

Bond = financial debt instruments that allow investors (creditor) to invest money (principal) to sovereigns, financials and corporates (borrowers) so to receive a fixed return with a defined maturity (interest income)

Market Practice & Regulation

Issuance - Primary Markets

“How do Primary Markets work?” : [video link](#)

- **Prospectus Regimes** in the EEA and UK [Listing Acts, papers] => Bond offering documentation and risk mitigation [forum]
- **EU MIFID** product governance, allocation, recording [in.primary]
- **Commercial Paper (CP)** & Certificates of Deposit (**CD**) [CPC] => Short-Term Funding Markets [STFM] FSB review [May 2024]

Global securitisation reform & prudential rules EU CRR III / CRD IV

- FSB report from July 2024 / EU CMU Action 6 / EU SIU
- convert illiquid assets, funding diversification, risk transfer
- need to create an effective, global credit channel [ICMASDF]

Trading - Secondary Markets

Global Bond Trading : Rules & Recommendations

- **Bond Market Transparency/Consolidated Tape CT** [MIFID WG] => Efficiency & safety in bond market trading, order execution policy
- **Bond Market Liquidity Task Force** [BMLTF / Basel III NSFR] => Resilience in a) EU Sovereign and b) Corporate Bond Markets
- **Electronic Trading Working Group** [ETWG] => Mapping directory of European fixed income trading platforms
- **Bond pricing distribution** [best practice & definitions guide] => Clarifying pre-trade bond pricing information

Repo & Collateral

“What is Repo & How does it work?” : [video link](#)

- **GRCF** Global Repo and Collateral Forum [GRCF]
- **ERCC** European Repo Collateral Council [ERCC] Guide to best practices in the European repo market
- **SFTR** Securities Lending, Repo & Collateral [SFTR IF]
- **ESG** Repo & sustainability [TF & report August 2024]
- **Clearing** bilateral & central clearing [EU EMIR / role of a CCP]
- **CSDR** Settlement discipline / cash penalties [CSDR WG]
- **T+1** Settlement cycle efficiency [T+1 Task Force]

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Key Policy Themes

Resilience

- banking capital
- liquidity & funding
- risk mitigation
- **stability of system & actors**

Efficiency

- enhance speed, capacity, volume
- improve transparency
- lower cost
- **market process optimisation**

Competitiveness

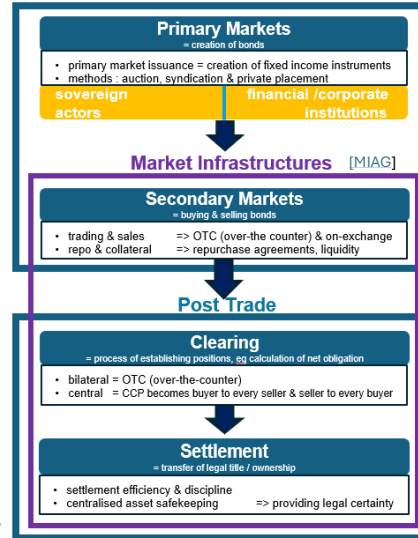
- incentives => mobilise private sector investment
- simplification => reduce regulatory burden
- harmonisation => reduce fragmentation, create scale
- **generating demand to finance growth**

Legal & Documentation

- ICMA Primary Market Handbook, sovereign debt
- SMRR [Secondary Market Rules & Regulations]
- GMRA [repo] = ICMA legal opinions in 70 jurisdictions
- GMRA Digital Asset Annex [including Digital Bonds]
- International Standards [LDC, Asia ALDF]

Bond Life-Cycle

Issuance & Investing



Actors

[ICMA committees]

Issuers

- National Debt Management Offices [DMOs]
- Sovereigns, Supranational & Agencies [SSAs] [ESIE]
- Financial & Non Financial Corporate Issuers [CIE] [EIE]

Investors

- retail = individual citizens, consumers
- institutional investors = buy-side [AMIC]
- asset managers, hedge funds, non-traditional
- pension funds, mutual funds
- insurance companies
- commercial / private banks
- central banks
- Sovereign Wealth Funds [SWFs]

Intermediaries

- underwriters / syndicate banks [PMPC, Asia ABSE]
- institutional = sell-side
 - broker/dealers
 - investment banks

Trading

- Exchanges, MTFs, trading facilities
- trading actors : some retail, largely institutional [SMPCC]

Clearing

- Central Counterparties [CCPs]
- clearing agent banks / clearing members

Settlement

- Central Securities Depositories [CSDs]
- 2 ICSDs [International CSDs : Eurobond market]
- T2S ECB [Target2Securities]
- depository banks / custodian banks

Service providers & vendors

- Credit Rating Agencies [CRAs]
- law, accounting & services firms
- data vendor platforms

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Strategic Policy Goals

Capacity Building

- **Policy makers** ICMA/IOSCO capacity building workshops & AMCC
- **Governments** local government bond launch partnerships [eg Korea]
- **IMF/World Bank** GSDR – Global Sovereign Debt Roundtable with G20
- **MDBs** technical assistance programmes [developing skills]
- **Regional** ICMA/CRR regional committees [eg Dubai]
- **Networking** ICMA Future Leaders [FLN] & Women’s Network [IWN]
- **Conferences** events in developed & frontier markets
- **Training** global education & certification in bond markets
- **Scholarships** international inclusion : Asia, Africa, Latin America

Capital Markets & Asset Management

- **EU CMU** Capital Markets Union [ICMA RPC , CMU & Bonds-EU paper]
- **EU SIU** Savings & Investment Union [EC DG FISMA 2024-2029]
- **EU ESAP** European Single Access Point corporate visibility for investors
- **EU RIS** Retail Investment Strategy [May 2023]
- **EU PEPP** pensions, savings and investments for retirement [product]
- **US 401(k)** tax efficient, capital markets pension savings tool
- **FSB/NBEI** Non-Bank Financial Intermediation, private credit & lending. Asset management policy developments AIFMD/UCITS, NBEI

Instruments & Product Types

- **selection of key terminology & product legislation**
 - **bonds = debt instrument**
 - investment grade / high yield
 - inflation-linked bonds
 - ‘Eurobonds’ / e-GN [2 ICSDs]
 - Short Term Instruments [CP / CD]
 - Sukuk (Islamic bonds)
 - **funds = collective investments**
 - **UCITS** traditional mutual funds
 - **AIFMD** alternative/hedge funds
 - **ETFs** exchange traded funds
 - active/passive index tracker funds
 - **ELTIF** long-term infrastr. funds
 - **MMF** Money Market Funds
- bond ‘drivers’ : issuer type, credit rating, interest rates, maturity, currency*

FinTech & Digitalisation

Regulatory Initiatives

engagement with regulatory authorities

- **Artificial Intelligence (AI) Working Group** [AICM] Responded to European Commission Consultation Governance frameworks eg EU AI Act
- **DLT Bonds Working Group** [DLT] Responded to HM Treasury’s consultation on a UK Digital Securities Sandbox
- **FinTech Regulatory Road Map** [link]
- **Distribution Ledger Tech (DLT)** [regulated directory]

Standards & Best Practices

process electrification & digitalisation

- **Bond Data Taxonomy** [BDT WG] automation of issuance and DLT-bonds [WG]
- **Common Domain Model** [CDM] automation code & interoperability
- **UK’s Industry Data Standards Committee** [IDSC]
- **Considerations for risk factors and disclosure in DLT bond documentation** [link]

Public Policy

international collaboration

- **Involvement in NTW-Contact Group** [link] Eurosystem’s New Tech Wholesale Settlement Contact Group
- **IOSCO AMCC FinTech Working Group** ICMA Advisory Committee [FinAC]
- **Involvement in Singapore MAS Project Guardian** Digital Bonds, Asset & Tokenization [link] Transformation to DLT

Sustainable Finance

Regulatory Initiatives

transparency & investor protection

- **EU Taxonomy** for sustainable activities [link]
- **SFDR** Sustainable Finance Disclosure Regulation
- **CSRD** Corporate Sustainability Reporting Directive
- **CS3D** Corporate Sustainability Due-Diligence Directive
- **EU GBS** Green Bond Standard [link]
- **ESMA Guidelines on ESG funds’ names** [link]
- **ESRS & ISSB**: European and International Sustainability Reporting Standards [link]
- **UK SDR**: Sustainability Disclosure Requirements [link]

Standards & Best Practices

product integrity & distribution

- **Global voluntary market standards** with Green, Social, Sustainability & Sustainability-Linked Bond principles [the Principles]
- **Additional thematic guidance** for sustainable bonds [e.g. transition, gender equality and blue]
- **Codes of conduct for ESG ratings & data providers**
- **Guidelines for other sustainable debt products** [repo, commercial paper and sustainable sukuk]
- Sustainable Finance research and thought leadership [e.g. greenwashing and transition]

Public Policy

climate transition & sustainability

- **Paris Agreement** treaty on climate change [2015] United Nations Framework Convention on Climate Change [UNFCCC or COP]
- **UN Sustainable Development Goals** [17 UN SDGs]
- **G20 Sustainable Finance Roadmap** [G20 SFWG]
- **IOSCO Sustainable Finance Taskforce** [link]
- **European Green Deal** [2019]
- **EU Expert Groups** [HLEG, TEG, PSE]
- **EU Renewed Sustainable Finance Strategy** [2018]
- **US Inflation Reduction Act** [IRA] [2022]

ICMA training courses & certification

- **FinTech & Digital**
- **Sustainability Finance**
- **Market Practice : Primary, Secondary, Repo & Collateral, Operations**

Professional Training & Investor Education

ICMA Quarterly Report QR - webinars & podcasts

Public Policy

- **financial literacy** ➡ school curriculum / investor protection [OECD, EU CMU]
- **bond issuers** ➡ stock exchanges, banks, especially SMEs [CMU Action 5]
- **bond investors** ➡ through public sector & associations [EIOPA]