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Bond Price Distribution Definitions

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Background

In the second half of 2025, ICMA's Electronic Trading Working Group (ETWG), along with the FIX Trading Community, focused on an increasingly reported issue related to the quality of "axes" in the European bond market, in particular the corporate bond market. This resulted in the publication of the December 2025 white paper, "*Bond Market Axe Distribution in Europe*", which sought to articulate the main challenges and frustrations raised by market participants, presenting the various perspectives of buy-side and sell-side firms. While the paper does not set out recommendations to improve axe data quality and practices, it is viewed as a helpful starting point for industry work related to axe dissemination, and bond price distribution practices more widely, particularly across electronic platforms.

In addition to highlighting issues around axe quality, this work also raised broader questions about how different bond price distribution protocols are defined, and how these differ from one another. In order to address such questions, ICMA previously published its paper "*Industry guide to definitions and best practice for bond pricing distribution*" in May 2021. However, significant changes in market structure and even greater electronification and automation of trading since then have warranted revisiting this taxonomy and agreeing on a new set of definitions. To do this, ICMA consulted with firms active in the European bond markets, particularly credit trading, primarily through the ETWG, but also the FIX Trading Community as well as other relevant trade associations. The result is the revised framework for bond price distribution definitions set out herein.

The new definitions

The consultation focused primarily on refining the definition of an axe, particularly with respect to directionality, firmness, and size. The overarching view was that an axe, in general, can only be a bid or an offer, not both; however, participants agreed on two clear exceptions: firstly, where the liquidity provider is showing firm two-way prices to support a new issue in the first five business days after issuance; and secondly, where an algo and a trader at the same firm, independently, may be axed in different directions.

It was also agreed that streamed axes should be firm (ie executable), and that while both size and price remain negotiable, there is an expectation that the executable size may be larger than standard size for the bond, while the executed price should not be any worse than that being shown.

Further agreed suggestions included merging "run" and "market run" into a single defined protocol, and dividing streaming between indicative and firm streaming. In the case of firm streaming, the expectation is that the price and size being shown are executable ("click-to-trade").

Revised bond price distribution definitions (2026)

The revised definitions are set out below.

As with the 2021 definitions, the price distribution protocols are defined with respect to ***direction*** (bid or offer), ***price*** (largely indicative or firm), ***size*** (how much is the interest good for), ***interest*** (the intent of the quote), and ***timeframe*** (for how long the interest remains valid or executable).

	Market-run	Indicative Streaming	Firm Streaming	Axe
Direction	Bid and/or offer	Bid and/or offer	Bid and/or offer	Usually bid or offer[1]
Price	Indicative quote	Expected not to be materially different to quote	Firm[2]	Indicative but negotiable (should not be worse than quote)[3]
Size	Optional and indicative	Optional and indicative	Firm[2]	Indicative but negotiable (expectation of larger than standard size)[3]
Interest	For indication only	Intended to prompt enquiry	Firm[2]	Streamed axes: firm (based on indicative size) Non-streamed: subject to enquiry
Good until	NR	Cancelled	Cancelled	Streamed: cancelled Non-streamed: NR

1 Can be both bid and offer in exceptional circumstances, namely:
   i) Market-making to support liquidity in the first days of a new issue (but no longer than the first week).
   ii) Where an algo-generated axe is the opposite direction of a trader generated axe at the same house.
2 Firm is taken to mean executable ("click to trade").
3 In the case of algo-generated axes, price and size may not be negotiable.

Outcome

The revised taxonomy is intended to provide a clearer and more consistent, updated framework for bond price and interest distribution, both on and off venue, reflecting changes in market structure and electronic trading in recent years. Clear definitions, particularly with respect to axes, also help to underpin any assessment of dealer performance and reliability. And while the definitions are not supported by best practice guidelines, having a mutual understanding of what constitutes an axe as distinct from a market-run or an indicative or firm stream, should provide more solid rails for dealer-to-client engagement.

Annex: May 2021 Definitions

Cash bonds – corporates & sovereigns

	Run	Market-run	Axe	Streaming	Executable
Direction	Bid or offer/Optional to publish/Indicative (but should not change)	Bid and offer	Bid or offer	Bid or offer	Bid or offer
Price/Quote	Optional to publish/ Indicative state	Optional to publish/ Indicative state (but should show price)	Optional to publish/Indicative state	Mandatory to publish/ Indicative state	Mandatory to publish/Firm state
Size	Optional to publish/ Indicative state	Optional to publish/ Asymmetric or Identical/Indicative state	Mandatory to publish/Indicative state (but ideally firm)	Mandatory to publish/Firm state	Mandatory to publish/Firm state
Trade interest	Non-committal	Non-committal	Committed	Committed	Committed
Good until	N/A	N/A	Cancelled	Cancelled	Cancelled

See: https://www.icmagroup.org/assets/documents/Regulatory/Secondary-markets/ICMA-Industry-guide-to-definitions-and-best-practice-for-bond-pricing-distribution-May-2021-170521.pdf

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Electronic Trading Working Group

ICMA's Electronic Trading Working Group (ETWG) originates from ICMA's Electronic Trading Council (ETC), which was established under the umbrella of the Secondary Market Practices Committee (SMPC) as a forum for members to discuss the evolving ecosystem for electronic trading in secondary bond markets. The ETC was also responsible for two important deliverables: ICMA's much referenced mapping directory of European fixed income electronic trading platforms, which was originally created in 2015, and published in an updated version in July 2023, as well as the ground-breaking 2021 guide to definitions and best practice for bond pricing distribution, which was updated in 2026.

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