasised the strategic significance of the FIC Roadmap jointly launched by the SFC and HKMA, and outlined progress on a feasibility study for a new fixed-income platform to strengthen the CNH market and supports the full lifecycle of fixed-income products, enabled by effective market-maker mechanisms, richer data and deep integration with Bond Connect, Swap Connect and other infrastructures, alongside prudent exploration of AI and tokenisation.



From an exchange’s perspective, **Kevin Fan, Head of Fixed Income and Currency (FIC) Product Development, HKEX** noted the rapid rise of offshore RMB bonds and dim sum bonds, underscoring Hong Kong’s status as the world’s primary listing venue for such products. He outlined HKEX’s priorities under the new FIC roadmap, including broadening the types of bond products eligible for listing, streamlining rules and processes, strengthening promotion efforts, and enhancing secondary market liquidity through improved trading infrastructure, bond ETFs, and the development of robust bond indices. He also detailed HKEX’s investments in clearing and custody infrastructure and its commitment to enhancing risk management tools.

At a fireside chat moderated by **Min Zhu, Chief Market Officer of Bank of China London Branch, Ma Jun, Chairman of the China Green Finance Committee, and Sacha Sadan, Director of Sustainable Finance at the UK Financial Conduct Authority (FCA)** shared their perspectives on market and regulatory developments in sustainable finance. Ma Jun underscored the importance of the China-EU Common Ground Taxonomy in harmonising global standards, reducing financing frictions and enabling cross-border capital flows with growing adoption across Asia. He also pointed to China-UK opportunities that pair Chinese green technologies with London’s global capital pools to support sustainable infrastructure in emerging markets. Sacha Sadan echoed the need for convergence around shared frameworks, especially for transition instruments, and stressed the importance of practical cooperation on innovation, data quality and funding mechanisms to help climate technologies scale.

Representing the Greater China region, **Vong Sin Man, Chairman of the Monetary Authority of Macao**, outlined Macao’s efforts to build a modern financial sector—particularly its bond market—to diversify its tourism-dependent economy. He noted national support and Macao’s role as an offshore platform connecting China with global markets, especially Portuguese-speaking countries. He highlighted key milestones including the launch of Macao’s bond platform, sovereign and local issuances, the establishment of the Macao Central Securities Depository and recent connectivity with Hong Kong’s CMU.

**Huang Ning, Deputy General Manager of Shanghai Clearing House (SHCH)**, shared how an onshore financial market infrastructure drives the development of China’s green bond market. **Zhongxia Jin, Director General, Treasury and Portfolio Management, New Development Bank**, highlighted China’s bond market as a growing global anchor, noting its stability, diversification potential, and increasing appeal to foreign issuers. He cited strong growth in panda bonds and the importance of expanding multilateral participation, improving liquidity and risk-management tools, and advancing toward greater capital-account convertibility to support China’s ambition of building a more internationally integrated financial centre.

**Charles Li, Founder and Chairman of Micro Connect**, argued that a vast share of real-economy activity—especially SMEs—cannot be captured by traditional bond or equity markets. Using AI, Micro Connect aggregates millions of small cash-flow streams into standardised, investable units known as Cash Flow Obligations (CFOs), creating a new asset class based on real-time operating revenue. He suggested this could become a major future source of underlying assets for global ABS and fixed income markets, expanding what bond investors can access traditionally.

The final session of the day, **Panel 3: Raising Finance in a Globally-Connected Capital Market** featured moderator **Mushtaq Kapasi**, Managing Director and Chief Representative for Asia-Pacific at ICMA, alongside panellists **Christine Zhang**, Managing Director for Sovereign Rating & Overseas Business at China Chengxin International Credit Rating; **Guiping Lu**, Partner at K&L Gates; **Matthias Szabo**, Head of Debt Listings at the Vienna Stock Exchange; and **Sabino Fornies Martinez**, Minister Counsellor for Economic and Financial Affairs at the EU Delegation to China. The discussion examined the dynamic relationship between China and global capital markets, with speakers highlighting that trust, transparency and stronger alignment with international standards are essential to deepen two-way investment. They also pointed to tightening regulatory expectations around due diligence and conduct, and the importance of rule of law in supporting RMB internationalisation.

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# Glossary

ABCP	Asset-Backed Commercial Paper	ESFS	European System of Financial Supervision	MiFID	Markets in Financial Instruments Directive
ABS	Asset-Backed Securities	ESG	Environmental, social and governance	MiFID II/R	Revision of MiFID (including MiFIR)
ADB	Asian Development Bank	ESM	European Stability Mechanism	MiFIR	Markets in Financial Instruments Regulation
AFME	Association for Financial Markets in Europe	ESMA	European Securities and Markets Authority	MISP	Market Integration & Supervision Package
AI	Artificial Intelligence	ESRB	European Systemic Risk Board	ML	Machine learning
AIFMD	Alternative Investment Fund Managers Directive	ESRS	European Sustainability Reporting Standards	MMF	Money market fund
AMF	Autorité des marchés financiers	ETF	Exchange Traded Fund	MOU	Memorandum of Understanding
AMIC	ICMA Asset Management and Investors Council	ETP	Electronic trading platform	MREL	Minimum requirement for own funds and eligible liabilities
AMI-SeCo	Advisory Group on Market Infrastructure for securities and Collateral	€STR	Euro Short-Term Rate	MTF	Multilateral Trading Facility
APA	Approved publication arrangements	ETD	Exchange-traded derivatives	NAFMII	National Association of Financial Market Institutional Investors
APP	ECB Asset Purchase Programme	EURIBOR	Euro Interbank Offered Rate	NAV	Net asset value
AUM	Assets under management	Eurosystem	ECB and participating national central banks in the euro area	NBFI	Non-Bank Financial Intermediation (or Intermediaries)
BCBS	Basel Committee on Banking Supervision	FAQ	Frequently Asked Question	NCA	National competent authority
BDT	Bond Data Taxonomy	FASB	Financial Accounting Standards Board	NCB	National central bank
BIS	Bank for International Settlements	FCA	UK Financial Conduct Authority	NPL	Non-performing loan
BMCG	ECB Bond Market Contact Group	FEMR	Fair and Effective Markets Review	NSFR	Net Stable Funding Ratio (or Requirement)
BMR	EU Benchmarks Regulation	FICC	Fixed income, currency and commodity markets	OEF	Open-ended fund
bp	Basis points	FIIF	ICMA Financial Institution Issuer Forum	OJ	Official Journal of the European Union
BRRD	Bank Recovery and Resolution Directive	FinAC	ICMA FinTech Advisory Committee	OMTs	Outright Monetary Transactions
CAC	Collective action clause	FMI	Financial market infrastructure	OTC	Over-the-counter
CBDC	Central Bank Digital Currency	FMSB	Financial Markets Standards Board	OTF	Organised Trading Facility
CCBM2	Collateral Central Bank Management	FPC	UK Financial Policy Committee	PBOC	People's Bank of China
CCI	Consumer Composite Investment	FRN	Floating rate note	PCS	Prime Collateralised Securities
CCP	Central counterparty	FRTB	Fundamental Review of the Trading Book	PEPP	Pandemic Emergency Purchase Programme
CDM	Common Domain Model	FSB	Financial Stability Board	PMP	ICMA Primary Market Practices Committee
CDS	Credit default swap	FSC	Financial Services Committee (of the EU)	POATRS	Public offers and admissions to trading regime
CIF	ICMA Corporate Issuer Forum	FSOC	Financial Stability Oversight Council (of the US)	PRA	UK Prudential Regulation Authority
CJEU	Court of Justice of the EU	FTT	Financial Transaction Tax	PRIIPs	Packaged Retail and Insurance-Based Investment Products
CMU	EU Capital Markets Union	G20	Group of Twenty	PSIF	Public Sector Issuer Forum
CoCo	Contingent convertible	GBP	Green Bond Principles	QE	Quantitative easing
COREPER	Committee of Permanent Representatives (in the EU)	GDP	Gross Domestic Product	QMV	Qualified majority voting
CPC	ICMA Commercial Paper Committee	GFMA	Global Financial Markets Association	RFQ	Request for quote
CPMI	Committee on Payments and Market Infrastructures	GHG	Greenhouse gas	RFrs	Near risk-free reference rates
CPSS	Committee on Payments and Settlement Systems	GHOS	Group of Central Bank Governors and Heads of Supervision	RM	Regulated Market
CRA	Credit rating agency	GMRA	Global Master Repurchase Agreement	RMB	Chinese renminbi
CRD	Capital Requirements Directive	GRCF	ICMA Global Repo and Collateral Forum	RPC	ICMA Regulatory Policy Committee
CRR	Capital Requirements Regulation	G-SIBs	Global systemically important banks	RSP	Retail structured products
CSD	Central Securities Depository	G-SIFIs	Global systemically important financial institutions	RTS	Regulatory Technical Standards
CSDR	Central Securities Depositories Regulation	G-SIIs	Global systemically important insurers	RWA	Risk-weighted asset
CSPP	Corporate Sector Purchase Programme	HFT	High frequency trading	SDR	Special Drawing Right
CSRD	Corporate Sustainability Reporting Directive	HKMA	Hong Kong Monetary Authority	SEC	US Securities and Exchange Commission
CT	Consolidated tape	HMRC	HM Revenue and Customs	SFC	Securities and Futures Commission
CTP	Consolidated tape provider	HMT	HM Treasury	SFDR	Sustainable Finance Disclosure Regulation
DCM	Debt Capital Markets	HQLA	High Quality Liquid Assets	SFT	Securities financing transaction
DEI	Diversity, equity and inclusion	HY	High yield	SGP	Stability and Growth Pact
DLT	Distributed ledger technology	IAIS	International Association of Insurance Supervisors	SI	Statutory instrument
DMO	Debt Management Office	IASB	International Accounting Standards Board	SLB	Sustainability-Linked Bond
DNSH	Do No Significant Harm	IBA	ICE Benchmark Administration	SMEs	Small and medium-sized enterprises
DvP	Delivery-versus-payment	ICMA	International Capital Market Association	SMPC	ICMA Secondary Market Practices Committee
EACH	European Association of CCP Clearing Houses	ICSA	International Council of Securities Associations	SMSG	Securities and Markets Stakeholder Group (of ESMA)
EBA	European Banking Authority	ICSIDs	International Central Securities Depositories	SARON	Swiss Average Rate Overnight
EBRD	European Bank for Reconstruction and Redevelopment	IFRS	International Financial Reporting Standards	SOFR	Secured Overnight Financing Rate
EC	European Commission	IG	Investment grade	SONIA	Sterling Overnight Index Average
ECB	European Central Bank	IIF	Institute of International Finance	SPV	Special purpose vehicle
ECJ	European Court of Justice	IMMFA	International Money Market Funds Association	SRF	Single Resolution Fund
ECOFIN	Economic and Financial Affairs Council (of the EU)	IMF	International Monetary Fund	SRM	Single Resolution Mechanism
ECON	Economic and Monetary Affairs Committee of the European Parliament	IMFC	International Monetary and Financial Committee	SRO	Self-regulatory organisation
ECP	Euro Commercial Paper	IOSCO	International Organization of Securities Commissions	SSAs	Sovereigns, supranationals and agencies
EDDI	European Distribution of Debt Instruments	IRS	Interest rate swap	SSM	Single Supervisory Mechanism
EDGAR	US Electronic Data Gathering, Analysis and Retrieval	ISDA	International Swaps and Derivatives Association	SSR	EU Short Selling Regulation
EEA	European Economic Area	ISLA	International Securities Lending Association	STS	Simple, transparent and standardised
EFAMA	European Fund and Asset Management Association	ISSB	International Sustainability Standards Board	SWES	System-wide exploratory scenario exercise
EFC	Economic and Financial Committee (of the EU)	ITS	Implementing Technical Standards	T+1	Trade date plus one business day
EIB	European Investment Bank	KID	Key information document	T2S	TARGET2-Securities
EIOPA	European Insurance and Occupational Pensions Authority	KPI	Key performance indicator	TD	EU Transparency Directive
ELTIFs	European Long-Term Investment Funds	LCR	Liquidity Coverage Ratio (or Requirement)	TFEU	Treaty on the Functioning of the European Union
EMIR	European Market Infrastructure Regulation	L&DC	ICMA Legal and Documentation Committee	TLAC	Total Loss-Absorbing Capacity
EMTN	Euro Medium-Term Note	LEI	Legal Entity Identifier	TMA	Trade matching and affirmation
EMU	Economic and Monetary Union	LIBOR	London Interbank Offered Rate	TONA	Tokyo Overnight Average rate
EP	European Parliament	LTRO	Longer-Term Refinancing Operation	TR	Trade repository
ERCC	ICMA European Repo and Collateral Council	LMT	Liquidity management tool	VNAV	Variable net asset value
ESAP	European single access point	MAR	Market Abuse Regulation		
ESAs	European Supervisory Authorities	MENA	Middle East and North Africa		
ESCB	European System of Central Banks	MENAT	Middle East, North Africa and Turkey		
		MEP	Member of the European Parliament		



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