Structure and work-streams

- **Secondary Market Practices Committee**
  - Market liquidity and quality
  - MiFID II/R
    - MiFID II/R Working Group
  - CSDR & Buy-ins
    - CSDR/Buy-ins Working Group
  - Electronic Trading
    - Electronic Trading Working Group
    - Platform Working Group
Secondary Market Practices Committee (‘SMPC’)

“The ICMA Secondary Market Practices Committee is an open forum for sell-side and buy-side member firms active in the European investment grade corporate bond secondary market. Through open dialogue and engagement, as well as through its subsidiary working groups and work-streams, it seeks to be the representative body of the European corporate bond secondary market: addressing practical issues directly relevant to market practitioners; standardizing market best practice; disseminating relevant market information; and promoting the best interests of an efficient and liquid market.”
Secondary Market Practices Committee

- Open forum for sell-side and buy-side member firms
- Focus on pan-European IG corporate bond markets
- Meets four times a year
- Provides focus for ICMA secondary market initiatives, work-streams, and Working Groups

Key functions:
- Agreeing best practice for the corporate bond secondary market.
- Maintaining and developing the ICMA Rules and Recommendations for the secondary market (‘The ICMA Rule Book’) to ensure that they remain relevant and consistent with regulatory requirements.
- Leading initiatives to improve corporate bond secondary market liquidity and efficiency.
- Providing a forum for discussing the likely impact of relevant regulation on secondary market practices, and for consolidating input and feedback in the regulatory consultation process.
Secondary Market Practices Committee

- Research, studies, and white papers
  - The current state and future evolution of the investment grade corporate bond secondary market: perspectives from the market (2014)
  - Projected follow-up paper on corporate bond market and liquidity Q2 2016

- Engagement with policy makers and regulators
  - Meetings with EC, ESMA, BoE, ECB, IOSCO, et al.
  - DG FISMA CMU representative invited to SMPC meeting on February 4th 2016

- Consultation responses
  - Fair and Effective Market Review (January 2015)
  - Call for Evidence (January 2016)
Secondary Market Practices Committee

- Active members include:
  - Banca IMI
  - BlackRock
  - Citi (co-chair)
  - Daiwa
  - Deutsche Bank
  - EIB
  - Goldman Sachs
  - JP Morgan
  - KBC AM
  - Lloyds Banking Group
  - Mizuho
  - Morgan Stanley
  - Nomura
  - Nordea Investment
  - Schroders
MiFID II/R Working Group

- Focus primarily on (with respect to bonds):
  - Pre- and post-trade transparency; including liquidity calibrations, waivers and deferrals, and the systematic internaliser regime
  - Best execution requirements
  - Implications for securities financing transactions

- Produce briefing notes, presentations, and ‘Q&As’ related to key details and potential implications of the regulation

- Works with various regulatory bodies (Commission, ESMA, FCA) on issues of advocacy and points of clarification

- Responses to relevant consultations (ESMA, FCA)

- Held workshop in January 2016 to identify key issues for focus of:
  - Clarification in the Level 3
  - Further advocacy work related to the finalization of the Level 2
CSDR/ Buy-in Working Group

- Advocacy work related to CSDR settlement discipline (in particular mandatory buy-ins)
  - Meetings with ESMA and the EC
  - Responses to consultation papers
  - Impact Study (February 2015)
  - Influenced Level 2 RTS (trader level, maximum extension period, asymmetry of payments)
  - Pushed for a delay in implementation

- Review of ICMA Buy-in Rules
  - More flexibility
  - Consistent with CSDR
  - Allow for buy-in auction

- Aged-Fails Auction Initiative

- Buy-in Auction Initiative
Electronic Trading

- Electronic Trading Working Group (ETWG)
  - Sell-side and buy-side firms active in fixed income trading
  - Focus is on establishing critical features required for successful fixed income trading platforms and electronic trading solutions
  - Over Q1 will host presentations by various platforms, followed by Q&A

- Platform Working Group
  - Forum for electronic trading platforms and electronic solutions
  - Will present to and interact with ETWG members
  - Focus on key issues facing platforms (regulatory and market evolution)

- Electronic Trading Platform Mapping
  - Live directory of European fixed income electronic trading platforms and functionality (on ICMA website)
ICMA Secondary Market Structure and Work-Streams

Communication and advocacy

- SMPC
- MiFID II WG
- CSDR/Buy-in WG
- Electronic Trading WG
- Platform WG

Facilitation and output

- Forum to discuss key market issues and to set purpose, objectives, and priorities
- Forum for discussing and interpreting MiFID II issues, particularly related to implementation
- Development of ‘Aged-fails’ auction; revising the buy-in rules; advocacy on CSDR
- ETP mapping; forum for sell-side and buy-side to assess criteria and protocols of electronic trading solutions
- Forum bringing together ETPs, Information networks, and OMSs, to discuss key issues and market developments

Involvement:
- Regulators, Central Banks, and authorities
- Sell-side & buy-side members
- Infrastructure providers and associate members
- Non-members (mainly infrastructure providers)
Contacts

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