

Summary of practical initiatives by ICMA

The practical initiatives on which ICMA has been engaged over the past quarter with, and on behalf of, members include the following:¹

Primary markets

- 1 *PSIF*: The Public Sector Issuer Forum (PSIF), for which ICMA provides the Secretariat, met at the World Bank in Washington on 6 October. The agenda included a discussion with the US Department of the Treasury about US Treasury market trends.
- 2 *FMSB*: ICMA is reviewing, in its Primary Market Practices Committee, the new issue guidelines published on 17 November by the FICC Markets Standards Board (FMSB), and plans to submit comments by the deadline of 17 January.
- 3 *MAR*: On behalf of ICMA, Ruari Ewing made a presentation on market soundings under the new Market Abuse Regulation (MAR) regime to the European Sovereign Debt Managers' meeting in Brussels on 9 November; and briefed a PSIF conference call on 16 November on Article 6, which relates to SSA issuers. He has also held several other conference calls for members on market soundings under the new MAR regime for members.
- 4 *Prospectus Regulation*: ICMA held a useful meeting with the European Commission team on the Prospectus Regulation on 20 October at DG FISMA in Brussels, focusing mainly on the distinction between wholesale and retail disclosure and risk factor requirements. In response to a request by the Commission, ICMA also prepared a paper consisting of technical comments, prior to the agreement by co-legislators on the Level 1 text in December.
- 5 *Bank of Italy Article 129 rules*: ICMA has been working with members on the practical implementation of the Bank of Italy Article 129 rules on post-issuance reporting, and sent a letter to the Bank of Italy in December highlighting the most significant concerns.
- 6 *PRIIPs Regulation*: ICMA is engaging with both primary and secondary market participants to discuss the implications of the Packaged Retail and Insurance-based Investment Products (PRIIPs) Regulation, taking account of the proposed one-year delay in implementation until 1 January 2018, and working on standard language for selling restrictions and legends for prospectuses.

- 7 *FSB consultation on misconduct risk*: ICMA submitted a response on 9 November to an FSB questionnaire on governance frameworks to mitigate misconduct risk. The ICMA response focused on its work to set standards of good market practice.
- 8 *FCA consultation on disclosure guidance and transparency rules*: ICMA has submitted a short response to the UK FCA consultation on its proposal to introduce a requirement for issuers to provide Legal Entity Identifiers (LEIs) when they file regulated information with the FCA.
- 9 *Primary Market Forum*: ICMA brought together 139 primary market participants from across the value chain at its 10th Primary Market Forum, hosted by Allen & Overy in London, on 23 November.

Secondary markets

- 10 *Corporate sector purchase programmes*: ICMA's Secondary Market Practices Committee held a meeting with the ECB on 3 November and with the Bank of England on 10 November to discuss their respective corporate sector purchase programmes.
- 11 *European Commission Expert Group*: Representing ICMA, Andy Hill has been invited to join the European Commission Expert Group on corporate bond market liquidity. The first meeting of the Expert Group was held in Brussels on 14 November.
- 12 *Presentation to ESMA on corporate bond market liquidity*: René Karsenti made a presentation on corporate bond market liquidity to the ESMA Securities and Markets Stakeholder Group in Paris on 10 November. The presentation was based on Andy Hill's second ICMA study of the subject, published in July.
- 13 *MiFID II and MAR*: ICMA has submitted recommendations to ESMA on Level 3 Q&A relating to MiFID II and MAR Investment Recommendations.
- 14 *MiFID II consolidated tape*: ICMA's Consolidated Tape Working Group responded to ESMA's consultation on RTS specifying the scope of the consolidated tape for non-equity financial instruments, and expressed market participants' concerns over ESMA's proposal for multiple consolidated tapes.

¹ ICMA responses to consultations by regulators are available on the ICMA website.

15 *Review of ICMA Buy-in Rules:* 74 members responded to ICMA's consultation on possible revisions to ICMA's Buy-In Rules intended to improve the efficiency and transparency of the buy-in process, while also keeping open the possibility of a buy-in auction mechanism. ICMA is considering potential revisions to the Buy-In Rules in consultation with the Secondary Market Practices Committee.

Repo and collateral markets

- 16 *Collateral management:* The ICMA European Repo and Collateral Committee (ERCC) has continued to provide input to help advance work on collateral being conducted under the auspices of the Commission's European Post-Trade Forum and the ECB's COGESI.
- 17 *ECB/IMF workshop:* Members of the ICMA ERCC participated in an ECB/IMF workshop on money markets, monetary policy implementation and market infrastructures on 24 October, and on 25 October met the ECB to discuss market developments. Discussions have also been held with the CGFS and the Bank of England.
- 18 *SFTR:* The ICMA ERCC submitted a detailed response to ESMA's second consultation on draft technical standards for the Securities Financing Transaction Regulation (SFTR) by the deadline of 30 November.
- 19 *MiFID II:* The ICMA ERCC has written to the European Commission seeking to resolve concerns about transaction reporting of SFTs with ESCB counterparties under MiFIR and the application of MiFID best execution reporting requirements in the case of repos.

Asset management

- 20 *Macroprudential policy and non-banks:* The ICMA Asset Management and Investors Council (AMIC) responded on 27 October, through its Fund Liquidity Working Group, to the European Commission consultation on macroprudential policy, focusing on the need for securities regulators to be more involved in the work of the ESRB.
- 21 *Bail-in:* Following the latest letter from the ICMA Bail-in Working Group, chaired by Tim Skeet, to the ECB on the need for transparent, consistent and comparable treatment of bad loans and encumbered assets, and the need for a consistent approach in achieving subordination, members of the Bail-in Working Group met representatives of the European Commission, the Single Resolution Board and the ECB in October and November to discuss the letter.

22 *AMIC Council:* The AMIC Council, chaired by Bob Parker, met at BlackRock in London on 7 November, with a record attendance, ahead of the AMIC Excom meeting on 25 November.

Capital market products

- 23 *ECPP:* ICMA organised a seminar on European Corporate Debt Private Placements (ECPP) at KBC in Brussels on 25 October, with Olivier Guersent, Director General of DG FISMA in the European Commission, as keynote speaker. ICMA also published an updated edition of the ECPP Market Guide, which was launched at the seminar.
- 24 *Green bonds:* The Green Bond Principles Official Sector Contact Group held its first meeting at HM Treasury on 18 November. On 22 December, ICMA was invited by the European Commission to be an observer on its new High Level Expert Group on Sustainable Finance.

Other meetings with central banks and regulators

- 25 *Brexit:* ICMA has continued to keep in contact on Brexit with the UK, the euro area and the EU authorities, and to discuss with members - both in the UK and the EU27 - through ICMA Market Practice and Regulatory Policy Committees how it can best help them to prepare.
- 26 *Other ICMA meetings with the ECB and the European Commission:* In addition to the other meetings referred to above, ICMA representatives also held meetings at the ECB with Ulrich Bindseil, Director General of Market Operations and others in Frankfurt on 24 November, and with Olivier Guersent, Director General of DG FISMA at the European Commission, and others on 30 November.
- 27 *Official groups in Europe:* ICMA continues to be represented, through Martin Scheck, on the ECB Bond Market Contact Group; through René Karsenti, on the ESMA Securities and Markets Stakeholder Group; and through Godfried De Vidts on the ECB Macroprudential Policies and Financial Stability Contact Group, the European Post Trade Forum and the Bank of England's Securities Lending and Repo Committee (SLRC).
- 28 *Official groups in Asia:* ICMA is an official member of China's Green Finance Committee under the auspices of the People's Bank of China, and the Green Finance Study Group under the G20.