

DEBT ISSUANCE MARKET CONTACT GROUP

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Summary of the discussion

5th Meeting of the Debt Issuance Market Contact Group (DIMCG) – 10 March 2021

1. Welcoming remarks

The Chairperson introduced the agenda of the meeting and clarified that the focus of the meeting is to discuss the outcome of the DIMCG Survey in detail.

2. Action plan of the DIMCG

The ECB team clarified that the goal of the DIMCG going forward will be to leverage on the on-going work from the three pillars analysis to start preparing the DIMCG report. The DIMCG is expected to finalise its advisory report to the Eurosystem by the end of September 2021.

3. Pillar I of the DIMCG - issue / opportunity

3.1 DIMCG Survey

The ECB team reiterated the case study of the survey on European Issuance, namely a “plain vanilla” bond issued in EUR by a public institution with European perspective and presented the survey results. The group took note and commented on the findings related to the syndication and the auction models.

The ECB team presented the main take-aways from the survey, which will form the basis for the relevant section of the final DIMCG report.

Points of discussion were, amongst others, issuance costs and fees, standardisation of order books, interoperability of tools and platforms, the creation of a common data base for debt securities, the standardisation of investor identification and a potential reduction of the settlement cycle (currently T+5).

4. Pillar II of the DIMCG – Harmonisation

4.1 Work on harmonisation

The ECB reported on the workshops on term sheet and data model harmonisation held on 24 February and 1 March 2021, respectively. Brief updates of Investor Identification and KYC topics were also provided by the ECB team. In light of the Pillar 1 survey outcome, the ECB Team presented a stock-take on the work under Pillar 2. Overall, there seems to be broad consensus emerging among DIMCG members on the harmonisation opportunities that could be flagged in the report by the DIMCG and the outcome of the Pillar 1 survey seems to confirm and further enrich the harmonisation discussion. DIMCG members were invited to provide feedback both in the context of the on-going written procedures

(investor identification, term sheets) and in general their comments on the summaries presented in the meeting.

Follow-up actions:

- DIMCG participants are invited to provide feedback on (i) the summaries of the two separate sessions and (ii) the summary of the Settlement Cycle topic. DIMCG participants took note and agreed to cover the topics on (i) Book Building and Documents by workshop and (ii) ISIN Allocation and Global Note via written procedure.

5. Pillar III of the DIMCG – Existing initiatives

5.1 Analysis of existing initiatives

The ECB team presented the draft matrix proposal to be used by the DIMCG to discuss how the existing and ongoing private initiatives support the four elements of the DIMCG framework to explore initiatives in the area of debt issuance in a structured way. DIMCG participants took note of the current status of the matrix and agreed to provide additional input and comments in written.

Follow-up actions:

- DIMCG participants are invited to i) propose the addition of missing initiatives which may be relevant for a clearly identified process as per Pillar 1 classification – please see categories in the DIMCG Survey and ii) provide feedback and explanations on how the different initiatives support the four elements agreed at the DIMCG