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ICMA Quarterly Report

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ICMA
International Capital Market Association

ICMA

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The mission of ICMA is to promote resilient and well-functioning international and globally integrated cross-border debt securities markets, which are essential to fund sustainable economic growth and development.

ICMA is a membership association, headquartered in Switzerland, committed to serving the needs of its wide range of members. These include public and private sector issuers, financial intermediaries, asset managers and other investors, capital market infrastructure providers, central banks, law firms and others worldwide.

ICMA currently has around 630 members in 71 jurisdictions worldwide. ICMA brings together members from all segments of the wholesale and retail debt securities markets, through regional and sectoral member committees, and focuses on a comprehensive range of market practice and regulatory issues which impact all aspects of international market functioning. ICMA prioritises three core areas – primary markets, secondary markets, repo and collateral: with two cross-cutting themes of sustainable finance and FinTech and digitalisation.

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Phone: +44 207 213 0310 info@icmagroup.org

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Positioned for the next phase

by **Bryan Pascoe**

As we enter the new year, we can reflect on a remarkable 2025 for the debt markets. The economic fallout and inflationary pressures widely anticipated to have a damaging effect on the markets at the end of the first quarter failed to materialise. Instead, despite significant bouts of volatility and several events that tested market confidence, we saw record issuance volumes, exceptionally strong primary market conditions, plentiful liquidity and orderly behaviour across almost all asset classes.

Looking ahead, the majority of market commentators are forecasting much of the same for 2026, supported by a favourable interest rate backdrop. That said, a combination of heavy further issuance across the rates and credit spectrum, ongoing changes in market structure, growing reliance on hedge funds in many, if not most, of the more liquid asset classes and the reinforcement of private credit as a surrogate for public market issuance will give us much to focus on.

The active regulatory landscape will both add to and dovetail with these developments. Key initiatives such as the EU Market Integration and Supervision Package (MISP) and associated simplification measures, actions from a proliferation of system-wide stress tests and subsequent regulatory actions, including those seen in the UK following the Bank of England's Gilt repo discussion paper, as well as broader work on non-bank financial institution (NBFI) leverage, will be major factors. Similarly, market preparedness for, and responses to, new resilience and efficiency initiatives will be defining features of the period ahead. In this context I would point to the roll-out of the consolidated tapes for bonds and transparency deferral regimes in the EU and UK, the pan-European work on the move to T+1 and the adaptation of international market participants to US Treasury and repo central will be particularly important. Across all these areas ICMA is well-positioned to maintain our strong focus and visible activity in leading industry views and regulatory engagement, a major responsibility given what is at stake.

In response to market structure change, we will look to expand our buyside focus and engagement with a broader member proposition, both to serve the industry better and to develop a clearer perspective on emerging or hidden market risks. We have also been encouraged by renewed and intensified interest in elements of our digitalisation work, a theme that continues to gain momentum. Standards developed and actively promoted by ICMA, such as the Bond Data Taxonomy (BDT) and the Common Domain Model (CDM) have seen a recent spur in interest and adoption. This momentum promises to accelerate, as member firms recognise the clear and practical efficiency and process gains that these frameworks can deliver. With growing interest also in the digitalisation of cash for wholesale purposes (including wholesale central bank digital currency (wCBDC) and stablecoins) and a strong focus on the assessment and application of artificial intelligence (AI) use-cases in capital markets, our digitalisation work with members and stakeholders promises to be very busy.

Turning to membership, it gives me great pleasure to note that as of the end of 2025, ICMA had 637 members across 71 jurisdictions, a high watermark for the Association, and with each member helping us deliver on our core objective of underpinning well-functioning and efficient international debt and repo markets. Additionally, we are seeing particularly strong growth from MENAT and Asia-Pacific regions, which is highly reflective of changing global dynamics. We have seen keen focus from authorities to further develop bond and repo markets in key jurisdictions, with legislative changes during 2025 in critical markets such as China and Saudi Arabia being of note. This further reinforces the role that trade associations such as ICMA will need to play in supporting market integration and orderly growth and development.

An important reminder to members, whether looking at our technical and practical market practice and regulatory policy work, education and training or events and networking, is to be proactive in guiding us in prioritising our limited resources. As we all know, there is more to do than ever and ICMA's role is to serve and support our members in all relevant areas, so please communicate actively with our membership team with your views on what we deliver. 2026 is already shaping up to be no less interesting and stimulating than last year, and I look forward to working with you all to navigate the twists and turns ahead of us in the best interests of the industry.

@ **Bryan Pascoe, Chief Executive, ICMA**
bryan.pascoe@icmagroup.org

The future of bond markets: key trends and catalysts




by **Bryan Pascoe, Andy Hill, Natalie Westerbarkey,** and **Irene Rey**

In September 2025, the Financial Markets Standards Board (FMSB) published the *Future of financial markets*. Based on input from a broad range of global market practitioners and policymakers, the paper looks back at how markets have evolved since the Bank of England 2015 *Fair and Effective Markets Review*, as well as presenting the forward-looking expectations of contributors of how markets will evolve over the next ten years, and how this could present risks to fair and effective markets.

ICMA was pleased to contribute to the paper, reflecting on a number of key themes that continue to drive much of its work, and which are likely to play a key role in shaping bond markets over the coming decade.

Evolving buyside trends

Evolving market structure and the dynamics underpinning this are a core focus for ICMA and central to much of our member committee engagement: not surprisingly, given the breadth and diversity of ICMA's membership, consisting of liquidity providers, liquidity takers, financial market infrastructures (FMIs) in all their variety, among other stakeholders and participants. A key observation over recent years is the increasingly important role of non-banks, with many new and varied market participants adopting a broad range of strategies and impacting on markets in different ways. Data shows that the footprint of hedge funds in the core sovereign bond markets has increased markedly, in some cases accounting for more than 50% of secondary market volumes. At times we have even seen this community take on the role of liquidity providers. The emergence of the ETF market as a prominent asset class, particularly in the case of IG credit, has increased activity in the underlying bonds, also allowing non-banks to take on a critical role as Approved Participants, again forming a key source of bond market liquidity. Underpinning this trend have been two key dynamics: the increasing availability of data and advances in automation. This has enabled low touch systematic trading across a range of fixed income asset classes, as well as powering new trading protocols, such as portfolio trading. We can only expect this direction of travel to continue, increasingly blurring the distinction between the roles of sell and buy sides. While this is largely a developed market phenomenon, it would seem reasonable to expect the forces of data and automation to play a crucial role in the development of emerging and frontier markets. Against this backdrop primary markets globally are growing strongly, with higher issuance volumes year on year across almost all asset classes, adding to the existing stock of debt across both public and private sectors.

Reinforcing market resilience and stability

While markets become more automated and complex, this is taking place in the context of pronounced macroeconomic and geopolitical risks. Economies across the globe are grappling with rising public debt while struggling with the threat of inflation and impediments to growth, compounded by ever-growing political uncertainty, global fragmentation, and national insecurity. History teaches us that market stability is never a given, and, if anything, the speed and magnitude to which markets react to news events is something to which we need to become increasingly attuned and vigilant. While certainly a positive, adding further to the challenge and complexity is the ongoing growth of private credit, and its increasing overlap and confluence with traditional wholesale markets on both the funding and investment sides. This is an interplay which will warrant ever-closer assessment as we look ahead.

As we have seen in recent reports from the Financial Stability Board (FSB), the European Systemic Risk Board and the Bank of England, among others, the ability of markets to function in times of acute stress is firmly on the radar of regulators and policy makers, and very much top of the agenda for our engagement with the public sector. Concerns about leverage in NBFIs are front and centre of this debate, with regulators and policy makers considering and implementing policy tools as well as working together on data enhancement and coordination initiatives in an effort to contain and identify leverage at the entity, activity and product level.

We see this in the push to use central clearing for core government bond markets, including repo and implementation of shorter settlement cycles. The global move to T+1 settlement and, in the case of the US, mandatory clearing for Treasuries, is a response to these concerns. These initiatives are not straightforward and are immensely complex and resource intensive. At ICMA we are heavily involved in ensuring their successful implementation, while also identifying the associated practicalities, challenges, and risks, as well as benefits, and remain deeply engaged with members, as well as the relevant authorities, across a broad range of jurisdictions.

Digitalisation

Perhaps one of the most exciting, and unavoidable, themes in global bond markets is the huge potential offered by digitalisation. This is a core focus and commitment of ICMA. As the leading market voice of the debt markets, we are playing a vital role in supporting the market transition from analogue to digital. Again, we are working with our global network of members, as well as the regulatory and policy community, to identify the challenges, formulate solutions, and help deliver the benefits this should bring. FinTech and Digitalisation (FTD) is one of ICMA's cross-cutting verticals with a dedicated FTD Team, with engagement across our core pillars of primary, secondary, and repo and collateral, as well as sustainable finance, looking at the impacts of cutting-edge technology and innovation on all aspects of the bond lifecycle, from issuance, through trading, to post-trade. Where we see ICMA playing a critical role is through driving standardisation, which is essential for realising the potential opportunities and efficiency gains that digitalisation brings, and we can point to two key initiatives where ICMA is leading the way in setting standards for digital innovation.

Firstly, the Bond Data Taxonomy. The BDT, first published in March 2023, provides an agreed language to promote automation and reduce the risk of fragmentation across bond issuance, trading, settlement and distribution. The BDT provides a standardised and machine-readable language of key economic terms of a bond (such as amounts, currency, maturity, interest), key dates (such as pricing, settlement) as well as other relevant information (such as governing law, relevant parties, ratings, selling restrictions) typically included within a term sheet. Where relevant, the BDT incorporates existing ISO data definitions and formats. Designed with active input and guidance from our broad membership, it is technology agnostic and is designed to be used both for traditional debt securities as well as DLT-based debt securities. We have already seen the adoption of the BDT, such as the Hong Kong Monetary Authority's benchmark digital green bond issuance, the Monetary Authority of Singapore's Project Guardian, and the World Bank's ASTRA project.

Secondly, and complementary to the BDT, the Common Domain Model. The CDM is a standardised, machine-readable and machine-executable data and process model for how financial products are traded and managed across the transaction lifecycle. The CDM is based on cross-industry collaboration between ICMA, ISDA, and ISLA, and facilitates trade processing of repo, securities lending, bond and derivatives transactions. It is designed to improve interoperability and straight-through processing, to deliver better regulatory oversight, including reporting, and to create an environment for innovation in financial markets. Together, we believe that the BDT and CDM are helping to set the framework and guardrails, not only for tomorrow's financial markets, but also today's.

Conclusion

There is a lot for the market to absorb and respond to right now. From evolving market structure, the exponential growth in the availability of data, ever greater automation, the ongoing headwinds facing economic growth and geopolitical stability, concerns around market resilience, and the drive toward innovation, new technologies, and a digital paradigm. For all of us this provides new and evolving challenges, but also significant opportunities to embrace the now and build the future.

@ **Contacts: Bryan Pascoe, Andy Hill, Natalie Westerbarkey and Irene Rey**
bryan.pascoe@icmagroup.org
andy.hill@icmagroup.org
natalie.westerbarkey@icmagroup.org
irene.rey@icmagroup.org

Bryan Pascoe is Chief Executive of ICMA; Andy Hill is Managing Director and Co-Head of Market Practice and Regulatory Policy, ICMA; Natalie Westerbarkey is Managing Director and Co-Head of Market Practice and Regulatory Policy, ICMA; Irene Rey is Director, ICMA

Financing the hard part of transition: the new Climate Transition Bond Guidelines

by **Nicholas Pfaff**

Since the Climate Transition Bond Guidelines (CTBG) were published during the Annual Conference of the Principles, co-hosted by the JSDA, that took place in Tokyo on November 6th. With the CTBG, the Principles introduce the use of Climate Transition Bond (CTB) as a standalone label for use-of-proceeds bonds aimed at financing especially the transition of the hard-to-abate and fossil fuel sectors. The release of these Guidelines represents a significant breakthrough after years of market discussion on the pertinence of such a label.

Addressing the hard-to-abate and fossil fuel sector transition

ICMA's February 2024 report "Transition finance in the debt capital market" confirmed that sustainable bonds are already being used at great scale to finance key components of the climate transition, through financing renewable energy, clean transportation and green buildings, among others, as well as generally supporting the climate transition strategy of issuers. However, the report also underlined that the sustainable bond market has not been sufficiently contributing to financing the transition of the fossil-fuel and hard-to-abate sectors.

This is clearly problematic when, in parallel, authoritative research has established that the financing needs for the transition of these sectors is very significant. The IEA's October 2025 report on Scaling Up Transition Finance estimates that the transition of the hard-to-abate and fossil fuel sectors could require financial flows of USD400-500 billion per year. Similarly, the World Economic Forum earlier identified in its Net-Zero Industry Tracker 2024 Edition a need for USD30 trillion of additional capital, including corporate and infrastructure investments, to decarbonise eight high-emission sectors representing 40% of global Greenhouse Gas (GHG) emissions by 2050.

Market momentum behind a transition label

Historically, the Principles provided entity-level guidance outlined in the Climate Transition Finance Handbook (CTFH) while also identifying the role of both use of proceeds (UoP) bonds and sustainability-linked bonds (SLBs) as instruments to finance the implementation of an organisation's transition or sustainability plan respectively at the project level or with issuer level targets. "Climate transition" bonds were also referred to generically as a sub-label of green bonds or SLBs.

Nonetheless, market developments notably in Asia and especially Japan's sovereign Climate Transition Bond programme underlined the potential of a self-standing transition bond designation for use of proceeds bonds. This was also supported by progress in official sector guidance and policy discussion in Asia, as well as internationally, evidenced by transition-enabled taxonomies and industry roadmaps.

Reflecting parallel developments in loan markets, the LMA, APLMA, and LSTA jointly published in October the Guide to Transition Loans. It seeks to clarify what constitutes labelled transition finance, and how it can be integrated into existing financial instruments. The Guide introduces a voluntary, cross jurisdictional framework for asset/project-level, use of proceeds transition loans, being financial instruments designed to support climate-aligned activities that fall outside the "green" classification.

Defining climate transition projects

It is in this context that ICMA's recently released Climate Transition Bond Guidelines (CTBG) introduce the use of Climate Transition Bond (CTB) as a standalone label in the sustainable bond market, separate from green bonds, for use-of-proceeds bonds focused on financing the priorities of the transition of the hard-to-abate and fossil fuel sectors.

The cornerstone of a CTB is the utilisation of the proceeds of the bond for eligible Climate Transition (CT) Projects. CT Projects are defined as including assets, investments and activities, early phase-out and decommissioning, and other expenditures such as R&D related to high-emission activities that lead to substantial and quantifiable GHG emissions avoidance, reduction, or removal. CT Projects are designed to complement and go beyond the scope of green projects in pursuit of the goals of the Paris Agreement.

CT Projects integrate 5 key safeguards that need to be considered by issuers, as well as additional safeguards for projects substantially relating to fossil fuel infrastructure or activities. The 5 safeguards are in summary:

1. Existence of an issuer-level sustainability and/or climate transition strategy with disclosures that align on a best-efforts basis with the CTFH.
2. Analysis supporting the technological and/or economic unfeasibility of low-carbon alternatives for the issuer.
3. Alignment or compatibility with official sector and market-based taxonomies, decarbonisation pathways and roadmaps, and/or other international and national decarbonisation policy frameworks.
4. Mitigation of substantial and quantifiable GHG emissions beyond business-as-usual (BAU).
5. Identification, analysis, best efforts mitigation, and disclosure of carbon-lock in risks.

A non-exhaustive list of eligible project categories

The CTBG also provide a preliminary and non-exhaustive list of eligible CT Project categories (see below). They recognise that several additional project categories may be eligible through alignment with the definition and safeguards for CT Projects and that the relevance and specifics of project categories may vary across geographies. The Guidelines otherwise acknowledge that the categories are likely to evolve over time as low-carbon alternatives become available and feasible through technological progress and innovation, as well as improved economics.

Guidance for SLBs by high-emission companies

The Guidelines also address sustainability-linked bonds (SLBs) issued by high-emission companies. They strongly encourage issuers to incorporate disclosures that align on a "best-efforts" basis with the four key elements of the Climate Transition Finance Handbook when communicating sustainability and/or climate transition strategies.

The CTBG further recommend that such SLB issuers specifically consider guidance drawn from the Guidance Handbook of the Principles specifying that one or more of the key performance indicators ("KPIs") should monitor GHG emission reductions. Issuers are also pointed to the illustrative examples for the selection of KPIs for SLBs contained in the regularly updated Illustrative KPI Registry.

Official sector and market-based guidance

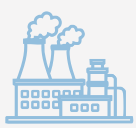
The CTBG also include illustrative annexes to help issuers identify relevant official sector and market-based guidance. Annex 1 provides a non-exhaustive list of official and market taxonomies, pathways and roadmaps while Annex 2 consists of an overview of existing resources for evaluating and avoiding carbon lock-in risks.

Contact: Nicholas Pfaff
nicholas.pfaff@icmagroup.org

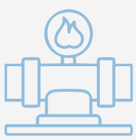
Nicholas Pfaff is Deputy Chief Executive of ICMA and Head of Sustainable Finance

The preliminary and non-exhaustive list of CT Project categories includes but is not limited to:

1. Carbon Capture, Utilisation and Storage (CCU, CCS), and carbon removal technologies, applied to fossil-based energy and industrial applications including associated infrastructure investments for CO2 transportation and storage, excluding uses for enhanced oil recovery.

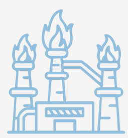


2. Early retirement and decommissioning of high-emission assets, including the permanent early retirement of coal-fired power plants (CFPPs).



3. Fossil fuel switch (e.g. coal to gas) demonstrably replacing a higher emitting fuel and subject to infrastructure design allowing the future integration of low-carbon alternatives, monitoring and control of methane and other fugitive emissions, and CCUS, as relevant.

4. Lower carbon fuels including their production, use, purchase, and enabling infrastructure investments.



5. Methane and flaring abatement in oil & gas infrastructure existing as of the initial publication date of the Guidelines. Eligible measures should be aligned with long-term decarbonisation goals and exclude uses for enhanced oil recovery, greenfield exploration and production activities.

Capacity building across international markets – ICMA's approach

by **Allan Malvar**

With more economies turning to market-based finance, regulators and policymakers are facing a common set of challenges. ICMA's capacity-building work with authorities worldwide highlights recurring themes and where targeted support can make a meaningful difference.

Over the past year, ICMA has significantly expanded its capacity-building activities, engaging with securities regulators, ministries of finance, central banks and other public authorities in the financial centres of both developed and emerging markets, such as Brussels, Cairo, Manila, Kuala Lumpur, Jakarta and Riyadh. From technical work on repo and collateral frameworks to broader engagements on corporate bond market development, one message is clear: demand for practical, implementation-focused support is rising across all regions. Across these engagements, ICMA's internationally recognised standard documentation and best practices, including the Global Master Repurchase Agreement (GMRA), the Primary Market Handbook, and the Secondary Market Rules and Recommendations, provide authoritative reference points for policymakers seeking to align domestic practices with global standards.

While each jurisdiction has its own institutional structure and market context, regulators consistently return to a common set of priority themes. These themes do not replicate the content of any one workshop; instead, they reflect the broader needs and questions that public-sector participants have raised throughout our engagements.

Market architecture: getting the building blocks right

Across both developed and emerging markets, authorities increasingly view capital market development as a strategic priority. But a recurring question is how to sequence reforms and what a well-functioning market should look like in practice.

Regulators often ask for help in mapping the essential building blocks of a resilient market – trading conventions, settlement models, collateral practices, disclosure frameworks, and risk management tools – and understanding how these pieces fit together.

This is especially true where policymakers are seeking to reduce reliance on bank financing and move towards more market-based sources of funding, including for long-term infrastructure and sustainable investment.

Legal certainty as the foundation of liquidity

Another recurring theme is the need to modernise and clarify the legal underpinnings of markets. Authorities frequently highlight challenges such as:

- outdated or fragmented securities and insolvency laws
- uncertainty around netting, collateral and close-out
- limited experience with international master agreements
- overlapping mandates across multiple regulators

The common consensus is that, without legal certainty, it is difficult to attract a broad investor base or build confidence among intermediaries.

ICMA's experience shows that legal certainty and liquidity go hand in hand. A clear, enforceable legal framework is a prerequisite for robust repo, derivatives and corporate bond markets and regulators are increasingly seeking peer examples, case studies and comparative insights to inform domestic reform.

Operational capacity and post-trade resilience

Many authorities have already put high-level rules in place, but see operational bottlenecks as a constraint on market development. Common questions include:

- How should settlement failures be managed?
- What are the implications of corporate actions for collateral and financing trades?
- What role should margining and collateral play in stress conditions?

- What post-trade data is needed to monitor risks effectively?

These issues are not merely procedural. Weak post-trade processes can magnify shocks, disrupt funding markets, and undermine confidence.

As a result, operational topics, once viewed as the domain of market infrastructure players, are now central to regulatory capacity building.

Coordination across the public sector

A further, often under-recognised challenge is inter-agency coordination. In many jurisdictions, responsibility for capital markets is shared between the ministry of finance, central bank, securities regulator, and sometimes market infrastructure providers.

Authorities frequently point to:

- differing priorities and risk appetites between agencies
- limited mechanisms for joint strategy setting
- overlapping or unclear mandates
- difficulties in sustaining momentum across electoral or leadership cycles

In this context, capacity-building is increasingly valued not just for technical content, but as a neutral forum in which different public institutions can align on terminology, objectives and sequencing of reforms.

Liquidity and market depth: a universal concern

Whether the focus is on government bonds or corporate bonds or repo, the question of how to build and sustain liquidity is raised in almost every engagement.

Regulators and policymakers are keen to explore:

- how to broaden the investor base sustainably
- the design of market-making frameworks
- transparency policies that support price discovery without deterring activity
- the interaction between cash markets and related hedging or financing markets

There is strong interest in understanding what has worked in comparable jurisdictions especially where legal, structural or demographic characteristics are similar.

New risks and new technologies

Regulators are also grappling with evolving risk profiles at a time when technological change is accelerating. Many supervisors are looking to strengthen their analytical capabilities and supervisory tools and are seeking practical input on how digitalisation is reshaping market structure.

Recent capacity-building work has therefore addressed key questions around:

- Digitalisation and automation in fixed income markets, including the drivers of electronic trading, data-driven workflows and the evolving vendor landscape.
- Digital (DLT-based) bonds, tokenisation and digital money, and what these developments mean for issuance models, securities financing and emerging “cash-on-chain” solutions such as wholesale CBDC, tokenised bank liabilities and stablecoins.
- AI and machine learning applications, particularly their use in liquidity management, pricing and trading, and the associated supervisory challenges.
- Data needs for effective surveillance and risk monitoring, and the role of standards, taxonomies and legal frameworks in supporting operational resilience and interoperability.
- Electronic platforms in secondary trading and repo, and how authorities can encourage innovation without fragmenting liquidity.

Taken together, this work supports regulators in assessing where digitalisation can enhance market functioning, where the risks and limitations lie, and how to prioritise supervisory resources.

Building human capital for the long term

Underlying all these themes is a fundamental issue: human capital. Many regulators and ministries face resource constraints, competition for skilled staff, and increasing complexity in the markets they oversee.

Capacity-building is therefore not simply about one-off workshops. It is part of a broader effort to build enduring institutional knowledge, foster communities of practice among regulators and create channels for ongoing dialogue between the official and private sectors

Looking ahead

As more economies seek to deepen capital markets, diversify funding sources and support sustainable development, the need for credible, evidence-based and technically grounded capacity building will continue to grow.

ICMA remains committed to working with regulators, governments and international organisations to strengthen the foundations of resilient markets and to ensuring that public authorities worldwide have the tools and insights needed to guide their markets through an increasingly complex financial landscape.

@ **Contact: Allan Malvar**
allan.malvar@icmagroup.org

Allan Malvar is Managing Director, Head of Membership, Communications & Events, ICMA

EU Savings and Investment Account (SIA): latest state of play

by **Thorsten Guthke** and **Irene Rey**

The context

Europeans have a reputation as very diligent savers and have one of the highest savings rates in the world. But they need to manage their savings in a more sophisticated manner to generate higher long-term returns for themselves, not least to support them in their old age; as well as injecting much needed capital into the European economy.

Around one-third of private household financial savings in the EU are held in cash and bank deposits, which has negative consequences for savers, because the value of cash decreases over time. This is also disadvantageous for the economy, since it is more difficult to put money held in bank accounts to productive use.

These circumstances are a key motivation for the EU's Savings and investments Union (SIU). With cash savings at nearly €11 trillion in the EU (in 2023), there are considerable amounts of money that could be channelled from bank deposits into investments in the capital market.

The motivation: why a (European) Savings and Investment Account?

Embedded in the SIU strategy, the EU Commission aims to provide Member States with a European blueprint for Savings and Investment Accounts (SIAs), drawing on existing best practices.

An SIA is a special type of account designed to complement ordinary bank or savings accounts. With a minimum contribution of just 10 euro per month, SIAs offer private individuals a simple and accessible way to invest in a variety of products such as bonds, shares or funds. SIAs are often subject to simple tax rules and offer attractive tax advantages, allowing investors to keep a larger portion of their earnings. SIAs are intended for individuals who want to grow their savings by investing in financial markets. These accounts are already available in several EU countries.

On 30 September 2025, the European Commission published its *Recommendation on Increasing the Availability of Savings and Investment Accounts with Simplified and Advantageous Tax Treatment*. It aims to support measures to create better financial opportunities for citizens who wish to invest. The Commission is now calling on all Member States to establish these accounts and improve them further to ensure wider access and maximise their benefits for citizens across the EU. In Member States where they already exist, SIAs are offered by regulated financial services providers, including traditional and online banks.

Characteristics / features of Savings and Investment Accounts

SIAs are targeted at retail investors, ie private persons, and shall be accessible to everyone. Structured scientific research[1] reports that a range of SIAs exists with different features aiming to meet different objectives, throughout various jurisdictions.

Some existing accounts have investment restrictions, eg limits to funds approved by the national financial authority. Other accounts provide for investment only in stocks or only into SMEs. While some such restrictions may be sensible in terms of investor protection, certain accounts permit investing in domestic assets only. In addition, several accounts have deposit limits per year, whilst some set a maximum amount of money that savers can deposit into these accounts overall, ie lifetime deposit limits.

Tax incentives are an important cornerstone to render SIAs attractive. SIAs are either tax free and exempt any returns or withdrawals from capital gains, or they offer reduced or flat tax rates. Some accounts however foresee minimum holding periods of some years, before the accounts qualify for any tax advantages.

1. New Financial: "Designing savings and investment accounts in the EU", Maximilian Bierbaum 2025.

All providers must operate within the framework of EU investor protection rules, which include safeguards against mis-selling and require the provision of clear, comprehensible product information.

Legislative basis

The ECON Own-Initiative resolution of 10 September 2024 on Capital Markets Union (the European Parliament's reaction to the Draghi report) supports the idea of creating an EU savings & investment account or a label at EU level.

The Commission's recommendation of 30 September 2025 is a non-binding legal act that is not enforceable. The Union legislator cannot oblige Member States to provide for an SIA in their respective jurisdictions, nor a common one at EU level. The recommendation can however be expected to foster efforts at Member State level.

Embedded in the wider Savings and Investment Union project, the SIA initiative should be read in conjunction with the Retail Investment Strategy (RIS) and the new EU-wide Financial Literacy Strategy. The Commission would like to achieve effective retail participation in capital markets, including greater financial literacy, smooth investor journeys, as well as overcome fragmented markets and increase competition.

In Article 2 of its recommendation, the Commission encourages Member States to establish SIA frameworks. In developing (or reviewing) such frameworks, Member States are encouraged to give them certain characteristics, ensuring that no minimum amount is imposed, and allowing investors to open multiple SIAs with different providers.

The Commission further intends enabling cross-border provision, by means that any financial services provider authorised under EU law should be permitted to offer EU-SIAs to residents of other Member States. The Commission is quite clear that it does not want Members States to add any gold-plating, or protectionist barriers in host states.

Importantly, the Commission invites Member States to foresee favourable tax treatment, automated and simple tax compliance for investors, fair and transparent fees and tax-neutral portfolio transfers between providers (including cross-border). Proposed tools would be delaying taxation on the income used to feed the account and the return on this investment until payout to the investor. Comprehensive information on the tax treatment of assets held in SIAs shall be made available in a way that is easily understandable for retail investors. Member States should ensure simple tax compliance procedures for SIA account holders. They are recommended to ensure that SIAs and assets held in SIAs are given at least the most favourable tax treatment available.

The way forward

The Commission will monitor progress through the SIU Midterm Review in 2027.

Currently existing policy recommendations include:

- Pairing measures to widen retail investment with more structural reforms of pensions to achieve scale.
- Supporting the European economy: there is no reason why investors should not be able to access European primary markets through SIAs or hold ELTIFs or retail AIFs in them.

Considerations

An SIA, if well-conceived and tailored, can be an excellent and innovative opportunity for retail investors to channel funding into the economy. The authors recommend Member States (and other countries) to ensure convergence, in conceiving the accounts the most comparable and interoperable way possible.

It is important to note that the SIA is a blueprint, and not a binding EU regulation. Consistent and successful implementation will depend on political will. Without a legal basis, there is a risk that the availability of SIAs will vary substantially across countries. Moreover, well-structured SIA's risk low uptake without a behavioural change in citizens relationship towards investing. The UK's Individual Savings Account (ISA) framework illustrates this challenge. Despite being long established since 1999 and offering generous tax-free allowances, UK savers overwhelmingly prefer Cash ISAs over Stocks & Shares ISAs: in the first ten years after launch, Cash ISAs reached 9.9% of GDP, compared with 7.3% for Stocks & Shares ISAs. Cash ISAs also reached a larger share of the population, with 14% of adults contributing, compared with approximately 7% for stocks & shares ISAs[2]. The data demonstrates a persistent cultural preference for cash saving over investing, as there is a widespread shortfall in financial understanding and low consumer confidence that prevents people from choosing to invest[3].

By contrast Sweden's Investeringssparkonto (ISK), which was only introduced in 2012, has been one of the most successful models globally with approximately 3.8 million unique accounts holders, which is around 45% of the population aged over fifteen.[4] ISK was designed to make investing in funds and shares easier and more attractive for savers, supported by a simple tax framework: savings of up to SEK 150,000 will be tax-free from 2025, rising to SEK 300,000 from 2026. Between 2014 and 2024, net savings into ISK totalled SEK 360 billion. This success is widely attributed to the simple and flexible design of the ISK, but also Sweden's relatively strong financially literate population[5].

2. Designing savings and investment accounts in the EU
3. be-invested-survey-report.pdf
4. The Swedish Equity Market (EN)
5. fund-savings-in-sweden-and-europe.pdf

Thus, in addition to the considerations for the design of an SIA, citizens have to be first and foremost empowered with the right financial understanding to build confidence and trust in engaging with the capital markets through these accounts, in order to ensure their uptake and intended impact.

Diverging national preferences risk fragmentation between the national SIAs. With annual and lifetime deposit limits, and investment restrictions, it will be difficult to provide for a true cross-border or even pan-European SIA. Fragmentation increases complexity, weakens efficiency, and is a threat to financial stability. A structured dialogue with Member States would help striving for common features of the SIAs.

The envisaged tax incentives are encouraging and truly necessary, while also a challenge given that many Members States traditionally defend their sovereignty on tax legislation with claws and teeth, not showing a cooperative European spirit in this remit. The SIA (and SIU in its wider context) is one more example of the realisation that increasing the dynamic of EU's economy and capital market is inconceivable without more integration in taxation policies. In this respect, the EU needs to be courageous, seize this opportunity and take the SIA as a first step towards the fiscal union, which offers the potential to breathe much needed stimulus into Europe's economy, and become a decisive tool for creating the true common capital market.

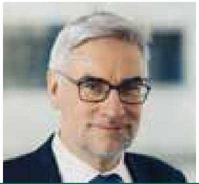
The Commission's recommendation is a good step in the right direction. Bearing in mind all the above challenges and opportunities, Member States will need to ensure that all suitable financial services providers are permitted and motivated to offer a user-friendly SIA. Investors should be allowed to open multiple SIAs including with different providers. In particular, Member States are invited to take care of a maximum of cross-border interoperability, so contributing to a true single Capital Market.

Finally, SIAs have the potential to mobilise Europe's substantial cash holdings into productive long-term investment, supporting fixed income savers and strengthening the wider capital market ecosystem. Their success will depend on coherent design, effective tax incentives, cross-border interoperability, and improvements in financial literacy.

Contact: Thorsten Guthke and Irene Rey
thorsten.guthke@icmagroup.org
irene.rey@icmagroup.org

Thorsten Guthke is Director, ICMA; Irene Rey is Director, ICMA

EU Market Integration & Supervision Package: a new chapter for Europe's bond markets

by **Natalie Westerbarkey** and **Thorsten Guthke**

When the European Commission unveiled its Market Integration & Supervision Package (MISP), seasoned participants in Europe's capital markets reacted with a mix of recognition and anticipation. Recognition, because many of the reforms address long-standing structural issues that ICMA and the wider industry have highlighted for years, diverging national supervisory practices, uneven implementation of rules and an inconsistent post-trade landscape. Anticipation, because for the first time in a decade, the EU is proposing not incremental adjustments but a system-wide redesign of how trading, clearing, settlement, and asset management interact across borders.

For EU fixed income markets, the package lands at a pivotal moment. Europe is entering what the Commission itself calls a "super-cycle" of structural investment: the green transition, digital transformation, defence spending, and long-term infrastructure renewal. All will require deeper capital markets, capable of channelling private capital across Member States efficiently and safely. At the same time, liquidity conditions remain stable, repo market dynamics have tightened post-QE, and market participants face higher costs from capital, funding, and operational demands.

Against this backdrop, the MISP represents an attempt to create the market plumbing that a modern, internationally competitive bond market requires. Its impact will be felt from sovereign issuance desks to corporate treasurers, from trading floors to collateral teams, and from Luxembourg's fund hubs to CCP risk committees in Paris and Stockholm.

This article examines what the package means – not simply in regulatory terms – but in terms of how Europe's capital markets may evolve over the coming decade.

1. ESMA's new role: from convergence coordinator to pan-European infrastructure supervisor

ICMA has continuously emphasised the importance of supervisory consistency related to capital markets and post-trade processes. Divergent interpretations of the same rules, applied in different Member States, have often led to uneven playing fields and operational challenges for investors.

The MISP addresses this head-on by aiming to transform ESMA into a supervisor of EU market infrastructure:

- significant trading venues (including those central to bond trading),
- large CCPs and CSDs (Central Counterparties and Central Securities Depositories),
- Pan-European Market Operators (PEMOs),
- and all crypto-asset service providers.

For fixed income markets, this shift is more than bureaucratic. It represents a structural realignment of oversight.

Supervisory consistency matters for bonds

ESMA's direct role should reduce local divergences, particularly around CCP margin methodologies, and CSD link standards.

2. PEMOs (Pan-European Market Operators): the long road toward liquidity consolidation

One of the more ambitious innovations is the creation of the **PEMOs**, a voluntary regime allowing trading groups to consolidate multiple regulated markets under a single licence, supervised by ESMA.

In equities, the implications are obvious. In bonds, they are potentially transformative.

ICMA has long argued that European bond markets do not suffer from a lack of platforms; they suffer from the diffusion of liquidity across too many of them. This fragmentation complicates price discovery and makes it harder for buy-side investors to obtain executable quotes, especially in less liquid credit products.

A PEMO model could reduce this fragmentation in several ways:

- fewer platforms with harmonised rulebooks,
- unified technology stacks,
- streamlined access for intermediaries,
- and fewer duplicative memberships for dealers managing multi-country operations.

While the PEMO regime is optional, the incentives point toward consolidation, especially for large operators running multi-jurisdictional bond trading venues.

The case for a consolidated tape for bonds

The MISP also strengthens the consolidated tape for equities, but the direction of travel carries implications for the bond tape as well.

Given that bond market data has been available on a very fragmented basis in the past, ICMA has consistently advocated for the introduction of a consolidated tape for bonds, supported by a well-calibrated deferral regime. This should help market participants to access bond market data at an affordable level, and therefore help to increase participation in bond markets, with the ultimate goal to increase competitiveness for EU bond markets in the international context.

3. CSDR Reform: rebuilding the foundation of cross-border bond settlement

The EU's settlement framework has historically been characterised by national silos, bilateral links, and varying degrees of integration into **TARGET2-Securities (T2S)**. For issuers and investors in the bond markets—especially funds operating in Luxembourg and Ireland—this fragmentation has often translated into complexity, cost, and occasional frictions in cross-border settlement flows.

The MISP introduces a hub-and-spoke model for CSDs:

- hub CSDs: large, multi-country players required to interconnect,
- spoke CSDs: smaller ones required to connect to at least one hub,
- mandatory T2S linkage for all CSDs settling T2S currencies.

This has several implications for fixed income markets:

a) More efficient settlement of cross-border bond portfolios

Luxembourg-domiciled corporate bond funds, for example, often settle across multiple CSDs. A coherent, interconnected network may reduce settlement fails, delays, and costs.

b) More consistent access to EU bond markets

The ability to settle any EU-issued bond more seamlessly improves market accessibility for international investors—a long-standing ICMA priority.

c) Reduced value of bespoke settlement chains

This may prompt re-evaluation of legacy link arrangements that add cost without delivering commensurate resilience or efficiency.

For a region seeking deeper and more integrated capital markets, the hub-and-spoke model is structurally aligned with the needs of modern bond markets.

4. EMIR 3.0 Measures: a more cohesive clearing environment

Clearing plays a critical role in Europe's fixed income ecosystem—not only for IRS and other derivatives, but also for repo, which is essential to price formation and liquidity in government bonds.

The MISP:

- enhances ESMA's direct supervision of significant CCPs,
- formalises quantitative criteria for supervisory designation,
- requires ESMA to chair CCP colleges for non-significant CCPs,
- expands ESMA's role in interoperability and open access decisions.

Why this matters for fixed income markets:

a) Consistency in margin rules strengthens repo markets

Differences in margin methodologies or collateral eligibility criteria can distort repo pricing across borders. A more harmonised supervisory environment reduces these distortions.

b) Better alignment in stress testing

Repo market participants have long argued that divergent supervisory expectations across CCPs can create inefficiencies. ESMA's coordinated oversight could lead to more uniform stress-testing frameworks.

c) Greater legal and operational certainty for cross-border clearing

A predictable clearing landscape supports liquidity provision in government bonds, corporate credit, and derivatives used for hedging.

For EU authorities, the objective is clear: strengthen the credibility and attractiveness of EU clearing without forcing the kind of localisation that could fragment global liquidity.

5. Settlement finality and collateral: enhancing market confidence

The transformation of the Settlement Finality Directive into a **directly applicable Regulation** is highly relevant for bond markets, particularly for repo and securities lending transactions that rely on legal certainty across borders.

With updated definitions, clarified conflict-of-law rules and strengthened protections for transfer orders and netting, the new framework aims to reduce legal risk for both traditional and digital settlement systems.

This is timely. As market participants explore distributed ledger technologies, ie **DLT bond issuances**, DLT-based settlement, or hybrid structures, the legal underpinnings of finality become critically important. The MISP provides the legal scaffolding to support innovation without undermining stability – an approach ICMA has consistently supported.

6. Fund and depositary passports: smoother cross-border bond fund distribution

Bond funds represent a major channel for European investors' participation in fixed income markets. The MISP proposes a more streamlined, ESMA-operated passporting portal that replaces disparate notification processes across Member States.

For bond funds, this means:

- faster cross-border registrations,
- fewer frictions in maintaining passport obligations,
- and less reliance on local bespoke documentation.

The MISP further reintroduces the proposal of the depositary passport, allowing funds to appoint a depositary in any Member State, which is a significant structural change. It may:

- increase competition,
- reduce concentration in certain fund domiciles,
- and encourage cross-border integration of post-trade services.

This may result in reducing operational barriers that inhibit cross-border capital formation.

7. Asset management group structures: clarifying delegation without undermining substance

The MISP updates the delegation regime to reflect the reality that asset managers operate as integrated groups. By enabling intra-group sharing of risk, compliance, and IT functions without triggering full outsourcing requirements, the reforms support the efficient management of bond portfolios that span multiple jurisdictions.

Simultaneously, ESMA's new authority to conduct **joint supervisory reviews** with national authorities introduces an additional layer of coherence. While not direct supervision, this mechanism aims to reduce supervisory divergence affecting cross-border distribution and risk management.

For large, fixed income managers, this represents a framework that better reconciles operational efficiency with substance requirements.

8. Crypto and DLT: laying the groundwork for digital fixed income markets

The MISP's decision to place all Crypto-Asset Service Providers (CASPs) under ESMA supervision creates a unified regulatory environment that reduces the patchwork of national approaches.

At the same time, the expansion of the DLT Pilot Regime, including:

- a broader range of eligible financial instruments,
- higher aggregate issuance caps,
- elimination of individual product thresholds,
- permission for CASPs to participate,
- and proportionate rules for smaller infrastructures under a simplified regime signals a clear intention to enable serious tokenisation pilots in fixed income.

DLT bonds are no longer theoretical. Sovereign issuers, SSAs, and major financial institutions have already conducted pilot transactions. For these initiatives to move beyond proof-of-concept, they require:

- clear regulatory pathways,
- robust settlement finality frameworks,
- and a predictable supervisory environment.

The MISP provides early building blocks for such an ecosystem, without sacrificing prudential safeguards.

Also, some changes to the CSDR such as the recognition of CBDCs (Central Bank Digital Currencies), tokenised bank deposits, digital cash and e-money tokens as equal to traditional settlement assets, will serve to assist in the growth of the digital market.

9. Funding and governance: a more cohesive European supervisory architecture

Direct supervision by ESMA will increasingly rely on fee-funded models. For the largest trading venues, CCPs, CSDs, and fund groups, supervisory costs may shift, though the overall objective remains proportionality and full cost recovery.

Member States will also contribute more directly to the supervisory budget. While this entails higher contributions from larger financial centres, the rationale is to build a supervisory architecture capable of:

- consistent application of rules,
- more efficient oversight of cross-border infrastructures,
- and reduced costs associated with navigating regulatory fragmentation.

In many ways, this reflects the economic logic underlying ICMA's long-standing support for harmonised, efficient, and internationally attractive market structures.

10. A more integrated European bond market — if implementation keeps pace

The MISP is not the culmination of the Savings & Investment Union (SIU) or Capital Markets Union (CMU) – but it is one of its boldest steps. The fixed income community stands at the centre of these reforms, because bonds remain the backbone of European capital markets, financing sovereigns, corporates, and public investment alike and providing diversified investment opportunities for retail investors.

If implemented consistently, the MISP could deliver:

- a more resilient and coherent infrastructure for trading, clearing, and settlement,
- better price discovery through meaningful transparency and consolidated data,
- reduced operational hurdles for cross-border bond funds,
- enhanced legal certainty for collateralised transactions,
- and a forward-looking framework for digital bond markets.

These are objectives ICMA has championed for years. The challenge now is execution: aligning supervisory expectations, managing the transition for market infrastructures, and ensuring that new requirements strengthen, rather than fragment, market functioning.

Conclusion

The direction is clear. Europe is equipping itself with a more integrated, scalable, and future-ready bond market framework as part of the MISP. For issuers seeking efficient access to deep pools of capital, for investors navigating increasingly complex markets, and for intermediaries supporting liquidity and price formation, the MISP represents an opportunity to rebuild the foundations of the European fixed income market for the decade ahead.

All these goals are in alignment with ICMA's SIU Call for Evidence response (March 2025)[1], outlining priorities of the SIU for corporates, individuals, the market and supervisory architecture as guided by its members, as well as ICMA's contribution, *"Building a stronger European integrated market: ICMA's vision for the Savings and Investments Union"* (June 2025)[2] – where these aspects are explored in greater detail.

Contact: Natalie Westerbarkey and Thorsten Guthke
natalie.westerbarkey@icmagroup.org
thorsten.guthke@icmagroup.org

Natalie Westerbarkey is Managing Director and Co-Head of Market Practice and Regulatory Policy, ICMA and Thorsten Guthke is Director, ICMA;

1. ICMA-response-to-European-Commission-Savings-and-Investment-Union-SIU-Call-for-Evidence-from-3-February-2025-March-2025-070525.pdf
2. ICMA-response-to-European-Commission-SIU-Implementation-Targeted-Consultation-on-the-EU-Capital-Markets-Integration-June-2025.pdf

Creating the conditions to scale up the European commercial paper market

by **Katie Kelly**

The European commercial paper (CP) market comprises several segments, including the Euro CP market, the Negotiable European CP market and various other domestic CP markets. While these markets function effectively in isolation and most investors are largely indifferent to the CP market in which an issuer operates, their resulting fragmentation and structural challenges can create operational complexity, higher costs and limited appeal to new participants.

Despite these challenges, the combined size of the European CP market is not insignificant (valued at approximately EUR 1.27tn)[1] and continues to expand, demonstrating resilience and significant potential for further growth.

Scaling the European CP market would have myriad benefits: it would improve accessibility in the existing European CP market, including liquidity in secondary trading. It would provide a viable alternative to short-term funding for potentially, a wider range of issuers, thereby reducing dependence on bank funding. It would also align with policies under the European Commission's Savings and Investments Union (SIU) plan[2] by providing a larger pool of funding to support investments in the European economy and lowering financing costs for European businesses.

In November, ICMA released a paper entitled *Creating the conditions to scale up the European commercial paper market*. Based on contributions from the ICMA Commercial Paper and Certificates of Deposit Committee (CPC)[3], the paper maps the landscape of the European CP market, examines its structure, function and relevance, and identifies enabling measures to enhance its depth and accessibility, drawing comparisons with the more standardised and transparent US CP market.

In short, the paper demonstrates and concludes that scaling the European CP market relies on a virtuous cycle in a number of inter-linked areas, as set out below.

Transparency

Given the limited holistic visibility in the overall European CP market for both issuers and investors, a fully consolidated, standardised and publicly accessible data source upon which to develop generic curves could enhance market understanding, support fair valuation and encourage more primary and secondary market activity. In this respect, there is potentially a role for a European regulatory or oversight body, which could leverage the expertise of, or be based on, existing models.

Standardisation

Standardisation in areas such as issuance denominations, note formats, interest conventions, settlement systems, ISIN generation, governing laws and documentation could streamline issuance and enable easier comparisons for investors. It could also facilitate innovation and adoption of new instruments while lowering legal and compliance costs.

Diversification

Measures to ensure broader diversity in the European CP market include recalibrating current regulation which exclude smaller or lower-rated issuers, the inclusion of which could

1. As at 8 September 2025. Source: CMD Portal.
2. European Commission Savings and Investments Union Communication
3. The European CP & CD Market September 2021

support market growth, particularly in the money market fund (MMF) sector and consequentially, the CP market. In addition to other structural changes in MMF Regulation, directing retail savings towards MMFs rather than bank deposits could be a significant growth catalyst aligning with the European Commission's SIU plan, as to which increasing awareness and utilisation of MMFs in Europe would be helpful.

Asset-backed CP

The asset-backed CP (ABCP) market in Europe is significantly underdeveloped compared to the US, with European ABCP reaching only 21% of the US market's total. Proposed EU reforms to the Securitisation Regulation could materially improve issuance conditions, though they may not be finalised until at least 2027 (and cross-border compatibility between the EU and UK securitisation regimes would also be helpful). Until then, ABCP activity is likely to remain subdued but meanwhile there may be a role for awareness raising by way of outreach on the benefits of ABCP.

Repo market

Developing a repo market for CP would improve liquidity and reduce balance sheet constraints, but structural barriers remain, as to which, improving post-trade transparency and developing reliable CP pricing benchmarks could help. Repo allows banks to leverage the High Quality Liquid Assets (HQLA) on their balance sheets, so recognition of CP (including ABCP) as HQLA would significantly enhance its repo eligibility.

Sustainable CP

Sustainable CP is gaining interest and although there is some caution, early adoption signals a growing role. Market processes for sustainable CP remain underdeveloped, with poor data availability and limited transparency slowing adoption. Improving infrastructure to clearly identify and track sustainable CP would be a helpful development, as would supporting ICMA's guidance for sustainable CP issuance and reporting as set out in the ICMA paper from October 2024 on *The role of commercial paper in the sustainable finance market*.

Innovation

It is a reality that the debt capital markets are innovating in many different ways, and there is broad recognition that outdated, manual and fragmented processes for CP issuance are ripe for modernisation.

The dealer community plays a critical role in the CP ecosystem, providing market colour, including real-time insights into investor appetite and preferences, intraday pricing dynamics and flexible structuring, while also acting as intermediaries and market makers. But as capability improves, there may be a role for innovation-led technology platforms which support a range of different functionalities while preserving the dealer role.

Looking to the future, the largely bilateral, quasi-private nature of the CP market makes it an ideal testing ground for digital innovations. Initiatives like DLT and tokenisation can be trialled with minimal disruption and could result in learnings that could support broader adoption across more complex financial markets. Tokenised MMF units in particular show promise for enhancing collateral mobility, all of which should be encouraged through sandboxes such as the EU DLT Pilot Regime.

Through its members and the CPC, ICMA remains committed to engaging further with its members, regulators and policymakers to explore these suggestions and support their practical implementation.

@ **Contact: Katie Kelly**
katie.kelly@icmagroup.org

Katie Kelly is Senior Director, Market Practice and Regulatory Policy, ICMA

The use and valuation of funds as eligible collateral to mitigate credit risk


by **Darren Marsh** and
Niranjana Ganesan, SIX Group

The Basel Framework is a set of global banking regulations by the Basel Committee on Banking Supervision (BCBS)[1]. Aimed at strengthening bank supervision and financial stability the framework sets minimum capital requirements for credit institutions. The implementation of the final version of Basel accords introduces tighter risk weighting of counterparty exposures and an increase in minimum capital requirements for credit institutions. This article argues that financial institutions should widen their acceptable collateral to include fund units and explains how they can overcome the associated data challenges.

Institutions can strengthen their credit risk mitigation strategy by effectively leveraging non-cash collateral to reduce credit exposures and free up capital for business growth. This requires the ability to accurately identify eligible collateral and assess its quality and value.

Why is credit risk mitigation important for financial institutions?

Under Basel rules financial institutions can reduce their credit risk by accepting eligible collateral in the form of financial instruments for secured lending. By utilising collateral pledged as security to perform credit risk mitigation, banks can effectively offset the value against corresponding counterparty credit exposures.

Impact of Basel final implementation

The final version of Basel III, or Basel III Final, (informally known as Basel IV in the EU) in January 2025 introduces an output floor intended to promote the harmonisation of capital requirements calculations across banks. This has been designed to ensure that capital requirements calculated using a bank's internal models cannot be less than 72.5% of the capital requirements calculated using standardised approach.

Whilst the output floor is introduced on a transitional basis to reach 72.5% in 2030, European banks will see a sharp 5% increase from the initial 50% base in January 2026, resulting in institutions seeking opportunities to optimise capital.

In short, the more eligible assets that can be identified and valued, the greater the opportunity to reduce individual credit risk exposures and, in turn, the lower the overall requirements for the regulatory capital that a financial institution must hold.

Which financial instruments can be considered as eligible collateral for bank lending?

The pool of eligible collateral typically includes high-quality bonds and listed equities as they are liquid and easy to mark to market.

However, holdings in funds, such as mutual funds and exchange-traded funds, are also permitted as eligible collateral subject to meeting specific criteria. Funds being used as collateral in lending transactions have so far led a niche existence but could prove to be an attractive alternative in the wake of the rollout of the final transposition of the Basel accords.

Funds as collateral: what are the opportunities?

It is clear that **Basel III/IV** forms the basis for a stricter view of the risks to which financial institutions are exposed. The

1. Basel Committee on Banking Supervision (BCBS): https://www.bis.org/basel_framework/

introduction of additional risk sensitivities will result in higher risk weights for some exposures. The pricing of collateral in securities financing will need to be adjusted to mitigate the increase in minimum capital requirements.

Conversely, the regulations make clear how individual credit risk exposures can be mitigated to optimise an institution's overall capital position. As noted above, liquid assets such as high-quality shares and bonds constitute the bulk of non-cash collateral. However, investment funds may also qualify as high-quality collateral if they meet the conditions set out in the Basel framework. A key prerequisite is the institution's ability to determine the appropriate haircut for each fund.

What is a haircut?

The haircut, in the context of eligible collateral,[2] describes the deduction to the market value of an asset when it is used as eligible collateral. It is based on asset type and currency volatility. The amount of the deduction depends on the risk of the underlying asset.

To determine the haircut, i.e. to value the fund positions that financial institutions have received as collateral from borrowers, they can use the mandate-based approach. However, this approach is only a conservative estimation based on the stated investment profile of the fund. As such, it does not allow for the most efficient use of capital. Financial institutions are giving away potential that they could use elsewhere.

The most capital-efficient method for assessing funds under the standardised approach, suggested in the Basel framework, is by implementing the **Look-Through Approach (LTA)**. By adopting the LTA, financial institutions that accept funds as collateral can improve the risk weighting of the banking book and thus have a positive influence on capital requirements.

As a result, more capital is freed up to carry out yield transactions. The more often and systematically a financial institution uses the LTA in connection with funds, the more capital is available for further loans or investments.

However, the LTA entails identifying each component of a fund as a direct investment i.e., as if each underlying component were held as an individual position by the financial institution.

Funds as collateral: what are the challenges?

The haircut for the fund as a whole can only be determined by the average haircut of all the assets underlying the fund. Not an easy task, considering that a fund naturally consists of many different components, each of which needs to be accurately identified and assessed.

Therefore, when using the LTA, the financial institution needs to identify the underlying assets and their corresponding weights and assess the eligibility of each position before being able to apply the corresponding volatility adjustments – or haircuts. The more precisely this can be done, the lower the overall haircut will be for the fund.

While the LTA is recognised as the most capital-efficient approach, it is also a data- and resource-intensive process. It requires granular data collection and normalisation from multiple asset managers, which impacts IT resources and costs.

As a result, some financial institutions often resort to manually collecting the data required for the LTA through so-called scraping, i.e., retrieving data from asset management websites. This method is not only inefficient, but also prone to producing inaccurate and outdated data.

With the right data, funds become an alternative asset class to collateralise loans

If financial institutions want to use fund-based collateral in the most capital-efficient way, this is only possible via adoption of the LTA. Applying the LTA to funds, however, demands granular look-through data and robust automation. This, in turn, requires aggregating and standardising data in multiple formats directly from asset managers.

This is where data providers become essential. By leveraging their industry connections and data-management expertise, they can continuously aggregate, standardise, and update information on the relevant assets through automated processes.

By combining this core competence with the necessary Basel data enrichment, they can provide a financial institution with all the granular information needed to value the funds comprehensively and in a timely fashion, in accordance with the regulatory requirements.

Thus, accepting funds as collateral is no longer a challenge for financial institutions, but rather an opportunity.

Darren Marsh is Senior Product Manager, Risk & Reporting and Niranjana Ganesan is Senior Sales Manager for SIX Group

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2. BCBS CRE22 Standardised approach credit risk mitigation. This is not the same definition or determination of haircuts applied in securities financing transactions.

Project Guardian – DvP settlement guide & lessons learned from custody of DLT-based debt securities

by **Gabriel Callsen**

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What are the opportunities and risks of stablecoins and tokenised deposits compared to a wholesale Central Bank Digital Currency (CBDC) for settlement of DLT-based debt securities? Custody of tokenised securities being a complex issue, what are the key lessons investors have drawn in different markets? These are some of the questions addressed in two key deliverables under the Project Guardian Fixed Income workstream, convened by the Monetary Authority of Singapore (MAS) and led by ICMA. The reports – a Delivery versus Payment (DvP) settlement guide and Lessons learned from custody arrangements for DLT-based debt securities – were released as an addendum to the Guardian Fixed Income Framework (GFIF) during the Singapore FinTech Festival 2025.

DvP settlement guide for DLT-based debt securities

On-chain settlement assets are critical to unlock the benefits of tokenisation, scale DLT-based bond markets, and transform capital markets. Even with jurisdictional variation, different forms of settlement assets will co-exist and need to be interoperable to foster the development of all market segments. Regulated stablecoins, tokenised bank liabilities and wholesale CBDC tokens all provide different opportunities for capital market participants, while giving rise to different risks and/or challenges. A distinction must be drawn between the settlement asset, its characteristics, and the underlying infrastructure. Multiple new considerations and requirements may arise for different forms of settlement assets in equal measure, to varying degrees, depending on the chosen implementation. Further, as tokenised securities and settlement assets are deployed on different networks, settlement finality must be assessed on a case-by-case basis. The proliferation of different solutions is expected to provide greater choice to capital market participants in the future and drive the adoption of tokenisation in fixed income markets and other asset classes.

Lessons learned from custody arrangements for DLT-based debt securities

Custody of tokenised debt securities is a complex topic, shaped by legal, regulatory, and operational implications. While there is no single correct approach, the case studies reveal common themes and provide a foundation for continuing dialogue on facilitating custody at scale. DLT-based debt securities remain highly heterogeneous, with both cross and intra-jurisdictional variations. Key issues include whether these instruments can be held by traditional CSDs or if they require 'decentralised' or novel custody models, and to what extent existing custody/asset servicing agreements apply or must be modified. Legal clarity is necessary for investors to determine whether tokenised products meet relevant eligibility rules and requirements.

These securities (and potentially stablecoins) may also require new contractual frameworks that define the roles, responsibilities, liabilities and terms of use of new custody platforms. Such frameworks must also consider the legal, tax, and audit implications, as well as jurisdictional differences for cross-border arrangements. Digital assets platforms must either support the full lifecycle of DLT-based securities or integrate with existing processes and systems. To that end, connectivity of processes and data held off-chain and on-chain can be facilitated by different events or interfaces. Security concerns also need addressing, with the safekeeping of private cryptographic keys requiring special attention. Finally, liability issues (eg key management and smart contract vulnerabilities) also warrant special consideration.

The full reports can be found in the addendum (pp. 76-96) to the Guardian Fixed Income Framework, published in November 2025.

Contact: Gabriel Callsen
gabriel.callsen@icmagroup.org

Gabriel Callsen is Senior Director, FinTech and Digitalisation, ICMA

ICMA's initiatives on the SEC mandatory clearing for US Treasuries

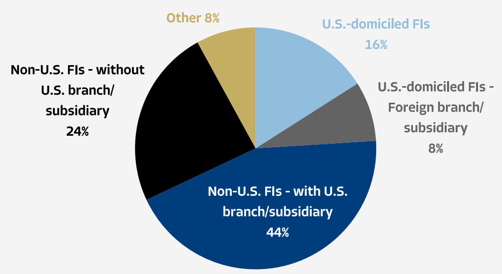
by **Zhan Chen**

Discussions around the US Securities and Exchange Commission (SEC) Treasury clearing mandate continue to gain momentum, following the 25 February 2025 announcement that the US SEC would extend compliance dates by one year to 31 December 2026 for eligible cash transactions, and 30 June 2027 for eligible repo transactions. Under the SEC rule, initially published in 2023, a covered clearing agency providing central counterparty services for US Treasury securities must implement policies and procedures requiring every direct participant to submit all eligible secondary market transactions in US Treasuries for central clearing. Clearing agencies must also monitor direct participants' submissions and take action where required submissions are not made.

The mandate has significant implications for market participants globally. Through the ERCC and regional engagement in APAC, ICMA has been closely following the developments on this topic. Over the summer, ICMA conducted an interview series with selected banks in Asia, which highlighted a range of readiness challenges as well as concerns around the breadth of the mandate's extraterritorial application. Firms expressed uncertainty around whether a foreign bank's US branch becoming a Fixed Income Clearing Corporation (FICC) member could pull the entire legal entity into scope, including its non-US branches. Views were also mixed on the practicality of the inter-affiliate exemption, which requires an affiliate to clear all of its other Treasury repo trades, undermining its usefulness. Other issues raised included higher and non-negotiable margin and capital requirements, a shift in credit exposure to agents and the Central Counterparty (CCP), jurisdictional constraints where the FICC lacks local CCP licences, and the operational burdens of monitoring counterparties' FICC membership to avoid unintended clearing obligations.

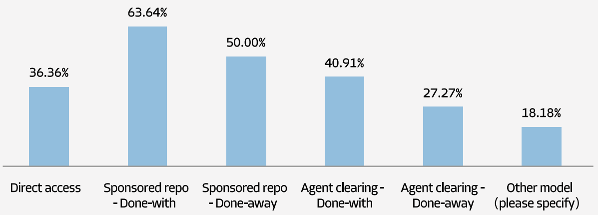
In November 2025, ICMA complemented these interviews with a broader market survey, following its second member webinar the previous month. Across both engagements, it was consistently indicated that most firms remain at the early stages of preparation, with nearly half having yet to begin meaningful implementation work. A total of 26 responses were received across sell-side, buy-side, ICSD, and FinTech participants. The majority were not direct participants of the FICC, even within their wider group structure. Currently, 56% of respondents do not clear any trades through the FICC. Among those who do, the predominant access model to FICC clearing is *Sponsored 'done-with'* (78%), followed by *Direct membership* (56%).

The type of institution that has responded to the survey.

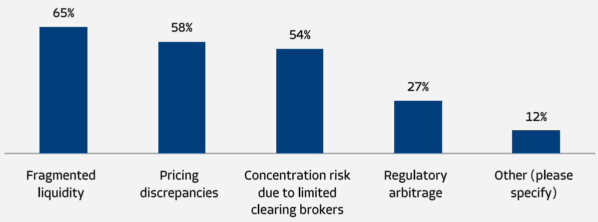


Survey responses suggest that many market participants expect at least some activity to migrate into the cleared space, with sponsored models emerging as the most popular access route, although a proportion of firms have yet to determine their approach. Several respondents viewed direct FICC membership as unnecessary given the scale of their business. Some respondents noted a preference for agent clearing if offered, given the wider counterparty choice this provides. Notably, one respondent indicated they will cease trading US Treasuries altogether once the mandate takes effect.

What is the likely access model that your entity will adopt in respect of those transactions that will have to be centrally-cleared in the future?

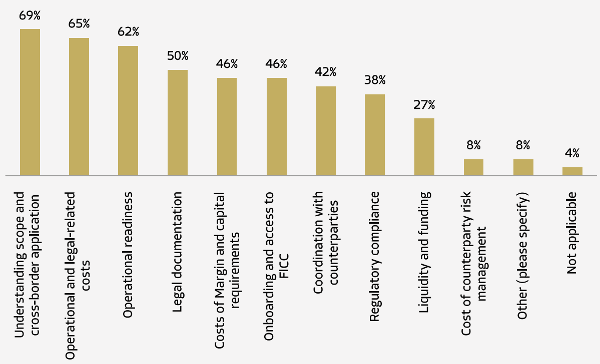


Are there any key market risks you foresee arising from the implementation of the U.S. Treasury clearing mandate?



Many firms still face uncertainty regarding the scope of the rules, both in terms of their extraterritorial reach and the treatment of specific transaction types, such as how a tri-party GC repo that includes Treasuries would be treated. Respondents also highlighted a range of operational and legal costs, including the need to revise GMRA documentation and to ensure overall operational readiness. APAC-based institutions noted additional region-specific difficulties, such as FICC's limited operating hours and jurisdictional constraints that complicate applications for direct membership.

What is/are the key challenge(s) posed to your entity with the implementation of the U.S. Treasury clearing mandate?



The margin impact associated with clearing remains uncertain, but many expect a bifurcation of markets. Some anticipate liquidity concentrating in the cleared space, while others fear that mandatory clearing could push certain participants towards fully bilateral trading, weaken Treasuries' function as a cash proxy, and create pricing discrepancies. Concerns were also raised about concentration risk given the limited number of clearing brokers.

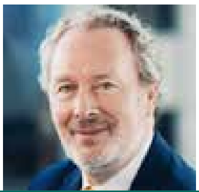
Across regions, firms consistently called for clearer regulatory guidance to support implementation. They emphasised the need for clarification on the scope and applicability of the rules, as well as greater operational and infrastructure support. Respondents also sought regulatory flexibility, including temporary measures to enable a phased migration. In addition, they highlighted the importance of market infrastructure enhancements such as cross-margining and clearer protocols for handling failed trades or clearing-agency outages. Firms also underlined the value of industry support through practical guidance, technical workshops, and forums for sharing experiences.

Building on these findings and member feedback, ICMA is assessing the GMRA documentation implications and is preparing a letter to the SEC seeking clarification on key issues such as extraterritorial scope, the inter-affiliate exemption, and triparty repo treatment. ICMA will continue to work closely with the market participants, infrastructure providers, and peer associations to address practical challenges, reduce uncertainty, and support firms as the market transitions to the new mandate.

Contacts: Zhan Chen
zhan.chen@icmagroup.org

Zhan Chen is Associate Director, ICMA

Enhancing the resilience of the gilt repo market



by **Andy Hill**

In November 2025, ICMA submitted its response to the Bank of England's Discussion Paper, *Enhancing the resilience of the gilt repo market*. The discussion paper explores the effectiveness and impact of a range of potential reforms to enhance the resilience of the UK gilt repo market. It was developed in close consultation with the Financial Conduct Authority (FCA), and with input from HM Treasury and the UK Debt Management Office (DMO). In particular, the paper focuses on ways to increase central clearing for gilt repo as well as potential benefits from applying minimum haircuts for non-cleared transactions.

Shaping the response

In responding to this discussion paper, ICMA convened a dedicated taskforce (the "Taskforce") from its diverse membership. This was coordinated through ICMA's European Repo and Collateral Council with input from its Asset Management and Investors Council (AMIC). The Taskforce includes gilt-edged market maker (GEMM) repo traders, other active sell sides in the gilt repo market, buy sides, including pension funds, insurers, UCITS asset managers, money market funds (MMFs), alternative investors (hedge funds), trading venues (cash and repo), central counterparties (CCPs), and custodians. Essentially, the Taskforce represents the entire gilt and gilt repo market ecosystem, and so a diversity of perspectives and priorities.

Recommendations of ICMA's response

The Taskforce was highly engaged in discussing the various questions put forward in the paper with a view to responding constructively, while questioning some of the Bank's arguments for its two main policy proposals, and, importantly, looking beyond these to more practical and credible measures to enhance gilt cash and repo market liquidity.

Of particular note:

- ICMA recognises the important benefits of central clearing for gilt repo, and the potential for increased non-bank participation, not least in reducing counterparty credit risk and expanding liquidity provision. ICMA notes the initiatives currently being undertaken by CCPs to support broader clearing participation, while maintaining the integrity of CCP risk management frameworks. Furthermore, ICMA identifies a number of regulatory initiatives that could help to remove barriers to access and so encourage non-bank participation in central clearing.
- Based on the unanimous consensus of the Taskforce, ICMA strongly opposes the suggestion of mandatory clearing for gilt repo. This would increase costs and restrict access for some participants, undermine the maturity transformation function of repo intermediation, and increase procyclicality. It is also not clear what the purpose of mandating clearing would be, and that the arguments relating to transparency, leverage, or counterparty credit risk are each flawed in the context of the UK market. Ultimately this would be a cost, and a risk, to gilt market stability and so to the UK economy. Clearing should be a commercial choice based on cost and risk considerations of the market participant and their clients.
- Also based on broad consensus within the Taskforce, the suggestion of minimum haircuts should be dismissed for a number of reasons. Prime among these are: the fact that haircuts are a transaction-level tool intended to hedge liquidation risk and not intended to manage leverage; that they do not take account of firms' individual, counterparty-level risk management frameworks and risk appetite; and that they can introduce an additional and unnecessary cost and friction to trading in benign markets while quickly becoming redundant in volatile markets.
- There are a number of other policy measures, beyond improving access to clearing, that could be considered to enhance gilt market resiliency. Chief among these is the potential for enhancements to the operational resilience of the Sterling Monetary Framework (SMF) which could be the most meaningful and ultimately valuable outcome of this consultation. Promoting bank risk management practices, in a number of areas, could also be a positive contributor to market resilience.

Conclusion

ICMA was pleased to be able to respond to the Bank of England's exploratory discussion paper on enhancing the resilience of the gilt repo market and continues to engage following the response. As the Bank duly notes, a well-functioning repo market is critical to the smooth and efficient operation of the gilt and other sterling fixed income markets, as well as for the effective transmission of monetary policy. Any additional costs to accessing the gilt market are a cost to UK taxpayers and savers, while any measures that make the gilt market more vulnerable to market volatility, or threatens its ability to function normally, particularly in times of stress, is a direct threat to the UK Government's growth agenda. This is particularly pertinent at a time when the UK's debt-to-GDP ratio, like that of many developed economies, is far into deep and unchartered waters. ICMA's recommendations are guided by the best interests of the gilt market and the wider UK economy.

Contact: Andy Hill
andy.hill@icmagroup.org

Andy Hill is Managing Director and Co-Head of Market Practice and Regulatory Policy, ICMA.

The stablecoin question: an impractical distraction or a powerful alternative?

by **Francisco Parente**

This is an abridged version of the full stablecoin article, which will be shared at a later date. Subscribe to receive our mailings or follow ICMA on LinkedIN

Since their initial appearance in July 2014, the market for stablecoins has seen staggering growth. Following the United States of America's government's signing of the GENIUS act into law in July 2025, the world's largest economy finally decided to take action, which should accelerate the growth of the market, considering that USD-backed stablecoins comprise 99% of the stablecoin market cap.

This news has inevitably ignited interest in the digital asset world once again, with a spotlight placed directly on stablecoins.

Stablecoins are, to put it simply, digital representations of value that are designed to maintain a stable value. This is achieved in two different ways: (i) by reference to an asset or a basket of assets ("asset-backed stablecoins"); or (ii) via protocols that provide for the increase or decrease of the supply of the stablecoins in response to changes in demand (so-called "algorithmic stablecoins"). Asset-backed stablecoins can then be divided further into those that reference either (i) one or more fiat currencies (fiat-backed stablecoins) or (ii) one or more assets, which may or may not be fiat currencies (commodity-backed stablecoins).

Beyond the general classifications above, regulators take different approaches to defining stablecoins, in accordance with their own understanding, or with what they'd like to allow (or not) in their respective jurisdictions. Even with those differences, regulation on stablecoins is starting to take shape throughout the world with similar considerations, as they look to become an essential part of the financial system.

In the past three years, the development of regulatory frameworks and efforts to integrate stablecoins into the traditional payment systems have markedly intensified, with major jurisdictions, such as the European Union, Hong Kong, Japan, Singapore, the United Kingdom and the United States of America either having regulations in place or being in advanced stages of the legislative process.

While there is variation in approach and level of caution, some common threads have emerged from different regulatory frameworks. Some of the points of convergence are: (i) similar (typically 1:1) reserve asset backing requirements; (ii) prohibition of the accrual of interest; (iii) requirements for reserves to be held by a third-party custodian, segregated from the stablecoin issuer's assets; and (iv) redemption at par value. The main goal of regulators seems to be providing legal certainty and enabling growth and innovation in financial services, while mitigating potential risks and preserving financial stability.

One of the greatest risks to the safe development of the stablecoin market is fragmentation. Even with jurisdictions reaching common ground in key themes, and global initiatives being established aiming to mitigate this risk, there could still be greater cooperation and coordination, to avoid gaps and inconsistencies that could pose risk to financial stability, especially in stablecoin issuance arrangements that are modelled to operate across multiple jurisdictions.

Stablecoins have potential for use in plenty of areas within the digital ecosystem, with one among them being the capital markets. Here, the main practical use that is seen, especially via single currency fiat-backed stablecoins, is as on-chain settlement assets (ie "cash-on-chain"). Some recent examples of these applications can be found in ICMA's Tracker of New FinTech Applications in Bond Markets.

Under Project Guardian, a global collaborative initiative between policymakers and the financial industry to enhance liquidity and efficiency of financial markets through asset tokenisation, initiated by the MAS, a deeper dive was made into the use of different types of settlement assets by the fixed income workstream, led by ICMA. The resulting paper, published as an addendum to the Guardian Fixed Income Framework, produced a comprehensive explanation of the characteristics and considerations for the use of stablecoins (among other options) as a settlement asset.

Differently from wholesale CBDC and tokenised bank liabilities, stablecoins are generally unrestricted in access, being accessible to both wholesale and retail. They are highly programmable, allowing for configuration of access level at (i) DLT or blockchain network level, (ii) application/interface level or (iii) even at token level.

These characteristics, however, do not come without drawbacks. Some of them come from the limited scale and novelty of the market, and others come from inherent risks of the technology. Furthermore, some are a result of regulatory constraints imposed by authorities to safeguard consumers, especially as they may also be accessed by retail. In particular, the following aspects are worth highlighting: (i) additional transaction costs, eg from spikes in gas fees, also shared by tokenised bank liabilities; (ii) general prohibition on the payment of interest for holders of stablecoins; (iii) limited availability of credit; (iv) appearance of additional custody and access risks when using third-party infrastructures, as well as operational and legal risks due to limited transparency of custodial arrangements (which are also considerations for other on-chain settlement assets); and (v) risks tied to the underlying network and smart contracts.

As can be seen above, not all of these are inherent to stablecoins, nor are they all that needs to be considered. Some are also shared by other on-chain settlement assets (eg custody considerations), and others dependent on the chosen underlying infrastructure and implementation (eg technology risks).

There are also limitations to the use of stablecoins as settlement assets that do not come from the product or underlying technology itself. Instead, some regulators have imposed, or propose to impose limits to their wholesale use, with examples including limits to: (i) issuances above certain thresholds of volume or number of transactions; (ii) the volumes of deposits by single clients; or (iii) their use in certain ways (eg as settlement assets in wholesale transactions, as suggested by the UK pending results of the Digital Securities Sandbox).

Even with these considerations, stablecoins have plenty of potential, bringing new opportunities for participants, possibly "unlocking" 24/7 on-chain settlement, providing liquidity outside of the traditional cycles, and extending the reach of fixed income products to more wholesale and retail markets[1].

Contact: Francisco Parente
francisco.parente@icmagroup.org

Francisco Parente is Associate Director, FinTech and Digitalisation, ICMA.

1. Monetary Authority of Singapore, Project Guardian Fixed Income Framework, DvP Settlement Guide Addendum (pp. 76-89), published on November 2025 (link)

Summary of practical initiatives by ICMA

The purpose of this section of the ICMA Quarterly Report is to summarise recent and current practical initiatives by ICMA with – and on behalf of – members, and to provide relevant points of contact at ICMA.

MPRP membership activities

1 The MPRP team engaged in key membership annual meetings, including the ICMA networking events in Copenhagen on 30 September, in Vienna on 2 October, The Hague on 8 October and Frankfurt on 13 November 2025. In addition, the MPRP team actively contributed to bilateral membership meetings and with policy makers in person at these locations as well as in at the Cumberland Lodge Financial Services Summit in Windsor on 6/7 November 2025 (Natalie Westerbarkey) and the annual major ECB-ICMA meeting in Frankfurt on 27 November 2025.

Regulatory policy

2 *ICMA RPC:* ICMA's Regulatory Policy Committee (RPC) met in Brussels on 24 September 2025 to focus on ICMA's position related to the EU Savings and Investment Union (SIU). The European Commission DG FISMA Head of Unit for CMU/SIU joint the discussion in person with ICMA members lead by RPC Steer-Co member Carlo Brenner (Citigroup) hosted by JP Morgan in Brussels. The RPC took place in Copenhagen/Denmark, hosted by NASDAQ on 9 December 2025. Upcoming RPC meetings will be regularly in the country of the current council Presidency. Thorsten Guthke, based in Brussels, is the Secretary to the RPC.

3 The EC published a **SIU MIP (Market Integration & Supervision Package) on 3 December 2025** to which ICMA will assess a position carving out the most pertinent aspects related to international fixed income markets. It has been discussed at the ICMA RPC on 9 December and will be shared with ICMA technical committees to identify potential positions and actions.

4 ICMA delivered a ***Eurobond event*** together with the two ICSDs on 24 September at ICMA's Brussels office and on 10 October 2025 to ESMA in Paris showcasing how this product boosts the objectives of the SIU, including the launch of ICMA's bond market policy mind map and ecosystem. It was followed by a session in Hong Kong delivered by the ICMA Asia team on 24 November 2025. Further sessions are envisaged in Q1 2026 for IOSCO in Madrid and local EU markets for example in the Netherlands to the Central Bank and National Regulator.

5 A launch edition of the regular political ***ICMA Brussels roundtables*** hosted at ICMA's premises took place on 30 October 2025 featuring ICMA's work on secondary market strategic developments and bond market data reports. These are recorded and planned to be continued regularly in 2026.

6 ICMA's participated at the **Eurofi event in Copenhagen from 17-19 September 2025 with the ICMA CEO** and engaged in priority bilateral meetings with high-level decision makers, members and the financial community. A draft briefing of key themes and bilateral meetings has been circulated to members. The next Eurofi will be hosted in Cyprus taking place 25-27 March 2026 and it is planned to hold the RPC in Nicosia on 24 March 2026.

7 ICMA is preparing the **annual Brussels/Paris meetings with ICMA's CEO** and C-level policy makers on 20-22 January 2025.

Primary Markets

8 *ICMA's Issuer Forums:* The Public Sector Issuer Forum (PSIF) met on 16 October in Washington. ICMA's Corporate Issuer Forum (CIF) is due to meet on 5 February and the ICMA Financial Institution Issuer Forum (FIIF) met on 9 October. Katie Kelly acts as the Secretary of the PSIF, the CIF and the FIIF.

9 *ICMA PMPC, LDC and related groups:* ICMA's Primary Market Practices Committee (PMPC) is due to meet on 5 March, with Ruari Ewing as Secretary. He also acts as Secretary of ICMA's Asia Pacific Bond Syndicate Forum (ABSF) that is due to meet on 6 February and of ICMA's Asia Pacific Legal & Documentation Forum (ALDF) that met on 18 November. ICMA's Legal & Documentation Committee (LDC) met on 26 November, with Miriam Patterson as Secretary. She also acts as Secretary of ICMA's Securitisation Discussion Forum.

10 *Regulatory developments:* In the UK, ICMA continued its focus on the POATRs prospectus and product governance regimes (following earlier publication of final FCA positions), with: (i) FCA engagement on some

residual considerations, (ii) formal comments on an FCA technical note; (iii) consideration of a further consultation on corrections and clarificatory amendments; and (iii) work on ICMA's model selling restrictions, final terms and product governance legends. ICMA is also considering FCA's final FCA position on the UK CCI (PRIIPs replacement) regime

In the EU, ICMA continued its focus on: (i) the prospectus regime (following earlier publication of final ESMA advice on Level 2 requirements) with ESMA meetings on residual points, consideration of a new consultation on follow-on prospectuses and anticipation of a further consultation in the new year; (ii) the retail investment strategy (covering PRIIPs and MiFID investor protection topics) with monitoring of further trilogue discussions; and (iii) CSDR settlement discipline application to primary issuance (following earlier publication of final ESMA advice) with ongoing bilateral ESMA engagement. Focus also continued on the SIU, with a Eurobond market presentation to ESMA and initial consideration of the Market Integration Package published on 4 December.

Distinctly, ICMA started considering an OECD consultation on corporate bond issuers.

11 *ICMA's Securitisation Taskforce:* ICMA, through consultation with the Securitisation Taskforce led by Miriam Patterson, co-signed on 20 November a joint statement with several other trade associations on certain buy-side perspectives on the EC securitisation package announced in June 2025.

12 *Events:* The annual European Primary Market Forum (EPMF) took place on 12 November and was hosted by DLA Piper. The EPMF brought together stakeholders from across the ecosystem and more than 150 participants to explore the key forces shaping today's debt capital markets.

The European Primary Bond Markets Regulation Conference will take place on 27 January, hosted by ICMA and A&O Shearman in London. It will comprise an afternoon of discussions with EU and UK policy makers, regulators and market participants on a range of regulatory developments affecting primary bond markets (notably regarding prospectuses).

The ICMA MENAT Primary Market Forum is scheduled for 2 February in Dubai. The forum will bring together senior representatives from issuers, investors, financial institutions and public authorities to examine the key developments shaping one of the most dynamic funding regions globally.

13 *JIBAR Transition:* At the request of the South African Reserve Bank (SARB), ICMA (Katie Kelly) is assisting with the transition from JIBAR (the South African IBOR) to ZARONIA (the local risk-free rate) until JIBAR's expected cessation at the end of 2026

14 *Commercial Paper and Certificates of Deposit:* ICMA published on 19 November a paper on *Creating the conditions to scale up the European commercial paper market*. Katie Kelly is the secretary to the ICMA Commercial Paper and Certificates of Deposit Committee (CPC).

Secondary Markets

15 *T+1:* ICMA continues to participate actively in discussions in the UK and the EU related to the shortening of the settlement cycle to T+1, which will take place on 11 October 2027. In the UK, ICMA has been engaged from the start as an active member of the UK Accelerated Settlement Taskforce and Technical Group. In the EU, ICMA is a full member of the EU T+1 Industry Committee under the new EU T+1 Governance and has actively contributed to the EU's High-Level Roadmap to T+1 which was published on 30 June. In this context ICMA has been particularly focused on trading and SFT impacts, providing the secretariat for the related technical workstreams.

16 *ICMA BMLT:* the Bond Market Liquidity Taskforce (BMLT) led by Andy Hill and supported by Simone Bruno, began its phase II in H2 of 2024 focusing on the European investment grade corporate bond market. The report will be developed in two stages: i) an initial quantitative analysis and ii) qualitative interviews with ICMA members, which will be synthesised and anonymised. The ICMA Secretariat has shared with BMLT members the preliminary quantitative analysis and is currently conducting qualitative interviews with ICMA members to confirm findings and explore any gaps in the quantitative analysis. ICMA hopes to advance this work in the first half of 2026.

17 *Bond market transparency:* In the EU, the Final RTSs in relation to key MiFIR review areas such as bond market transparency and the bond consolidated tape were published in the Official Journal of the EU (OJEU) on 3 November, with the new bond market transparency regime in the EU applying from 2 March 2026. In the UK, the new transparency regime has already applied since 1 December 2025. ICMA has this year been very engaged in providing deep-dive data analysis to members in relation to the upcoming regime changes, and differences between UK and EU deferrals, and will continue to do so going forward. Furthermore, ICMA has through its MiFID WG responded to the recent FCA Consultation Paper (CP25/20) on the SI regime for bonds and derivatives by the deadline of 10 September and has subsequently had bilateral discussions with the FCA together with interested member firms to provide further thoughts and input ahead of the FCA Policy Statement. Furthermore, in July this year ESMA announced their selection of Consolidated Tape Provider which will be Ediphy / Fair CT. The FCA in August selected ETS Trading Software

however this decision has been legally challenged by one of the other contenders.

18 *SMPC and SMF:* ICMA's Secondary Market Forum is currently planned to take place jointly with the AMIC forum, as a full one-day event in Paris in Q1 2026, where members are invited to visit both the SMF and AMIC. The last SMPC meeting took place on 10 December in London. Topics included the recent Bank of England Discussion Paper on Gilt Market Resilience, highlights from the first week of the new bond transparency regime in the UK, update on other regulatory topics, as well as a contribution from FinTech and Digitalisation colleagues on topics of relevance to secondary markets.

19 European Secondary Market Reports: The sovereign edition of the European Secondary Market Report for H1 2025 was published on 27 August followed by the corporate edition on 8 October 2025. Starting from H1 2025, following member feedback, ICMA has chosen to include bonds issued by the EU in its European Sovereign Bond Data report. This is intended to reflect the growing scale of issuance and turnover in EU bonds and a wider market shift toward the classification of the EU as a sovereign borrower. ICMA is also currently working on a public bond edition, to be published in due course, with a view to gauging member interest. Should there be sufficient demand, this edition will be incorporated into ICMA's regular suite of periodic secondary-market reports.

20 IOSCO on 3 November published their Final Report on Pre-hedging, including IOSCO's definition of pre-hedging as well as a set of recommendation in relation to pre-hedging. This follows IOSCO's earlier consultation report on pre-hedging to which ICMA responded in February, followed by several IOSCO roundtables throughout 2025, in some of which ICMA participated to express further views, alongside other stakeholders.

21 Over recent months, ICMA's Electronic Trading Working Group (ETWG) has had several meetings together with the FIX Fixed Income Axe Distribution Standards Working Group on a joint project, which examines the current deficiencies of Axe Distribution Standards. ICMA worked on an Industry Paper in this respect, which was published in December 2025, based on thoughts provided by both buy-side and sell-side market participants through the group meetings and also via bilateral calls. The most recent joint ETWG/FIX meeting took place on 3 December. The last sole meeting of the ETWG took place on 11 December, where a summary of projects and topics of focus was provided to members, followed by discussion about priorities for 2026.

Repo and Collateral Markets

22 *ERCC AGM and conference 2025:* On 19 November, the ERCC AGM and conference 2025 took place in London, hosted by Euronext in the Fishmongers' Hall. The afternoon event was well attended with almost 150 delegates joining. The AGM itself was preceded by a VIP dinner, hosted equally by Euronext, with ERCC Committee members and speakers, which took place on 27 November.

23 *ERCC Committee:* The ERCC Committee last met on 19 November in London, gathering in the margins of the ERCC AGM and conference. The next meeting of the Committee will be held on 28 January in Luxembourg. This will be the last meeting of the Committee in its current composition before the conclusion of the 2026 elections. Alex Westphal acts as Secretary to the ERCC and GRCF.

24 *Repo governance:* ICMA has concluded a substantive review of the governance framework underpinning its repo and collateral work, which is set out in the so-called section 1000 of ICMA's Rulebook. Following extensive internal discussion and review by ERCC members, the substantially revised and updated rules were adopted by the ICMA Board on 5 December.

25 Gilt repo market resilience: Under the stewardship of the ERCC, ICMA convened a taskforce of members active in the Gilt repo market (sell side, buy side, and CCPs) to respond to the Bank of England's Discussion Paper on *Enhancing gilt repo market resilience*. The paper mainly focuses on the implications of increased central clearing and minimum haircuts. The final response was submitted on 28 November.

26 *UST mandatory clearing:* ICMA has been following the discussions closely with members. On 15 October, ICMA hosted a member webinar with DTCC to discuss the scope of the mandate, infrastructure readiness, access models, and how firms can effectively prepare. In parallel, ICMA conducted a market survey to gather feedback on the implications of the mandate, focusing on its scope, firms' preparation and readiness, business and operational implications, and areas where further regulatory clarity or industry support would be most valuable. Building on the survey findings, ICMA is working with members to draft a letter to the SEC seeking clarification on several outstanding questions. Zhan Chen is leading this workstream.

27 *T+1:* The impacts of the upcoming European transition to T+1 on the repo market is one of the main focus areas for ICMA, particularly on the repo side. This includes our successful advocacy for an exemption of SFTs from the T+1 rule, but also ICMA's active push for measures to mitigate the impact on SFT markets more broadly. The SFT workstream established under the EU T+1 governance, co-led by ICMA, put forward

almost 30 recommendations, including on the usage of relevant settlement optimisation tools (shaping, auto-partialling etc), and, even more importantly, advocating for underlying market infrastructure changes to address intraday liquidity concerns. On the latter, a dedicated taskforce, co chaired by ICMA, was established and published its findings and additional recommendations on 22 December.

28 *Prudential requirements:* Through its Prudential Working Group, the ERCC has been advocating on a number of concerns related to the prudential treatment of SFTs. Further to ICMA's successful advocacy for an NSFR "quick-fix", a recent focus has been on the treatment of open reverse repos under LCR, as ICMA continues to be in discussion with the EBA to request clarification on their latest related guidance.

29 *Repo education:* Education remains one of the central focus areas on the repo side. On 25-26 November, ICMA hosted the ERCC's annual 2-day flagship educational event, the Professional Repo and Collateral Management Workshop, in London, attended by over 60 delegates. Separately, ICMA also continues to offer tailor-made educational workshops for regulators. Following a successful workshop for IOSCO staff in September in Madrid, on 19-21 November, ICMA held a 3-day repo educational workshop in Jakarta, co-hosted with the Bank of Indonesia and OJK and attended by over 200 delegates.

Asset Management

30 On 30 September, Anita Karppi joined ICMA as Senior Director to lead the buyside team. Anita will lead and drive ICMA's overall international buy-side proposition and strategy, with a focus on engaging non-traditional asset managers and investors. She will oversee the AMIC to ensure ICMAs buy-side voice is also well-represented in industry best practices and standard-setting initiatives and represent ICMA in key industry forums and events beyond AMIC, especially among non-traditional buy-side stakeholders.

31 *NBFIs:* Earlier in the summer, ICMA hosted a roundtable on leverage in NBFI with Sarah Pritchard, Executive Director, Markets and International, at the FCA, as well as Co-Chair of the FSB's Working Group on NBFI leverage, to discuss the final FSB recommendations, which were published the day before. As a follow-up to the roundtable, the NBFI ICMA team had a meeting with the FCA asset management team to discuss the FCA perspective and applications of the FSB recommendations in greater detail. More recently, in October, ICMA hosted a buyside roundtable with the Bank of England, on enhancing the resilience of the gilt repo market.

32 *Buyside Roundtables:* On 27 November, ICMA hosted two buyside roundtables lead by Anita Karppi. The topics covered key themes for 2026 for the fixed income buyside trading desks, including the potential impact of consolidated tape, as well as fixed income ETFs.

33 *ICMA AMIC Committee:* The AMIC Committee convened in Paris on 8 October with Jerome Reboul, Managing Director of Regulatory Policy and International Affairs, at the AMF as the guest speaker. Discussion topics included supervision, simplification and burden reduction, as well as innovation. The AMIC Secretariat consists of Irene Rey.

34 *Market infrastructure advisory group (MIAG) Chair:* A new Chair is to be confirmed following the previous chair (Christophe Roupie) leaving MarketAxess this year. This is currently in discussion with the Deputy Chair, (Marcel Naas) and will be discussed at the next MIAG meeting on 2 December. At the next meeting, the Terms of Reference for MIAG will be reviewed and members will be asked to approve it (or suggest any changes they require).

35 *Group focus:* A key topic to be discussed by MIAG is SIU/CMU and recent developments in the Eurobond markets. MIAG is an important and senior group of our Market Infrastructure member community and needs to be further leveraged accordingly. Work and deliverables for the committee in 2026 will be discussed and agreed at the next meeting.

Sustainable Finance

36 *2025 Annual Conference of the Principles in Tokyo and the publication of the Climate Transition Bond Guidelines:* With the support of the Japan Securities Dealers Association (JSDA), ICMA hosted the 2025 Annual Conference of the Principles in Tokyo on Thursday 6th November 2025, which drew over 560 participants (on-site and virtual). The Climate Transition Bond Guidelines (CTBG) were published on the day of the Conference, alongside an updated Climate Transition Finance Handbook incorporating the CTBG and new annexes on transition-plan frameworks, tools, and methodologies for assessing credibility.

37 *Understanding the opportunity from carbon markets for sustainable finance and the wider market*: ICMA released a new research paper in November that provides an analysis of compliance and voluntary carbon markets. The paper traces the rapid expansion of compliance carbon markets and their relevance to financial markets. It also clarifies the limited, but potentially complementary, role of voluntary carbon markets in transition strategies and in innovative sustainable bond issuance as illustrated by the World Bank's "outcome bonds".

38 *New Transition Finance Training*: ICMA has launched an updated transition finance course developed with its sustainable finance team that explores the role of fixed income markets in financing through sustainable bonds credible decarbonisation projects referring to authoritative market and official sector guidance.

FinTech and Digitalisation

39 *FinTech Advisory Committee (FinAC):* A meeting was held on 8 December to review the FinAC survey results, take stock of achievements in 2025 and discuss priorities for 2026.

40 *DLT Bonds:* ICMA DLT Bonds Working Group held meetings in October and December, as well as a workshop on smart contracts for corporate actions of debt securities in November.

41 *MAS Project Guardian:* In November 2025, the Fixed Income Workstream, led by ICMA, published two reports as an addendum to the Guardian Fixed Income Framework: (i) a DvP settlement guide; and (ii) lessons learnt from custody arrangements for DLT-based debt securities.

42 *Project Appia:* ICMA attended a workshop held by the Eurosystem's New Technologies for Wholesale Settlement Contact Group (NTW-CG) on 25 November 2025 on project Appia.

43 *Artificial Intelligence (AI):* The AI in Capital Markets (AICM) Working Group's quarterly meeting was held on 4 December. It reviewed the working group's achievements in 2025 and discussed priorities for 2026, amongst other items.

44 *Bond Data Taxonomy (BDT):* The BDT Working Group held its quarterly meeting on 2 December 2025, which focused on looking forward towards priorities for 2026 and reviewing the input provided for the forthcoming release of BDT version 2.0.

45 *AI and BDT:* On 18 November, ICMA and the World Bank Treasury held a webinar on Project Shastra, looking at how generative AI and data standards can improve post-trade efficiency in fixed income securities.

46 *Common Domain Model (CDM):* ICMA participated in the FINOS Open Source in Finance Forum (OSFF) on 21-22 October in New York. ICMA continues to be involved in FINOS governance and maintenance of the CDM.

47 *Data collection and reporting:* ICMA attended a meeting of the UK's Industry Data Standards Committee (IDSC) on 1 December 2025.

48 *Canadian Fixed-Income Forum (CFIF):* In October, ICMA joined a meeting of the Collateral Infrastructure and Market Practices Advisory Group (CIMPA) to present FinTech and Digitalisation developments and ICMA's engagement.

49 *Events:* ICMA held a number of FinTech and digitalisation events in Q4 2025, including in Washington D.C., Hong Kong, Singapore, Milan, Copenhagen and the annual FinTech and Digitalisation forum held on 9 December in London.

Primary Markets

by **Ruari Ewing, Miriam Patterson, Katie Kelly** and **Sabah Anjum**

UK and EU prospectus and related regimes

On 5 December 2025, ICMA submitted comments to the FCA on draft technical note TN/610.1 *Public offers and prospectus publication*. This was as part of FCA's wider Primary Market Bulletin 58 consultation on proposed changes regarding multiple technical notes in its Knowledge Base, ahead of the UK's new Public Offers and Admissions to Trading (POATRs) regime coming into force and replacing the legacy UK Prospectus Regulation regime from 19 January 2026 (subject to certain grandfathering provisions).

ICMA's comments essentially noted it is unclear that draft TN/610.1's disclosure requirements regarding admission-contingent offers provide materially additive value in a Eurobond context, with the related disclosure that would be required by the proposed requirements likely to be brief.

There has been other recent work by ICMA on POATRs implementation – notably:

- engaging with FCA staff on some residual considerations following the FCA's 15 July 2025 policy statement PS25/9 on the POATRs regime;
- considering Chapter 5 of the FCA's 5 December 2025 quarterly consultation No.50 CP25/35, on corrections and clarificatory amendments to facilitate POATRs implementation, ahead of its 19 January 2026 deadline for responses; and
- preparing related draft ICMA model UK selling restrictions, UK final terms and a UK retail-inclusive product governance legend (for UK manufacturers in an ESCC PVLB[1] context) – for ICMA members to consider informally, ahead of finalisation and formal publication in the ICMA Primary Market Handbook later in 2026 (in this respect, ICMA is also considering the FCA's 8 December 2025 policy statement PS25/20 on the new CCI regime due to replace the legacy UK PRIIPs regime from 6 April 2026).

Regarding parallel developments in the EU, ICMA:

- considered but was unable to respond to the European Commission's 4 December 2025 consultation on draft delegated acts regarding reduced content and standardised format for two EU short-form prospectuses ahead of its 1 January 2026 deadline – notably touching on the EU follow-on prospectus (which ICMA addressed in its 2 May 2025 response to a prior Commission consultation, as reported in an article in the Third Quarter 2025 edition of this Quarterly Report);
- was (at the time of writing) expecting imminently a Commission consultation on Prospectus Regulation Level 2 measures following ESMA's 12 June 2025 advice and recommendations to streamline prospectuses under the EU's Listing Act package (reported in an article in the Fourth Quarter 2025 edition of this Quarterly Report).

(ICMA has distinctly continued tracking trilogue negotiations under the EU's Retail Investment Strategy where trialogue political agreement was announced on 18 December – notably regarding the PRIIPs regime and the MiFID product governance, marketing materials and inducements regimes.)

All these aspects (together with an OECD 1 December 2025 consultation on draft guidelines for corporate bond issuers that ICMA is considering ahead of its 31 January deadline) should provide ample material for potential discussion at the ICMA and A&O Shearman European Primary Bond Markets Regulation Conference on 27 January 2026.

Contact: Ruari Ewing
ruari.ewing@icmagroup.org

1. "ESCC PLVBs" are plain vanilla listed bonds (a specifically defined concept) issued by entities with an existing UK listing in the equity shares (commercial companies) category or their guaranteed subsidiaries, which have been given particular emphasis by the FCA in terms of retail availability.

Joint statement on investors' views on the EU securitisation review

On 20 November 2025, ICMA published a joint statement of views from the perspective of investors in securitisations (the buy-side) on the package of reforms proposed by the European Commission regarding the EU securitisation framework in June 2025. The joint statement sets out the shared views of ICMA and six other trade associations.

The joint statement welcomes the reforms proposed that have the goal of revitalising the securitisation market in the EU, which is viewed as essential to the ambitions of the Savings and Investment Union, enables funding for SMEs and supports Europe's green and digital transitions.

Increasing investor demand is also essential to revitalising the European securitisation market. The joint statement expresses concern that certain measures currently being considered under the proposed reforms may discourage rather than encourage investment in securitisation.

The joint statement highlights the following concerns:

- The proposed reforms limit global market access, with fewer opportunities for EU savers and businesses to invest in non-EU securitisations. The proposed reforms contain several provisions which *de facto* prevent EU investors from investing in non-EU securitisations. In particular, requiring EU investors to receive reporting for non-EU and bespoke private deals strictly in the format of the Article 7 template under the EU Securitisation Regulation (SECR) is costly, inefficient and sometimes misaligned with investor needs. The joint statement advocates a more proportionate approach–one that requires institutional investors to perform a meaningful risk assessment where the focus would be on the substance of the information, rather than on the format.

- Investors are deterred by disproportionate monetary sanctions. The joint statement strongly recommends not adding the failure to meet Article 5 due diligence requirements to the list of sanctionable provisions under Article 32 of SECR. AIFMs and UCITS managers are already subject to potential sanctions under their sectoral rules which set out due diligence rules applicable to all asset classes, including securitisations. The ECB's Opinion of 11 November 2025 also supported a more proportionate sanctioning regime so as not to disincentivise investor participation.

- Reclassifying private securitisations as public securitisations increases the reporting burden on these transactions that are substantially private in nature or are not intended to fall within the EU securitisation framework. This change adds unnecessary burden with no clear benefit. In particular, extending the definition of public securitisations to all EU transactions admitted to trading may drive such applications to trading outside the EU in order to preserve the "private" nature of a given transaction.

- Reporting of private securitisations to repositories increases costs with no meaningful benefit. In private deals, investors already obtain the required information directly through simpler, more efficient channels.

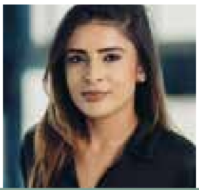
The joint statement welcomes the European Commission's commitment to revitalising the EU securitisation market. However, certain elements of the current proposals risk undermining the very objectives they aim to achieve. ICMA and the other co-signing associations call on EU co-legislators to adopt a more proportionate, pragmatic and globally aligned approach–one that truly reinvigorates the EU securitisation market and positions it as a vital tool for financing Europe's growth.

@ **Contact: Miriam Patterson**
miriam.patterson@icmagroup.org

Secondary Markets

by **Andy Hill, Nina Suhaib-Wolf, Simone Bruno** and **Aman Gill**



ICMA's Electronic Trading Working Group update H2

In recent months, ICMA's Electronic Trading Working Group (ETWG) has been working on a joint initiative on Axe distribution standards with the FIX Trading Community. Following several joint calls with FIX as well as bilateral meetings with buy-side and sell-side stakeholders, ICMA has published an industry paper jointly with FIX which aims to identify existing deficiencies in Axe distribution standards and qualities of Axes, with the goal to provide a foundation for further analysis and discussion about possible solutions. The last joint meeting took place on 3rd December. For further details, please also see article "Axe Distribution Standards in the European Bond Market" on page 42.

Aside from this specific project, the last regular ETWG meeting of 2025 took place on 18th December. In this meeting, members were provided with a quick recap of projects worked on in the ETWG during 2025, such as the member survey about trading protocols and innovation in bond markets, the joint ICMA ETWG / FIX Fixed Income Axe Standards WG initiative and other areas explored this year, as well as to discuss potential priorities and deliverables for the group for the year of 2026. The group also discussed the first UK CTP webinar that took place on 15th December and was hosted by Etrading Software (ETS), who are the successful bidder to provide the UK's first bond consolidated tape.

Contacts: Nina Suhaib-Wolf and Aman Gill
nina.suhaib-wolf@icmagroup.org
aman.gill@icmagroup.org

IOSCO Final report on pre-hedging

On 3 November, IOSCO published its Final report on pre-hedging. This report contains the IOSCO definition of pre-hedging as well as a set of recommendations for dealers. As stated by IOSCO in the final report, *"The recommendations as guidance aim to support member jurisdictions to the extent they are considering putting in place rules or adjusting existing rules related to pre-hedging."* The Final report also provides a summary of feedback received in response to the earlier IOSCO consultation report on pre-hedging, published in November 2024, to which ICMA responded in February 2025, as well as a set of considerations for clients.

Overall, IOSCO states that the Final report *"includes information and guidance for all interested parties, including dealers, issuers, brokers, investors, and other wholesale market participants to consider in relation to pre-hedging. These recommendations as guidance aim to promote greater clarity for regulators and wholesale market participants regarding pre-hedging practices."*

ICMA welcomes IOSCO's Final report as it seeks to provide high-level, principal- based recommendations, which are based on existing code and guidance, and which is in line with the views provided in ICMA's response to the earlier IOSCO consultation report. Furthermore, the recommendations themselves, to a large extent, reflect the views as highlighted in ICMA's response, and as conveyed through ICMA's participation in several related roundtable meetings that IOSCO hosted during 2025. From ICMA's perspective, pre-hedging in bond markets, being predominantly principal markets, is viewed as an important tool for risk management, with the intention to benefit the client. As such, pre-hedging should be permissible, and it was stated in the ICMA response that any future recommendations by IOSCO should be high-level principles only and in line with existing codes and standards. In terms of disclosure and consent, ICMA highlighted that there should be a sufficient degree of upfront disclosure about how and when dealers use pre-hedging, on which basis clients would then be able to decide whether and how to engage with the dealer. ICMA considers that there should not be any prescribed rules concerning trade-by-trade or post-trade disclosure, but that clients should be able to request information, as part of the dealer-client relationship. It was also stressed that there should not be any bifurcation between different trading channels.

In summary, the first set of IOSCO recommendations require that dealers should undertake pre-hedging only for a risk-management purpose, that the dealer should undertake pre-hedging only with the intention of benefiting the client, that dealers should act fairly and honestly and that dealers should seek to minimise market impact and should maintain market integrity when pre-hedging. The second set of recommendations then looks into consent and disclosure as well as firms' policies and procedures. Here IOSCO states that dealers should document and implement appropriate policies, procedures and controls for pre-hedging (IOSCO notes here existing policies and procedures might already be in place, in which case no separate policies and procedures for pre-hedging would be required). Furthermore, dealers should provide clear disclosure to clients of the dealer's pre-hedging practices, and seek to receive prior consent to pre-hedge from the outset of the client relationship, as well as give clients a clear process to modify and revoke consent at any time with reasonable notice. It is further stated that dealers should have appropriate compliance and supervisory arrangements in place that also cover pre-hedging, and that dealers should appropriately manage access to, and prohibit misuse of, confidential client information and adequately manage any conflict of interest. The final two recommendations deal with information controls and record keeping.

Going forward, ICMA plans to remain engaged in this topic in co-ordination with its members, particularly as various jurisdictions look to adopt the IOSCO recommendations.

Contacts: Nina Suhaib-Wolf, Aman Gill, and Andy Hill
nina.suhaib-wolf@icmagroup.org
aman.gill@icmagroup.org
andy.hill@icmagroup.org

EU MiFIR/D latest developments

On 3 November 2025, all key EU MiFIR/D review RTSs were published in the EU Official Journal, including:

- In regard to non-equity transparency: *Commission Delegated Regulation (EU) 2025/1246 amending RTS 1 & RTS 2*,
- In regard to Consolidated Tape EU:
  - *Commission Delegated Regulation (EU) 2025/1143 repealing RTS 13*, *Commission Delegated Regulation (EU) 2025/1155 regarding CTP input & out RTS*,
  - *Commission Delegated Regulation (EU) with regards to the technical standards on the authorisation and organisational requirements for APAs and ARMs and authorisation for CTPs*
- In regard to Reasonable Commercial basis: *Commission Delegated Regulation (EU) 2025/1156 regarding RCB*.

The publication of the final RTSs follows a long series of consultations during 2024 which resulted in the release of ESMA's Final Reports on Non-equity transparency (RTS2) and Reasonable Commercial Basis (RCB) and the Framework for Consolidated Tape Providers (CTPs) and DRSPs in December 2024, the latter being published alongside a feedback statement on criteria to assess CTP applicants. This was followed by the EU CTP selection procedure then taking place during H1, 2025, whereby on 3 July ESMA announced Ediphy Markets (FairCT) to be the first bond consolidated tape provider in the EU, with Ediphy currently undergoing the authorisation procedure. Further details can be found under the respective ESMA CTP website.

Prior to the publication of the key MiFIR/D review RTSs, on 10 October ESMA also published its updated Manual on post-trade transparency under MiFID II/ MiFIR (following amendments made under MiFIR/D review). This was paired with an ESMA Statement on the transition for the application of the MiFID II/MiFIR review – No.2, which complemented ESMA's Public Statement on the transition for the application of the MiFID II/MiFIR review in March 2024, and the Commission interpretative notice on the MiFIR review transitional provision.

Further to the publication of the RTS on non-equity transparency (RTS2), the new EU bond market transparency rules and its deferral regime will apply from 2 March 2026. This is around three months later than the respective UK regime (as per FCA policy statement PS24/14) which applied from 1 December 2025. ICMA has been actively following trading activity in the UK since application of the new regime and has provided several updates to its members in recent meetings of ICMA's MiFID Working Group as well as ICMA's Secondary Market Practices Committee (SMPC). ICMA plans to closely monitor the markets over the next few months and update its members as well as regulators with its analysis and findings.

@ **Contacts: Nina Suhaib-Wolf, Simone Bruno and Aman Gill**
nina.suhaib-wolf@icmagroup.org
simone.bruno@icmagroup.org
aman.gill@icmagroup.org

SI regime for bonds and derivatives: FCA Policy Statement PS25/17

On 28 November, the FCA published its Policy Statement PS25/17 on the SI regime for bonds and derivatives and other consultation proposals. This follows the FCA's earlier Consultation Paper CP25/20 which was published in July 2025 and to which ICMA responded by the deadline of 10 September. In its Policy Statement, the FCA confirmed its plans to remove the SI regime for bonds, derivatives, structured finance products and emission allowances, effective as of 1 December 2025, to align with the application date of the new bond market transparency regime stemming from Policy Statement PS24/14 on "Improving Transparency for bond and derivatives markets", published in November 2024. The FCA furthermore clarified that it will do so via a blanket clearance of entries of SIs for bonds and derivatives in the FCA register as per 1 December 2025, and that therefore SIs themselves do not need to notify the FCA that they are no longer an SI for bonds or derivatives.

There are interdependencies between the FCA removing SI entries from the Register and SIs terminating their FIRDS reference data submissions. The FCA has in this regard asked SIs to terminate (not cancel) active instrument reference data for bonds and derivatives in FCA FIRDS, whereby the termination date should be the date on which the instrument is actually terminated. Noting that firms need time to process these changes, the FCA asked SIs to make the changes as soon as possible and no later than 27 March 2026. ICMA had been discussing the interdependencies and related complexities with the FCA in the weeks prior to the publication of PS25/17, and members are very welcome to reach out to ICMA contacts for further information and details.

The FCA Policy Statement also clarified that with these changes in the UK, firms will no longer be able to opt in to the non-equity SI regime. This is different from the EU approach, where the removal of the mandatory SI regime for non-equity as part of the MiFIR/D Review amendments (under MiFID II Article 4 (20)), which entered into force on 28 March 2024, with the MiFID text to be transposed into national law within 18 months and by 29 September 2025) still retains the possibility to opt-in as an SI for bonds and derivatives. There is also a difference to the EU approach with respect to the de-registration procedure, given that in the EU, firms will have to de-register from their side, by notifying their National Competent Authorities (NCAs). This leaves the potential question open of what the ideal timing would be for firms to de-register as SI for bonds and derivatives in the EU.

ICMA members welcomed the FCA's Policy Statement in this respect, with the FCA undertaking the clearance of all the relevant SIs in one go from the Register from their side and providing a clear timeline for firms' transition until 27 March 2026, which sends a clear signal to the markets and firms' clients about this important change in market structure. ICMA discussed the change and implication for firms in several meetings of ICMA's MiFID Working Group in H2, 2025, as well as in the quarterly SMPC and AMIC meetings, to provide further information to its members on the sell-side and buy-side. In October, ICMA also co-signed with AFME and ISDA a joint briefing paper, which aims to provide information and clarity to market participants on this important topic and to raise further awareness.

Aside from the changes to the SI regime for bonds and derivatives, the FCA's recent Policy Statement also confirmed other changes to market structure such as the removal of the prohibition on an SI operating an OTF, as well as the removal of the prohibition on Matched Principal Trading by MTF operators. Both these changes had also been discussed as part of CP25/20, to which ICMA agreed in its consultation response.

@ **Contacts: Nina Suhaib-Wolf and Aman Gill**
nina.suhaib-wolf@icmagroup.org
aman.gill@icmagroup.org

Transparency in UK bond markets: the first week under the new deferral regime

Introduction

1 December 2025 marked the go-live date of the new UK deferral regime for bonds as outlined by the FCA in its Policy Statement PS 24/14 for Improving transparency for bond and derivatives markets in November 2024.

In brief, and as highlighted in further detail in PS24/14, the new deferral regime proposes three different trade publication deferrals: one day, two weeks, and three months. As regards sovereign bonds, deferrals apply based on trade size, issue size, time to maturity, country of issuance and coupon type. In the case of corporate bonds, deferrals are based on trade size, issue size, currency and rating.

Since the consultation CP23/32 on Improving transparency for bond and derivatives markets was published back in December 2023, ICMA has run several exercises, trying to retrofit historical data with the proposed regime in order to forecast future levels of transparency in the market. See, for example, "*Sovereign bond deferrals: a comparison of the UK and the EU by country*" on page 34 of ICMA QR Q3 2025, or the latest European Secondary Market data reports, more specifically page 64 of the H1 2025 sovereign edition and page 61 of the H1 2025 corporate edition. ICMA's most recent analysis focuses on the first days of the new UK bond deferral regime and its impact on transparency levels.

As of Monday, 8 December 2025, ICMA was able to observe and analyse secondary market data for the first week of the new deferral regime, which it compared with the first Monday of December one year earlier (which is the week commencing Monday 2 December 2024), and also with the week commencing on the first Monday of the previous month (which was Monday 3 November 2025). The purpose of this exercise was to contrast historical transparency levels, in order to assess how the new deferral regime has so far affected the volume of real-time disclosures.

For consistency, ICMA analysed trades published on trade date only. Historical trades that were deferred and therefore published on a different date from the trade date were not considered.

Sovereign bonds

In the case of sovereign bonds, ICMA's analysis included bonds issued by DMOs in the UK, the US and the EU only. ICMA's analysis here shows that in the week commencing Monday 2 December 2024, £30.6 bn of volumes were disclosed in real time within the UK's trading venues (TVs) and approved publication arrangements (APAs), distributed across 27,000 trades and 405 individual ISINs. It is important to reiterate that these figures do not represent the entire traded universe on that day, as we only took into account transactions that were disclosed in real-time on the day the trade took place. In the week commencing Monday 3 November 2025, these metrics were similar, with only £21.9 bn of notional traded disclosed real-time, and distributed across 20,000 trades and 372 ISINs.

ICMA's analysis shows that in contrast to the above, and looking at the first week of the application of the new deferral regime (Monday, 1 December 2025), real-time disclosures increased significantly. ICMA observed £110 bn of notional traded volume reported in real time, distributed across 61,000 trades and 1,627 ISINs, symbolising a huge shift.

In addition, where the previous regime catered for a two-day deferral for specific trades, based on the deferral flag, the new regime allows for some trades to be deferred for only one day. ICMA was therefore also able to capture the data of the one-day deferrals. In the first week of the new regime, an additional £74 bn, distributed across 5,000 trades and 892 ISINs was reported in this bucked. As per the FCA deferral table in PS24/14, bonds issued by the UK, France, Germany, Italy, the US and Spain are subject to a one-day deferral when traded in sizes between £5mn and £50mn, and also depending on time to maturity. As a result, the average trade size of these additional five thousand trades seen after one day equates to circa £14.6 mn. Historically, real-time or one-day deferred trades showed average sizes between £1mn and £2.5mn only.

Corporate bonds

In the case of corporate bonds, it is worth highlighting that the magnitude of real-time disclosures is even greater. Looking at data prior to the new deferral regime, ICMA sees that in the week commencing Monday 2 December 2024, only £120 mn of notional traded were disclosed in real time within the UK's TVs and APAs, distributed across 508 trades and 229 ISINs. In the week commencing Monday 3 November 2025, £260 mn of notional traded was disclosed in real time across 896 trades and 367 ISINs. In comparison, during the first week of December 2025, our analysis shows that real-time disclosure increased remarkably to £11 bn, distributed across 45,000 trades and 13 thousand ISINs, followed by additional disclosures after one day of £14.5 bn across 9,700 trades and 5.4 thousand ISINs.

We conclude that, as predicted, and as intended by UK regulators, UK bond markets have become significantly more transparent. It is important to reiterate that the set of data used for this article at this point in time included only trades, published real-time and on T+1, given that at the time of writing, the two-week and three-month deferred trades were not yet published. Going forward, ICMA will continue to closely monitor the market and release further analytics and insights as they become available.

Contacts: Simone Bruno and Nina Suhaib-Wolf
simone.bruno@icmagroup.org
nina.suhaib-wolf@icmagroup.org

Secondary Market Data Report: evolution and latest additions

Since 2022, ICMA has been closely monitoring trading activity in the European secondary bond markets, including the publication of its semi-annual European Secondary Market Data Report.

The purpose of this report is to present bond secondary market developments across a number of diverse metrics (further explored below). ICMA collates and aggregates data on bond trades as reported under the MiFID II / MiFIR obligation and further enriches this with available reference data. As of H1 2025, ICMA released its seventh report in the series. Each edition ICMA aims to refine the dataset and provide increasingly more accurate historical data. Moreover, by introducing additional reference data, ICMA has been able to explore trends and market evolution at a more granular level.

A key objective for the ICMA team has also been to enrich the report in terms of coverage and analysis, on a continuous basis. This has been possible thanks to the many valuable inputs and comments from its readers and the ICMA Secondary Market Practices Committee (SMPC).

This article aims to showcase the report's evolutionary journey and to illustrate how the feedback received has manifested into tangible improvements.

In October 2022, the first edition of the report was published, followed by the second edition in April 2023. These two editions covered data for H1 2022 and H2 2022, respectively, and included a breakdown of volumes and trade count by currency for both sovereign and corporate bonds, a volume breakdown by issuer country for sovereign bonds only, and an overview of trade sizes and distribution channels. The second edition also included an "in focus" section, which looked into UK Gilt markets more specifically, to identify the effects of the September 2023 "mini budget" crisis.

By March 2024, the fourth report (H2 2023) was published, which then included 24 months of market data. This was a long enough time series to allow comparisons amongst different periods: six months versus six months, as well as year on year. As a result, each of the chapters was complemented with an "evolution" sub-chapter. The aim of this sub-chapter was to compare the four available semi-annual periods and provide an initial time series analysis.

2024 was characterised by the publication of two larger consultations on bond market transparency in the EU and UK: The FCA CP23/32 Improving transparency for bond and derivatives markets, released on 10 December 2023 with a deadline to respond on 6 March 2024, and the ESMA MiFIR Review of RTS 2 on transparency for bonds, published on 21 May 2024 with a deadline to respond on 28 August 2024.

In consideration of these meaningful legislative initiatives, ICMA introduced a new section to the report. Whilst previous reports presented the data collected from both trading jurisdictions (EU and UK) combined, a further sub-chapter was added, with the aim of presenting the data by jurisdiction of trade (EU and UK). This has allowed ICMA to observe and highlight regional differences and patterns in addition to time-variant patterns.

And that was not the only change introduced in 2024. Firstly, the report was enriched through additional analysis on existing data (such as the introduction of interquartile ranges for trade sizes and amount outstanding), and the introduction of additional reference data. Volumes, trade count and average trade sizes, could now be broken down not only by currency and issuer country, but also by rating, tenor, and amount outstanding. In the case of corporate bonds, a further breakdown by sector was added as well. In each of these breakdowns sub-chapters would now showcase aggregated as well as segregated EU and UK data, along with historical evolutions. Secondly, due to the increase in content and additional readers' input, ICMA began to publish the report in two separate editions: one report featuring sovereign bonds, the other one featuring corporates.

The latest edition of this report series is the H1 2025 Sovereign Bond issue. Whilst previous editions of the Sovereign version of the report only included transactions on bonds issued by Debt Management Offices (DMOs) in Europe, the UK and the US, ICMA has, since 2025, chosen to also include bonds issued by the EU. This follows member feedback noting the growing scale of issuance and turnover in EU bonds, and an increasing tendency to view the EU rather as a sovereign borrower. Meanwhile, on the corporate side, a further breakdown by sustainable finance label was introduced.

Looking ahead, we are pleased to inform our members that ICMA plans to trial a third version of the report, focusing on public bonds, which will be published during H1 2026. We are looking forward to its release and encourage our readers to continue to provide us with their valuable feedback, which will help us to improve our analysis further, and increase the benefit and value of the reports, long into the future.

Contact: Simone Bruno
simone.bruno@icmagroup.org

Axe distribution standards in the european bond market

On 16 December 2025, ICMA and the FIX Trading Community published the white paper, *Bond Market Axe Distribution in Europe*. The paper explores the current state of electronic bond market axe distribution and attempts to identify any deficiencies and their causes. While the paper does not set out recommendations to improve axe data quality and practices, it is hoped that a better understanding and articulation of the current challenges and experiences of market participants will at least pave the way for deeper discussion about possible solutions.

The importance of axes

An axe (derived from "axe to grind") is a specific interest that a market participant has to buy or sell securities. In the case of dealers, an axe usually relates to a long or short risk position that they are looking to offload or cover, or it could be based on a client order that they have been actioned to work. For investors, dealer axes are of particular interest since they provide the opportunity to trade within the bid-ask spread and often in larger than normal market size.

Axes are a key element of pre-trade transparency that help to facilitate the efficient transfer of risk from dealers while supporting best execution for investors. Underpinning the successful application of axes is a clear, safe, and efficient communication between dealer and client, which can be challenging to achieve, especially in the context of bond trading on electronic trading platforms.

The challenge with axes

Key complaints from some buy sides include the unreliability of interests flagged by dealers as "axes", which are at best a firm "market" and at worst unexecutable. To a large degree, sell-side dealers are incentivised to flag their market runs as axes on trading venues due to an automatic dealer selection logic applied in routing buy-side request for quotes (RFQs). This has led to deeper philosophical discussions around what actually constitutes an axe, and, for example, does it need to be based on an actual risk position or a firm client order. Here, some buy sides state that additional granularity around axes would not only help them, but could lead to more business for the axe wielder.

Meanwhile, the single most common limiting factor when it comes to sell side dealers sharing axes electronically is information leakage. Revealing a sensitive bond risk position to the wrong party, or the market more broadly, can move the market against them in anticipation of the unwind. This leads to a reticence to provide too many details around their interest. Equally, information leakage can be as much a concern for buy sides who want to route their orders to the dealer or dealers most likely to fill their request in the most efficient and cost-effective way.

Ultimately, the successful functioning of axe distribution rests on trust between the sender and the receiver. Both need to feel in control of what is communicated and to whom. Without this, there is little incentive to share potentially sensitive data, so ensuring that on venue, at least, the concept of axes remains largely notional.

Next steps

Following the publication of the paper, ICMA, through its Electronic Trading Working Group, is reviewing its definitions for bond price distribution, published in 2021, to ensure that they are still relevant, or can be enhanced to support more consistent practices among market participants.

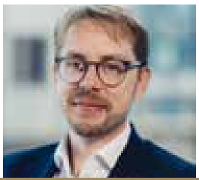
In parallel, FIX is exploring technical enhancements and data fields with a view of improving axe data quality and usability.

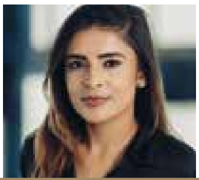
ICMA members interested in these initiatives should reach out to ICMA or FIX respectively.

Contact: Andy Hill
andy.hill@icmagroup.org

Repo and Collateral Markets

by **Andy Hill, Alexander Westphal, Zhan Chen, Aman Gill** and **Deena Seoudy**




ICMA's ERCC and GRCF

Review of ICMA's repo and collateral governance: As reported in the previous edition of the quarterly report, over the course of 2025 ICMA conducted a comprehensive review of the governance framework underpinning our repo and collateral work, which is set out in section 1000 of the ICMA Rulebook. The aim of the review was to modernise and simplify a framework that had become lengthy, complex and, in some areas, outdated. As a result, section 1000 has been substantially revised and shortened, focusing on high-level governance principles. Operational and procedural details, previously included in the ICMA Rules, have been moved to a new and separate Terms of Reference ("ToR") specific to the ERCC. This new structure allows for more efficient updates and provides greater transparency around committee processes. In October, the proposed new framework was shared with ERCC/IRCC members for review and approval. Following member approval, the ICMA Board then formally adopted the new framework on 5 December. Further details are set out in a related member circular.

ERCC Committee and 2026 elections: On 19 November, the ERCC Committee came together for its final meeting of the year held in the margins of the 2025 ERCC AGM and conference (see below). As in previous meetings, two topics stood out. On the one hand, members discussed in some detail current repo market conditions approaching year-end. On the other hand, a considerable part of the meeting was taken up by an in-depth discussion around the ongoing transition to T+1 in Europe and the related work to mitigate impacts on the repo business (see below). Other topics covered in the meeting included the latest developments around the UST clearing mandate, the BoE consultation on gilt repo market resilience, prudential regulation, and of course also the latest legal updates. Moreover, members briefly touched on the Common Domain Model (CDM), including proposed work to potentially extend ISDA's Digital Regulatory Reporting (DRR) tool to SFT reporting. More detailed minutes of Committee meetings are made available to all ICMA members in the usual form once approved by the Committee during its next meeting (login required).

The Committee will meet once more in its current composition before the conclusion of the upcoming 2026 elections. The final meeting will be held on 28 January in the margins of Deutsche Börse's GFF Summit in Luxembourg, kindly hosted by Clearstream and Eurex. In the meantime, the process for the 2026 ERCC election has already started. On 9 December, a call for nominations was sent out to all ERCC Named Repo Contacts. By the 12 January deadline, 28 candidates had been nominated and will stand in the upcoming election for the 20 seats on the new ERCC Committee.

GRCF meetings: On 3 December, ICMA's Global Repo and Collateral Forum (GRCF) held its final meeting of 2025. As usual, the virtual session covered a broad range of topics, covering updates from the different regions such as the findings from ICMA's latest European Repo Market Survey, updates from the APAC region, MENA, and other Emerging Markets. In terms of global themes, ICMA presented the latest developments around the SEC's UST clearing mandate, including key findings from a related ICMA member survey, as well as the latest GMRA & legal developments. A key focus of the meeting was on the latest FinTech and digitalisation trends. This included a preview shared by ICMA of some of the key messages from an upcoming ICMA report on DLT/digital repo which will be published in early 2026, as well as an update on ICMA's broader work in the FinTech space by colleagues from the FinTech and Digitalisation team. The GRCF is open to all ICMA members with an interest in global cross-border repo markets. If you would like to join, please send an email to grcf@icmagroup.org.

Contact: Alexander Westphal
alexander.westphal@icmagroup.org

Repo events

Recent ERCC events: November was an exceptionally busy month for the ERCC in terms of events. First, on 19 November, the ERCC held its Annual General Meeting and Conference, kindly hosted by Euronext in London's historic Fishmongers' Hall. We were very pleased to welcome almost 150 delegates on the day who were presented with a rich agenda, featuring welcome remarks by ICMA Chief Executive Bryan Pascoe and Anthony Attia, Global Head of Derivatives and Post Trade, Euronext, followed by three engaging panel discussions covering the latest trends and dynamics in the repo market, both from a global and a European perspective.

One week later, on 25-26 November, the ERCC hosted the next flagship event, ICMA's Professional Repo and Collateral Workshop (PRCW), our annual repo educational event for junior market practitioners and anyone else keen to learn more about the structure, functioning and regulation of this critical market. The 2-day workshop took place in London this year, coordinated as in previous years by Richard Comotto, senior adviser to ICMA. Richard was joined by senior market practitioners from member firms, who provided in-depth insights on specific aspects of the course. As in previous years, the workshop was offered at a highly competitive rate and attracted over 60 delegates. After the success of this year's PRCW, we are already working on the 2026 edition which will be announced early in the new year. To register your interest, please contact education@icmagroup.org.

Saudi Arabia's Evolving Capital Markets: Focus on Repo & Securities Lending: Following the success of the joint ICMA, ISDA & ISLA conference in Riyadh this February, we are delighted to confirm that ICMA & ISLA will be returning to the Kingdom of Saudi Arabia (KSA), hosting a joint one-day event on 27 April 2026. Following recent developments, including the publication of close out netting regulation and subsequent legal netting opinions, the event will bring together key local stakeholders including regulators and the securities exchange, prominent regional financial institutions, and global market players, to provide an update on the growth of the SFT market in recent months, operational and infrastructure developments, Islamic repo and securities lending, as well as the Kingdom's growth in the context of regional and global markets. The event will take place at the JW Marriott Riyadh and will be free to register for ISLA and ICMA members. Further information including the agenda and registration details will be announced in due course. In the meantime, if you are interested in sponsorship opportunities, please check here or contact sponsorship@icmagroup.org.

ICMA's 49th European Repo Market Survey

On 27 November 2025, the ERCC released the results of its 49th semi-annual survey of the European repo market. The results are based on survey responses received from 59 participants, representing the most significant players in the European repo market, and provides a snapshot of the market on the survey date (11 June 2025). The total value of the repo books of the survey sample jumped 11.9% year-on-year to EUR 12,435 billion. The driver seems to have been the financial market volatility and economic uncertainty triggered by the shock of hikes and threats of hikes in trade tariffs by the US Administration, which increased demand for precautionary liquidity but also encouraged investors to seek shelter in the money market, not least in repo. The full survey report along with a summary of key findings is available here.

@ **Contact: Alexander Westphal**
alexander.westphal@icmagroup.org

ICMA publishes guide to the Indian repo market

On 10 December, ICMA published an overview of the Indian repo market, highlighting recent developments and describing the structure and operation of the market, its infrastructure, types of collateral and counterparties, and the legal and regulatory framework. The India Guide is the eighth in a series of reports on domestic repo markets in the APAC region that ICMA is publishing as part of its continued commitment to promoting the development of repo markets around the world. Guides to domestic repo markets in China, Japan, Indonesia, the Philippines, South Korea and Vietnam, were published in 2022 and 2023 (ICMA member login required), and Australia in 2024.

@ **Contact: Aman Gill**
aman.gill@icmagroup.org

LCR and open reverse repos

The industry continues to discuss the EBA's latest guidance regarding the treatment of open reverse repos under LCR from May this year which continues to raise questions. While the initial Q&A update in May 2024 helpfully clarified that open reverse repos can be recognised as inflows for LCR purposes under certain conditions, the latest guidance puts this into question again, if interpreted strictly. After considering the new guidance with members of the ERCC's Prudential Working Group, ICMA followed up bilaterally with the EBA to seek clarification. As part of the initial outreach in July, ICMA shared its own interpretation of the latest guidance with the EBA for confirmation. More recently, we followed up with further details, using the opportunity to remind the EBA of previous ICMA submissions on the topic which explained in more detail why open reverse repos can safely be considered as inflows in stressed conditions. In particular, we highlighted again the two points explained in our September 2023 letter to the EBA, namely the (i) unambiguous contractual rights under the GMRA to close out open reverse repos and (ii) the international dimension of the issue with other major jurisdictions taking a different view on the question which also raises important level playing field concerns. We hope that the issue can be clarified in due course in a proposed meeting with the EBA.

@ **Contact: Alexander Westphal**
alexander.westphal@icmagroup.org

European transition to T+1

Latest progress in the industry groups: The preparations for the coordinated move of European markets to a T+1 settlement cycle continue to be a major priority for ICMA and our members. With less than two years to go until go-live in October 2027, the discussions in the relevant industry groups in the UK and the EU are making good progress, but there is still a long way to go. In the EU, the work of the EU T+1 Industry Committee, in which ICMA is represented as a full member, is in a critical phase. Following the publication of the EU's High-Level Roadmap (HLRM) on 30 June, three taskforces were established to tackle several important open issues which had been highlighted in the HLRM as requiring further discussion. More specifically, the three taskforces were mandated to develop: (i) proposed best practices around standard settlement instructions (SSIs), including the use of transaction type identifier, (ii) proposals to ensure a more comprehensive usage of automatic partial settlement, and (iii) technical solutions to optimise settlement for SFTs (more on this in the next section). The three taskforces were asked to conclude their work by the end of November, but this has been slightly delayed, allowing some additional time to wrap up the discussion. On 22 December, tentative conclusions prepared by all three taskforces were published and are available on the recently launched website of the EU T+1 Industry Committee. In addition to the work on those open items, the Industry Committee is working on a more detailed Handbook which would complement the HLRM, providing additional guidance and explanations on specific recommendations. A first edition of the Handbook should be released in January, but this will be a living document that will evolve over time to reflect ongoing discussions and incoming queries. In the meantime, the focus is shifting increasingly to preparations for operational testing. Dedicated groups have been established in the UK under the Accelerated Settlement Taskforce (AST) and in the EU under the T+1 Industry Committee to prepare and coordinate the testing process. Further guidance is expected in due course.

T+1 readiness survey: On 26 November, the EU T+1 Industry Committee, in collaboration with the Value Exchange, launched its first T+1 industry readiness survey. The survey closed on 2 January and results are currently being analysed. A report is expected to be released later in January. This is the first survey in a series of EU readiness surveys which will be undertaken in the run-up to T+1.

Settlement optimisation for SFTs: As reported in previous editions of the Quarterly Report, securities financing transactions (SFTs), including repos and securities lending transactions, have played a central role in the discussions around T+1, especially in the EU. This reflects the fact that SFTs will be disproportionately impacted by T+1. Given their role in funding and covering cash market transactions, most SFTs will have to settle on an even tighter timeframe, with a significant part of the market expected to move to same-day (T+0) settlement. The scale of the related challenges is reflected in the High-Level Roadmap which incorporated a long list of almost 30 recommendations put forward by the SFT workstream alone. From a repo perspective, among the most critical issues that need to be addressed are concerns around the expected increase in firms' intraday liquidity costs and the potential knock-on impact on settlement efficiency, which will likely result from a substantial shift to T+0 for repo, as this would mean that netting opportunities are significantly reduced. The initial recommendation put forward by the SFT workstream was to introduce a new batch settlement cycle in the late morning across all relevant CSDs to maintain current levels of settlement optimisation and netting (see recommendation SF-01 and the associated box 1 in the HLRM for details). This led to extensive discussions. Following the publication of the HLRM, a dedicated taskforce was therefore created, co-led by ICMA, to develop and agree a technical solution to address the problem. The taskforce brought together all the relevant stakeholders, including market infrastructures and the ECB/4CB, as T2S operator. After extensive work, the taskforce agreed on the creation of a 'gating event' in the late morning, around 11am CET, across all relevant (I)

CSDs. This would achieve the same objective as a 'batch' but is based on existing CSD functionalities and has been considered less disruptive as it would run in parallel to the existing real-time settlement (RTS) cycle. While the list of specifications for the agreed gating event was finalised and published on 22 December, a few important questions remain open. This includes the technical details around the identifier that can be used by parties to flag transactions for the gating event, but also discussions to agree a common approach among CCPs towards the gating event.

Legislative developments: On the EU side, on 13 October, ESMA published its final report recommending amendments to the Regulatory Technical Standards (RTS) on CSDR Settlement Discipline, in order to facilitate the transition to T+1 by 11 October 2027. The report follows ESMA's earlier public consultation on the topic which ICMA responded to in April. The report also takes into account the recommendations set out in the High-Level Roadmap, although there are still a few questions around potential inconsistencies between the Level 2 standards and some of the recommendations. The draft RTS were submitted to the European Commission who now have 3 months to adopt the proposed changes. Separately, on 14 October, the final text amending the CSDR Level 1 which provides the legal basis for the move to T+1 was published in the Official Journal of the EU (OJEU). The text entered into force 20 days after publication with an effective application date of 11 October 2027, at which point the EU, UK and Switzerland are jointly moving to T+1.

On the UK side, on 20 November, HMT published the UK T+1 Draft statutory instrument (SI) which includes an explicit exemption for SFTs from the T+1 rule, in line with the EU, but even clearer in its approach. The SI was published alongside an accompanying policy note which explains the UK's approach in more detail. Both of these documents can be found here.

Contact: Alexander Westphal
alexander.westphal@icmagroup.org

Legal developments

Annual legal opinion update: The 2026 annual legal opinion update exercise is well underway and on track. The ICMA legal opinions cover over 70 jurisdictions and provide members with access to a substantive body of legal know-how covering both the enforceability of the netting provisions of the GMRA as well as the validity of the GMRA as a whole. The ICMA GMRA legal opinions are accessible on aosphere.com to members who subscribe to the ICMA legal opinions or whose terms of membership allow access the ICMA legal opinions. More information on the ICMA GMRA Legal Opinion subscription can be found here, alternatively if you have any questions, please contact our membership team.

IRRD Member Briefing: ICMA were pleased to announce the publication of an explanatory briefing on "The Impact of IRRD on Repurchase Transactions & Securities Lending Transactions".

With EU Member States needing to apply the new IRRD rules from January 2027, this timely publication, supported by Clifford Chance, helps market participants understand the implications of the IRRD for repo transactions. It outlines how the new resolution rules interact with the GMRA and its associated contractual protections, helping members prepare for implementation with greater clarity and confidence.

The paper is freely available and can be downloaded here.

GMRA Digital Assets Annex - Phase 2: In August 2024 ICMA, working in collaboration with ISLA and Clifford Chance, produced the first Digital Assets Annex to the GMRA, providing additional terms for repos collateralised by, or which has the (re)purchase price paid in, digital cash, digital securities including tokenised traditional securities or asset backed digital assets.

Work is now starting on the next phase of the Digital Assets Annex project, in which we will be preparing a standalone annex for the use of digital bonds in repo transactions. The first draft of the annex has been circulated to the working group, with a view to holding the first working group meeting in late January 2026. Members are encouraged to actively participate in the working group and continue to contribute to this project. If you would like to be a participant in the legal working group and/or the digital assets legal working group or have any questions on the above, please contact Deena Seoudy directly.

Contact: Deena Seoudy
deena.seoudy@icmagroup.org

Sustainable Finance

by **Nicholas Pfaff, Simone Utermarck, Valérie Guillaumin, Özgür Altun** and **Simone Bruno**



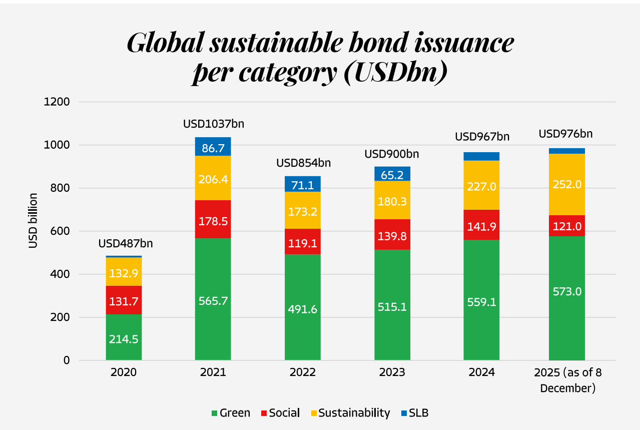


Summary

We provide a near full year update on 2025 issuance volumes and trends of the sustainable bond market. We highlight the Principles guidance this year including at the recent Annual Conference of the Principles in Tokyo on 6 November marked by the release of the new Climate Transition Bond Guidelines. We summarise the key outcomes of COP 30 in Brazil. We also comment on a number of significant regulatory developments in Europe, notably with the Commission's proposal for SFDR 2.0, and internationally.

Sustainable bond market update

As of 8 December 2025, global sustainable bond issuance has reached approximately USD 976 billion representing around 1% increase over the full year of 2024. This is equivalent to around 10% of global bond issuance, compared with 11% in 2024.



ICMA based on LGX DataHub and Bloomberg data as of 8 December 2025

Green bond issuance year-to-date amounts to USD573 billion, an increase of around 2% relative to USD559 billion issued in the full year 2024. Green bonds in 2025 (ytd) constitute 59% of total sustainable bond issuance. Renault issued its inaugural green bond of EUR850 million 5-y in September, while EIB issued a EUR5 billion 5-y green bond. The Hong Kong Government issued for a third time digital green bonds in HKD, RMB, USD, and EUR equivalent in total to approximately HKD10 billion.

Since December 2024, several issuers have used the EU Green Bond label with 28 bonds amounting to EUR20.5 billion and representing 4.2% of global green bond issuance also equivalent to 11.7% of issuance from EU countries in 2025. Issuance in Q4 2025 includes the first ever sovereign EuGB from Denmark (DKK7 billion 10-y, twin bond format) and Eurogrid's EUR1.1 billion offering in two tranches.

Sustainability bond issuance has reached USD252 billion year-to-date, representing an 11% increase (vs. USD227 billion as the total 2024). In contrast, issuance of social bonds in 2025 stands at approximately USD 121 billion, a 15% decline compared with the full year 2024. In Q4, the World Bank Group's IBRD issued a USD5 billion 5-y sustainability bond while the Czech Republic issued its inaugural social bonds in local currency. Some innovative thematic issuances also occurred in Q4, including Akbank's USD100 million 5-y digital gender bond, IDB's first Amazonia Bond of USD100 million 5-y to fund high-impact projects across the Amazon region, and BMO's Indigenous Bond (CAD200 million 4-y) to finance indigenous-owned enterprises and communities.

Sustainability-linked bond (SLB) issuance continued its decline by 24% from USD39 billion in 2024 to USD30billion in 2025, representing only 3% of the overall sustainable bond market in 2025.

Nonetheless and more broadly, several innovative structures came to market in Q4 2025, including the first ever Sustainability-Linked Financing Sukuk of USD500 million from Emirates Islamic in September, followed by one issued by Dubai Islamic Bank (USD1 billion). NIB issued the first

Sustainability-Linked Loans financing Bond (SLLB) from an SSA. NIB's 5y SLLB raised SEK 1.75 billion to finance exclusively SLLs with science-based GHG emission reduction targets.

Otherwise, with the support and investment from IFC, QNB Türkiye issued the first-of-its-kind Climate Transition Bond (USD100 million) aligned with ICMA's new Climate Transition Bond Guidelines (see below).

2025 Market guidance from the Principles

The Annual Conference of the Principle was held on November 6th in Tokyo, co-hosted with the JSDA (see box below). During the event ICMA released the new Climate Transition Bond Guidelines (CTBG) which for the first time establish the Climate Transition Bond (CTB) as a standalone label, with definitions, safeguards, and a preliminary list of eligible project categories. For a more detailed coverage of the CTBG, please see this Quarterly Report's feature article "Financing the hard part of transition: the new Climate Transition Bond Guidelines".

The introduction of the CTBG responds to years of market debate and builds on leadership from issuers in Asia–particularly Japan–while aligning with progress in the global policy debate as illustrated by the IEA's report on Scaling Up Transition Finance (see section IV Regulatory and policy developments**)**. An updated Climate Transition Finance Handbook was also published incorporating the CTBG and adding new annexes on transition-plan frameworks, tools, and methodologies for assessing credibility.

As a reminder, the 2025 Annual General Meeting of the Principles, held separately and hosted in London by the EBRD in June, produced several major updates. The headline release was the Sustainable Bonds for Nature: a Practitioner's Guide, which clarified how use-of-proceeds bonds can be deployed for nature-related investments. The Guide also introduced the option for issuers to apply a "Nature Bond" secondary designation for green bonds exclusively financing nature projects, thus helping to formalise a new segment of sustainable finance.

The Executive Committee also issued at the AGM a statement in the form of a Q&A in the updated Guidance Handbook reaffirming that defence-related projects are unlikely to qualify for sustainable bonds, while emphasising the important role of social bonds in supporting vulnerable populations with dedicated projects in fragile and conflict states.

2025 Annual Conference of the Principles in Tokyo

With the support of the Japan Securities Dealers Association (JSDA), ICMA hosted the 2025 Annual Conference of the Principles in Tokyo on Thursday 6 November 2025, which drew over 560 participants (on-site and virtual). The conference agenda featured members of the Executive Committee of the Principles with key market players alongside senior representatives from the regulatory and policy community. Keynote speakers included:

- ITO Yutaka, Commissioner, JFSA
- HATAKEYAMA Yojiro, Director, GX Director-General, METI
- UCHIDA Kazuto, President, Government Pension Investment Fund (GPIF)
- Carlo MONTICELLI, Governor, Council of Europe Development Bank
- TORIUMI Chie, Deputy President, Nomura
- Sherry MADERA, CEO, CDP

The opening panel explored the 2025 innovations and guidance from the Principles, notably the Climate Transition Bond-Guidelines. Moderated by Nicholas Pfaff, ICMA Deputy CEO and Head of Sustainable Finance, the panel brought together the Chair (Isabelle LAURENT, EBRD) and Vice-Chairs (Agnès GOURC, BNP Paribas and Alban de FAY, Amundi) of the Executive Committee of the Principles. Subsequent panels with key private and public sector stakeholders provided an overview of the sustainable debt capital market in Asia and globally, and led to targeted discussions on climate transition finance, social bonds, sustainability-linked bonds, green enabling projects and nature-related finance. Finally, a senior international group of representatives from regulatory and policy bodies discussed regional and global initiatives in sustainable finance. Session recordings are available on ICMA's website.

In 2026, the Annual Conference of the Principles will be back in Europe. It will be held in Milan, Italy on 23 June. Further information will be made available on ICMA's website in the coming months.

S 2026 Working Groups and Taskforces of the Executive Committee of the Principles

For 2026, the Executive Committee of the Principles has decided to set up two working groups and one taskforce (listed below).

1. **Impact Reporting for Social Bonds** - working group
2. **Climate Transition Finance** - working group
3. **Official Standards and the GBP** - taskforce

Interested Members and Observers of the Principles are invited to send their registration request **by 16 January 2026.** The detailed Terms of References (ToR) as well as the list of the WG/TF members will be published on ICMA's website end of January 2026.

In addition to these three groups, the **FinTech & Digitalisation and Sustainable Finance Taskforce** provides a forum for discussion on how digitalisation can support ICMA's sustainable finance agenda. This taskforce is open to all ICMA's members and members and observers of the Principles. The call for candidacy of the 2026 Advisory Council closed on 12 December 2025 with selected members to be announced and published on ICMA's website end of January 2026.

S COP30 in Brazil

From 10-21 November 2025 the 30th Conference of the Parties (COP30) took place in Belém, Brazil. Every COP has both a formal agenda for official government negotiations and an action agenda (officially known as the Global Climate Action Agenda) for voluntary, collaborative initiatives involving non-state actors like businesses, cities, and civil society. The COP30 Presidency's agenda focused on translating the results of the Global Stocktake (GST) into six major thematic pillars and thirty key objectives. Finance was again a major cross-cutting theme (others were technology and capacity building), being embedded in topics like energy, forests, agriculture, cities, and social development. Furthermore, finance was seen as crucial for implementing the GST's findings, linking policy to real-world impact, and a new dialogue was launched to link trade policy with equitable climate action, showing finance's systemic role.

A decade on from the Paris Agreement, the Conference was billed as an implementation COP at which discussions would focus on setting in motion actions already agreed. However, while some progress was made in areas like finance, adaptation and resilience, forests and nature protection, and just transition, again another COP closed with no mention of a fossil fuel phase out or roadmap in the final negotiated text. Nonetheless, the "Mutirão Decision" text urges parties to work together towards phasing out inefficient fossil fuel subsidies that do not address energy poverty or just transitions. Countries could also not agree on a formal, binding roadmap to end and reverse deforestation. The COP Presidency announced however its plan for two voluntary roadmaps, one for fossil fuel transition and one for forests, to be developed by COP31. Related to the fossil fuel plan, Brazil will also look to other initiatives such as the "The International Conference on the Just Transition Away from Fossil Fuels" announced by the governments of Columbia and the Netherlands, taking place in April 2026.

We also took note of the creation of a just transition mechanism. The initiative aims to enhance international cooperation, technical assistance, capacity-building, and knowledge-sharing, and enable equitable, inclusive just transitions. Another outcome was a commitment to triple adaptation finance, from USD40 billion agreed at COP26 to around USD120 billion annually by 2035, building on the previous goal to double funds, though pushing the 2030 deadline, requested by developing countries, back. Furthermore, a set of 59 indicators to measure collective progress toward the Global Goal on Adaptation (GGA) established in the Paris Agreement was adopted. This framework provides a common architecture for tracking improvements in areas like water security, food systems, infrastructure, and early warning systems. Loss and damage, for which at COP27 a fund had been created to support vulnerable developing countries facing severe, unavoidable impacts of climate change, at COP30 received little attention beyond a third review of the Warsaw International Mechanism (WIM) and new guidance to the fund.

On renewables, countries reaffirmed their pledge made at COP28, to triple renewable energy and double energy efficiency by 2030. Nevertheless, while renewable deployment has been growing, according to Ember and IRENA, the sum of national targets still falls short of a tripling, indicating governments' need to update their Nationally Determined Contributions (NDCs) to match the pace of deployment. With COP30 being held in the Amazon, there was hope that nature would play a bigger role. The most notable outcome was the launch of the Tropical Forests Forever Facility (TFFF) which introduced a first-of-its-kind mechanism to deliver long-term, results-based payments to tropical forest countries for verified conservation of standing forests. The facility mobilised over USD6.7 billion in its first phase, with endorsement from 63 countries, establishing a permanent capital base for forest protection. The ocean was explicitly recognised as a crucial carbon sink, and the launch of the "Blue Package" set targets for 2030 in areas such as marine conservation, sustainable aquatic food systems, renewable energy, shipping, and tourism.

With most open questions around Article 6 of the Paris Agreement having been covered at COP29, COP30 focused on implementation of Article 6 rules, funding the new Paris Agreement Crediting Mechanism (PACM), boosting oversight, and phasing out the old Kyoto Protocol Clean Development Mechanism (CDM). The two biggest developments for carbon markets were the launch of the Open Coalition on Carbon Markets, to establish a shared standard and connect different carbon credit trading systems to generate liquidity, predictability, and transparency for the sector, and the Coalition to Grow Carbon Markets, launched by co-chairs Singapore, the UK and Kenya in September with the goal of strengthening high-integrity corporate demand for carbon credits, unveiled its full principles, as well as a growing number of countries endorsing them.

Global ambitions to triple nuclear capacity by 2050, first established at COP28, remained strong, with more organisations and countries joining.

Finally, the Brazilian Ministry of Finance launched a Super-Taxonomy initiative. This initiative will create a system that allows taxonomies across countries to be compared and translated into one another. Relatedly, the Principles for Taxonomy Interoperability together with other initiative partners were released. These Principles aim at guiding taxonomy developers and policymakers in promoting interoperability and comparability across jurisdictions.

After many discussions, a formal agreement was reached that COP31 will be hosted by Türkiye with Australia assuming the role of President of Negotiations in the lead up to and at the meeting.

S Regulatory and policy developments

The European Commission's proposal for SFDR 2.0

On 20 November 2025, the European Commission (EC) published its long-awaited proposal for the review of the Sustainable Finance Disclosure Regulation 2019/2088 (SFDR).

For background, the concerns that have arisen from the implementation of the current SFDR, including use of disclosures as labelling, complexity and excessive disclosure requirements, data unavailability, lack of clarity and minimum standards in key regulatory concepts, had prompted the EC to launch a comprehensive consultation in September 2023 and conduct subsequent market engagement. ICMA submitted feedback to the SFDR review through its consultation response (December 2023), its Omnibus position paper (February 2025), and its dedicated publication "A time for change in the sustainable fund market - Reflections and recommendations in a new regulatory environment" (March 2025).

Under SFDR 2.0, the EC proposes several important and comprehensive changes with the objectives of mitigating greenwashing risks, simplification, and improving end-investors' understanding and comparison of ESG funds.

- ***A new categorisation system:*** the EC proposes new fund categories for "Transition" (new Article7), "ESG Basics" (new Article 8), and "Sustainable" (new Article 9), which will replace the current disclosures-based categories for Article 8 (E/S promotion) and Article 9 (Sustainable Investment). The proposal also provides for a definition of "impact investing" under the Transition and Sustainable categories, and rules for combined products that invest in several of these categories.

- ***Prohibition of transition or sustainability claims for non-categorised products:*** any sustainability-related claim, be it in the fund name, marketing materials, or other documentation, is only reserved for categorised products. Such a restriction is more extensive than the UK SDR naming and marketing rule and may create strong incentives for categorisation in the EU ESG fund market.

- ***Substantial simplification of the disclosure regime:*** the proposed changes include: (a) the deletion of entity-level disclosures on principal adverse impact (PAI) indicators and remuneration policies; (b) considerable shortening of product-level disclosures to a maximum of two pages for the future categorised products (exceptionally three, if qualifying under the "impact" definition); (c) discretionary use of the PAI indicators in managing the adverse impact of investments at the product-level; (d) complete removal of financial advisers and portfolio management services of investment firms or credit institutions from the SFDR's scope.

- **New rules on estimates and third-party data:** a new Article 12a on data and estimates is proposed to ensure formalised and documented arrangements and methodologies, as well as additional transparency, upon client request, on the data sources, methodology, assumptions etc.

ICMA broadly welcomes the direction of travel under the EC's proposal as it accommodates the industry's call for a clearer and intentional EU-level categorisation system as well as simplification of the existing disclosure regime. ICMA is currently working on a detailed position paper to be published in early 2026 that would also highlight the areas for further improvement for SFDR 2.0.

The recent political agreement on the EU Omnibus legislation

On 9 December 2025, the EU Parliament and the Council reached a provisional agreement on the Omnibus simplification legislation for sustainable finance. Some notable changes are:

- Significant reduction of scope of the Corporate Sustainability Reporting Directive (CSRD) by increasing the minimum thresholds of employees to 1,000 (from 250) and the turnover to a net annual EUR450 million. Listed SMEs are also removed from the scope. As per the EC's estimates, the new thresholds, instead of covering 45,000 EU companies as was the original ambition, may bring only 6,000 EU companies under the scope of mandatory reporting on GHG emissions, transition plans, and other material ESG issues as per the European Sustainability Reporting Standards (ESRS).

- Significant reduction of scope of the Corporate Sustainability Due Diligence Directive (CSDDD) by increasing the minimum thresholds of employees to 5,000 (from 1,000) and the turnover to a net annual EUR1.5 billion (from EUR450 million).

- Removal of the obligation for corporate climate transition plans from the CSDDD. This obligation under the CSDDD had aimed at mandating large corporates to develop and implement decarbonisation plans, beyond simply disclosing. Its deletion potentially represents the most significant backstep under the Omnibus agenda and the EU's overall sustainable finance ecosystem.

In parallel, on 3 December 2025, EFRAG submitted its technical advice to the EC on draft simplified ESRS which reduce mandatory datapoints by 61% and introduce substantial flexibility, reliefs and phase-ins. Based on the EFRAG advice, the EC is now expected to adopt a Delegated Act amending the current ESRS.

The EC's FAQ on the European Green Bond (EuGB) Regulation

On 6 November 2025, the EC published a Commission Notice to provide clarifications regarding certain provisions of the EuGB Regulation 2023/2631. Among other things, the FAQ covers:

- Re-labelling of existing EU Taxonomy aligned green bonds as EuGBs;

- Consequences of failing to remain compliant with the EuGB Regulation post- EuGB issuance;

- Questions regarding the use-of-proceeds, eg allocation to financial assets created pre- EuGB issuance;

- Conditions related to the use of the 15% flexibility pocket;

- Questions related to the use of EuGBs by sovereigns (eg alignment with minimum safeguards, equivalency of transition plan disclosures, etc.); and

- Questions on factsheets and external reviews, other disclosures, prospectus, and listing etc.

Following its publication, the FAQ 8 which states that only new CapEx incurred after the issuance would be eligible for EuGB proceeds allocation has led to concerns among market participants. This provision indeed practically prohibits the refinancing of CapEx in a way that creates conflict with some existing EuGB issuances, as well as the EuGB Regulation itself and the ICMA Principles. ICMA is engaging with the EC on this point.

Other international regulatory and policy developments

In October 2025, the International Energy Agency (IEA) published its report "Scaling Up Transition Finance" which provides analyses to map the landscape for transition finance, explains why it matters, and highlights approaches that could move the debate forward. It indicates that USD 4 to 5 trillion can be supported with transition finance in the coming decade with over half of this total needed in emerging market and developing economies (EMDEs). The report's policy recommendations include:

- Establishing national transition roadmaps with sector breakdown by governments;
- Mutual recognition of different national and regional transition finance frameworks and their essential value of inclusivity;
- Enhancing the role of transition finance in EMDEs and advancing equivalence;
- Building a global transition finance database; and,
- Creating a robust follow-up framework.

The report also examines the role of transition finance in the steel and cement, critical minerals, and the natural gas sectors, with examples of project types of what can supported by green or transition finance.

In November 2025, the ASEAN Taxonomy Board released Version 4 of the ASEAN Taxonomy for Sustainable Finance which was expanded through successive iterations to include the complete principles-based Foundation Framework, and technical screening criteria (TSC) for all six focus and three enabling sectors of the Plus Standard. With Version 4, the ASEAN Taxonomy now offers complete Plus Standard coverage across the identified focus and enabling sectors, grandfathering rules for amber tiers, and guidance on entity and portfolio assessment, among others.

Also, in November 2025, the Thai Securities and Exchange Commission (Thai SEC) implemented amendments to the regulations for the issuance and offering of sustainability-linked bonds (SLBs) where key changes include allowing SLBs to specify financial return features that link to the achievement of sustainability-related key performance indicators (KPIs) of the bond issuer or its affiliates. This goes beyond the existing features for coupon adjustments and structural characteristics to support other mechanisms of financial returns and allows the issuance of SLBs in the form of zero-coupon bonds.

Contacts: Nicholas Pfaff, Simone Utermarck, Valerie Guillaumin, Özgür Altun, Simone Bruno
nicholas.pfaff@icmagroup.org, simone.utermarck@icmagroup.org, valerie.guillaumin@icmagroup.org, ozgur.altun@icmagroup.org, simone.bruno@icmagroup.org

Green Sukuk and Blue Bonds in Indonesia

A S by **Anshar Munarfa,**
Indonesia Stock Exchange

The World's First Sovereign Green Sukuk

In 2018, a year after Malaysia pioneered the issuance of corporate green sukuk, Indonesia issued the world's first sovereign green sukuk. This was groundbreaking because it combined two major themes, Islamic finance and sustainability, attracting investors who look for Shariah-compliant products as well as those who seek green investments.

This innovation was recognised and won numerous industry awards. The success of the first issuance gave Indonesia sufficient confidence to return to the market in later years with more green sukuk.

As of today, the outstanding sovereign Indonesian green sukuk instruments consist of Global Green Sukuk, Project-Based Green Sukuk, and two issuances of Retail Green Sukuk. The cumulative allocation by sector of these four sukuk is as follows[1]:

Sector	Allocation (IDR trillion)	Allocation (USD million equivalent)	%
Renewable Energy	135	8.1	0.4%
Climate Change Resilience	7,016	421	16%
Sustainable Transport	12,029	722	28%
Sustainable Management of Natural Resources on Land	6	0.4	0.01%
Waste Management	32	2	0.2%
Sustainable Water System	23,665	1,421	55%
Green Building	97	5.8	0.4%
Total	**42,980**	**2,580**	**100%**

The green sukuk issued to date have been used to finance sustainable clean water systems and infrastructure, which have been central sovereign instruments in line with Indonesia's National Medium-Term Development Plan (RPJMN) 2020-2024 to align Islamic finance with low-carbon development goals and reducing emissions[2].

In addition, the green sukuk programme has had a measurable impact on reducing carbon emissions. The reduction of greenhouse gas emissions from funded projects reached 9.2 million tonnes CO_2e as of end 2023.

The World's First Publicly Offered Sovereign Blue Bond

As a country whose maritime area is three times as big as its land area, it may not be surprising that Indonesia is a leader in blue bond issuance using ICMA's Green Bond Principles. Indonesia was in fact the first sovereign to issue a blue bond in the public markets in 2018, following the private placement by Seychelles.

Indonesia's blue bond was a Yen-denominated "Samurai bond" and managed to raise JPY 20.7 billion (USD 150 million) with 7-year and 10-year tranches[3]. With 1.2% and 1.43% coupon, the cost of capital was less expensive than a domestic issuance, although exchange rate risk remained. The proceeds of this issuance were used to fund projects that support the conservation and sustainable management of ocean resources, such as marine protected areas, sustainable fisheries, pollution reduction, as well as coastal and marine ecosystem restoration. This issuance also supported Indonesia's Blue Economy Roadmap 2021-2030, which aims to grow the maritime economy while keeping it sustainable.

1. Green Sukuk, Directorate General of Budget Financing and Risk Management
2. The National Medium-Term Development Plan (RPJMN) for 2020-2024, Republic of Indonesia
3. UNSDG: Indonesia Launches the World's First Publicly Offered Sovereign Blue Bond

Conclusion

In this era of sustainability-focused investment, it is encouraging to see that financial products from an emerging country like Indonesia are well-received by global investors. This is substantial, considering that emerging countries are among the most vulnerable to rising temperatures, while also the ones that need the most funding to meet Sustainable Development Goals (SDGs).

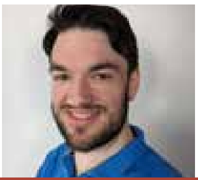
Indonesia's success with green sukuk and blue bond shows that sustainability instruments from emerging markets can make a real contribution to global sustainability efforts. By aligning with international standards such as ICMA's Green Bond Principles and Social Bond Principles to demonstrate product integrity, we hope that future innovative products such as blue sukuk or sustainability-linked sukuk will keep receiving a positive response from global investors.

Anshar Munarfa is Assistant – Business Development Advisor, Indonesia Stock Exchange

FinTech and Digitalisation

by **Georgina Jarratt, Gabriel Callsen, Francisco Parente** and **Emma Thomas**






FinTech Advisory Committee (FinAC)

The committee held its quarterly meetings in September and December 2025. On the agenda were AI and implications for fixed income markets, notably in terms of bond pricing transparency and liquidity, as well as the governance and strategy of ICMA's AI in Capital Markets Working Group, amongst others. In December, FinAC discussed the survey results amongst committee members to structure future meetings, ICMA's achievements in 2025 and priorities for 2026. Key themes include digital (DLT-based) bonds and "cash on chain", AI in bond markets, adoption of models and standards, innovation in primary bond markets, the intersection between sustainable finance and FinTech & Digitalisation, as well as ICMA's regulatory engagement.

Contact: Gabriel Callsen
gabriel.callsen@icmagroup.org

DLT Bonds Working Group

Against the backdrop of announcements by central banks and market developments related to wholesale CBDC, "cash on chain", and tokenisation, ICMA's DLT Bonds Working Group held two meetings and a workshop on smart contracts for corporate actions of debt securities in Q4.

On the agenda was Swift's digital assets standards platform (proof of concept) for the creation of tokenised securities based on ICMA's Bond Data Taxonomy (BDT) in ISO 20022 format, as announced at SIBOS 2025. The platform follows a modular approach, supporting the deployment of tokenised assets across multiple DLT/blockchain networks. Additionally, the meetings featured updates on latest BDT announcements and adoption, including Hong Kong SAR Government's third digital green bonds offering and expanded BDT adoption in November 2025, as well as Euroclear's and Clearstream's announcement to "digitise the Eurobond market", in alignment with the BDT.

Other topics included potential next steps following the publication of the DvP settlement guide and lessons learnt from custody arrangements for DLT-based debt securities as addendum to the Guardian Fixed Income Framework in November 2025, the European Commission's SIU market integration proposals, as well as the working group's priorities in 2026, amongst other items.

The smart contract workshop held in November 2025 follows ICMA's contributions to the Guardian Fixed Income Framework in 2024, notably proposals how to integrate the BDT into smart contracts, as well as other initiatives such as DZ Bank's whitepaper on a Smart Bond Contract. Participants exchanged views on current pain points in the bond lifecycle and the execution of corporate actions, the role of smart contracts to automate coupon payments, for example, legal and regulatory aspects as well as the potential need for standards. A follow-up workshop is due to be held in H1 2026.

Separately, ICMA attended a workshop by the ECB's New Technologies for Wholesale settlement Contact Group (NTW-CG) on the "Appia" initiative. The agenda and meeting documents can be found on the ECB's website.

Please get in touch if you would like to become involved in ICMA's DLT Bonds Working Group.

Contact: Gabriel Callsen
gabriel.callsen@icmagroup.org

AI in Capital Markets Working Group

The AI in Capital Markets Working Group is pleased to announce it has formally appointed two co-chairs to oversee the direction of its activities and priorities. Simona Paravani-Mellinghoff, Co-Chief Investment Officer within BlackRock's Multi-Asset Strategies & Solutions (MASS) group and Distinguished Affiliate Professor at Cambridge University, and Eleanor Ley, Head of Innovation, Global Financial Markets at A&O Shearman will lead the working group going forward.

The first priority was to discuss and establish a five-year strategy for the group, which will continue to explore the various AI implementations in the capital market, consider future publications to effectively articulate the industry's voice on the subject, and engage further with regulatory and international standard setting organisations, amongst other initiatives.

Please get in touch if you would like to become involved in ICMA's AI in Capital Markets Working Group.

Contact: Emma Thomas
emma.thomas@icmagroup.org

ICMA Webinar with the World Bank Treasury Group: Project Shastra

In November, ICMA held a webinar with the World Bank Treasury Group on *Project Shastra*, a Generative AI tool developed by the World Bank to create digital copies of securities terms and develop a "single source of truth" that could then be disseminated to various stakeholders. The tool uses ICMA's Bond Data Taxonomy to help standardise the extracted information from dealer and source documents, so that it is machine-readable when sent. The webinar was recorded and can be watched on the ICMA website here.

Contact: Emma Thomas
emma.thomas@icmagroup.org

BDT adoption update

The second half of 2025 saw a flurry of adoption announcements for ICMA's Bond Data Taxonomy (BDT). On 11 November 2025, the Government of the Hong Kong Special Administrative Region of the People's Republic of China (HKSAR) announced the successful issuance of around HKD 10 billion worth of digital green bonds (equivalent to more than USD 1bn), using ICMA's Bond Data Taxonomy. This expanded the use of the BDT from the previous issuance by the HKSAR Government in February 2024 and utilised it to facilitate the exchange of issuance information between different parties and systems involved in the transaction.

At Sibos 2025, held in October, Swift announced their proof-of-concept digital assets standards platform designed to address blockchain fragmentation in tokenised assets. The platform embraces digital standards and is based on ICMA's Bond Data Taxonomy (BDT) in ISO 20022 format.

In September, Euroclear and Clearstream (the "ICSD's") announced that their data standard (the Issuance & Processing Taxonomy (IPT), developed as part of their digitalisation initiative, is aligned with ICMA's BDT. The initiative seeks to reduce fragmentation in the market and support different communication channels with the ICSD's.

Additionally, the European Central Bank Advisory Group on Market Infrastructure for Securities and Collateral (AMI-SeCo) recommended in their *Remaining Barriers to Integration in Securities Post-Trade Services* report that "all relevant stakeholders (issuers, issuer agents, syndicate members, primary dealers, CSDs and custodians) in the value chain should adopt existing market standards, such as the ICMA Bond Data Taxonomy (BDT), as a common language". In barrier six of the report, which describes the impact of data fragmentation as a high priority area to be resolved in the issuance process, and barrier 34, which addresses the lack of common, consistent, machine-readable data travelling throughout the transaction value chain, data standards such as ICMA's BDT are highlighted as a potential resolution to such challenges.

If you would like to find out more about ICMA's Bond Data Taxonomy, please get in touch.

Contact: Emma Thomas
emma.thomas@icmagroup.org

FINOS Common Domain Model (CDM)

Across major institutions in capital markets, adoption of the CDM for regulatory reporting, execution workflow, post-trade workflow and collateral management is gaining traction.

On 22 October, ICMA and ISDA led presentations on the CDM at FINOS Open Source in Finance Forum (OSFF) held in New York, covering repo, DLT and collateral management as well as separate breakout training and demo sessions.

Contact: Gabriel Callsen
gabriel.callsen@icmagroup.org

Regulatory developments

U.S. SEC: Statement on the Division of Trading and Market's No-Action Letter Related to DTC's Development of Securities Tokenization Services

On 11 December 2025, the Division of Trading and Markets issued a no-action letter to the Depository Trust Company ("DTC"). The letter relates to DTC's development and launch of a preliminary version of its voluntary securities tokenisation program on supported blockchains. The program is designed to enable the tokenisation of security entitlements to certain eligible securities that DTC's participants hold through DTC ("tokenised entitlements"). Any DTC participant with a registered wallet will be able to transfer its tokenised entitlement directly to the registered wallet of another DTC participant. DTC's software system will track each transfer to record tokenisation entitlements for DTC's official books and records.

CFTC: Launch of a digital assets pilot program

On 8 December 2025, the Commodity Futures Trading Commission (CFTC) announced the launch of a digital assets pilot program for certain digital assets, including BTC, ETH, and USDC, to be used as collateral in derivatives markets; guidance on tokenised collateral; and withdrawal of outdated requirements given the enactment of the GENIUS Act. The guidance highlights that CFTC regulations are technology-neutral and encourages the analysis of tokenised assets on an individual basis in accordance with the CFTC's existing regulatory framework and firms' policies. The guidance applies to tokenised real-world assets, including U.S. Treasury securities and money market funds. Topics include eligible tokenised assets; legal enforceability; segregation, custody, and control arrangements; haircuts and valuation; and operational risks.

European Commission: Market Integration Package

On 4 December 2025, the European Commission published the Market Integration Package, a central component to the Savings and Investments Union (SIU) strategy. In regard to FinTech and digitalisation in particular, the package focuses on removing regulatory barriers to innovation related to distributed ledger technology (DLT) by adapting the regulatory framework to support these technologies and amending the DLT Pilot Regulation (DLTPR) to relax limits, increase proportionality and flexibility, and provide legal certainty, thus encouraging the adoption of new technologies in the financial sector.

UK: Property (Digital Assets etc) Act 2025 receives Royal Assent

On 2 December 2025, the Property (Digital Assets etc) Act 2025 received Royal Assent. The Bill gives effect to recommendations of the Law Commission for England and Wales. The Commission recommended statutory confirmation that a thing will not be deprived of legal status as an object of personal property rights merely by reason of the fact that it is neither a thing in possession nor a thing in action. This recommendation responds to the development of new types of assets such as digital assets and crypto-tokens which challenge the traditional categories.

BIS: Bulletin on the rise of tokenised money market funds

On 26 November 2025, the BIS published a bulletin on the rise of tokenised money market funds. The bulletin finds that tokenised money market funds are a fast-growing collateral asset and savings instrument in the crypto ecosystem. Like stablecoins, they circulate on public permissionless blockchains but offer returns at money market rates and regulatory protections as securities. It also highlights how tokenised money market funds give rise to risks that mirror, and potentially amplify, those found in conventional money market funds, such as liquidity mismatches, as well as the operational and anti-money laundering related risks associated with stablecoins.

FCA: Regulatory Sandbox opened to issuers of stablecoins

On 26 November 2025, the FCA opened its regulatory sandbox to firms looking to issue stablecoins, providing a chance for companies to test their stablecoin products and services under the UK's evolving regulatory regime. The FCA is focusing on stablecoins due to their increasing importance in cryptoasset markets. They believe stablecoins could drive new ideas in financial services, with potential uses for both retail and wholesale customers. Recent FCA consultations (CP25/14 and CP25/25) have also set out proposed rules and guidance, giving issuers a clearer view of future regulations.

MAS: Updated guide on tokenisation of capital market products

On 14 November 2025, the MAS issued an updated guide on the tokenisation of capital market products focused on the applications of securities laws to digital token offerings. The guide is technology neutral and serves a general reference to be read in conjunction with the relevant legislative provisions. The guide also addresses when a digital token is defined as a capital market product under the Securities and Futures Act 2001, as well as extra-territoriality considerations, and includes case studies to further highlight various applications of digital tokens as capital market products.

HKMA: Project Ensemble to support tokenised deposits and digital assets

On 13 November 2025, the Hong Kong Monetary Authority (HKMA) announced a new phase of *Project Ensemble* to support real-value transactions in tokenised deposits and digital assets. In the new phase, the HKMA, and other industry participants aim to enable faster, more transparent and efficient settlement of real-value tokenised transactions. The initial focus will be on empowering market participants to utilise tokenised deposits in tokenised money market fund transactions, and to manage liquidity and treasury needs in real time. Interbank settlement of tokenised deposit transactions will initially be facilitated via the HKD Real Time Gross Settlement (RTGS) system, eventually moving over to support settlement in tokenised Central Bank Money (CeBM) on a 24/7 basis.

IOSCO: Final Report on financial asset tokenisation

On 11 November 2025, IOSCO published its final report on financial asset tokenisation adoption across capital markets, and regulatory responses. Key findings include that tokenisation is growing but remains nascent due to interoperability challenges, efficiency gains are unevenly distributed as market participants still rely on traditional infrastructure for trading and post-trade processes, and risks are familiar but evolving. Consistent with the principle of "same activities, same risks, same regulatory outcomes", IOSCO encourages regulators to consider applying its *Policy Recommendations for Crypto* and *Digital Asset Markets* and *Policy Recommendations for Decentralized Finance* in the context of tokenised financial assets.

HM Treasury UK: Provision of Services for DIGIT

On 7 October 2025, HM Treasury announced the provision of services for a Pilot Digital Gilt Instrument (DIGIT) issuance. HM Treasury previously announced it intends to issue DIGIT using DLT on a platform within the Digital Securities Sandbox which was established by the Financial Services and Markets Act 2023, and which came into force on 8 January 2024. This proposal requires suppliers to develop and provide the necessary services to allow HM Treasury, to issue, distribute and settle DIGIT as a digitally native note within the DSS and accommodate subsequent lifecycle events. The proposal also includes requirements that concern interoperability functionality and connectivity.

EU: Commission Delegated Regulation (EU) 2025/1264

On 3 October 2025, Commission Delegated Regulation (EU) 2025/1264 setting out regulatory technical standards (RTS) under MiCA specifying the minimum contents of the liquidity management policy and procedures for certain issuers of asset-referenced tokens (ARTs) and e-money tokens (EMTs) has been published in the Official Journal of the EU.

IMF: Working Paper on Optimal Policy for Financial Market Tokenisation

On 19 September 2025, the IMF published a working paper on *Optimal Policy for Financial Market Tokenisation*. The paper highlights concern about market fragmentation from competing initiatives to tokenise financial assets. It therefore provides a formal framework for analysing the optimal policy in regard to the enforcement of such platforms or their interoperability.

F Artificial Intelligence (AI) Regulatory developments

ESRB: Report on Artificial Intelligence and systemic risk in the financial system

On 4 December 2025, the Advisory Scientific Committee (ASC) to the European System Risk Board (ESRB) published a report that analyses 11 specific features of AI and examines the interplay between them and the main sources of systemic risk in the financial system. The ASC reports that five of the features - concentration and entry barriers, model uniformity, monitoring challenges, overreliance and excessive trust, and speed - might significantly amplify systemic risks in the financial system.

European Parliament: Resolution to issue guidance on Artificial Intelligence

On 25 November 2025, the European Parliament adopted a resolution laying out their priorities regarding the use of AI in the financial sector. The resolution asks the Commission and supervisors to issue clearer, proportionate guidance rather than producing new rules. It also urges supervisory authorities to cooperate better, including through consistent interpretations, information-sharing, and cross-border coordination. MEPs also call for greater investment in AI, increasing AI literacy and reskilling, researching the environmental footprint of AI, setting up AI-specific regulatory 'sandboxes', and reducing regulatory barriers for AI-based financial firms.

EBA: Factsheet on the implications of the AI Act for the banking and payments sector

On 24 November 2025, the EBA published a factsheet on the implications of the AI Act for the banking and payments sector. The EBA has not identified any immediate need to introduce any new or review existing EBA Guidelines. Instead, the EBA will undertake specific activities to support the implementation of the AI Act in the EU banking and payments sector by promoting a common supervisory approach and cooperation among national competent authorities in charge of financial sector supervision and market surveillance, providing input to the AI Office and participating in discussions of the AI Board Subgroup on Financial Services.

European Commission: EU Digital Package

On 19 November 2025, the European Commission published the EU Digital Package (otherwise known as the "digital omnibus"). At its core, the package includes a digital omnibus that streamlines rules on AI, cybersecurity and data, complemented by a Data Union Strategy to unlock high-quality data for AI and European Business Wallets that will offer companies a single digital identity to simplify paperwork and make it much easier to do business across EU Member States. The package aims to ease compliance with simplification efforts estimated to save up to €5 billion in administrative costs by 2029.

ECON: Report on impact of AI in the financial sector

On 11 November 2025, the European Parliament Committee on Economic and Monetary Affairs (ECON) published a report on the impact of AI on the financial sector. The report provides policy recommendations to enable the use of AI in financial services and clarify regulatory overlaps. The report starts by analysing the deployment of AI in the sector, noting that the majority of AI use cases aim to cut costs by streamlining operations, rather than create new revenue streams. It also highlights the potential benefits to AI adoption, and the areas in which it could improve efficiency, services, and European competitiveness. Finally, the report finds the financial system is far from being heavily dependent on autonomous, auto-pilot AI models that threaten financial stability and consumers' interests. The reality is the opposite: the sector is so heavily regulated, and the fiduciary responsibility of financial institutions so highly regarded, that the lion's share of use cases are low-risk and include a human expert in the loop.

BIS: Report to G20 Ministers on the use of AI for policy purposes

On 10 October 2025, the BIS published a report on the use of AI for policy purposes and submitted it to the G20 Financial Ministers and Central Bank Governors. The report examines how central banks and other supervisory institutions are leveraging AI for policy purposes. It provides examples of how central banks and supervisory authorities are already using big data and ML in four key areas. These are: (i) information collection and the compilation of official statistics; (ii) macroeconomic and financial analysis in support of monetary policy; (iii) oversight of payment systems; and (iv) supervision and financial stability analysis.

FSB: Report on AI monitoring in the financial sector

On 10 October 2025, the FSB published a report outlining the next steps for authorities on AI monitoring in the financial sector. The report identifies a range of direct and proxy indicators to support monitoring of AI adoption and related vulnerabilities in the financial system. It also includes a case study on recent developments in the AI supply chain and implications of financial institutions' reliance on a few critical third-party providers. These include vulnerabilities related to criticality, concentration and substitutability.

2026

ICMA Capital Market Research

ICMA Capital Market Research

Bond Market Axe Distribution in Europe - An ICMA and FIX Trading Community White Paper
Published: December 2025
Author: Andy Hill

ICMA Guide to Asian Repo Markets: India (Members only)
Published: 10 December 2025
Author: Richard Comotto

ICMA European Repo Market Survey number 49 conducted June 2025
Published: November 2025
Author: Richard Comotto, ICMA

Creating the conditions to scale up the European commercial paper market
Published: 19 November 2025
Author: Katie Kelly, ICMA

Understanding the opportunity from carbon markets for sustainable finance and the wider market
Published: 25 October 2025
Authors: Nicholas Pfaff, Mushtaq Kapasi, Alex Tsang and Christhoper Matthew, ICMA

ICMA Secondary Market Practices Committee - European Secondary Market Data Report H1 2025 - Corporate Edition
Published: October 2025
Authors: Simone Bruno, ICMA

ICMA ERCC white paper: Demystifying Repo Haircuts
Published: 18 September 2025
Authors: Andy Hill and Alexander Westphal, ICMA

ICMA Report: European Secondary Bond Market Data Sovereign Edition (H1 2025)
Published: 27 August 2025
Author: Simone Bruno, ICMA

ICMA Position Paper: NBFI Macroprudential Framework for Bond Market Activity
Published: 15 May 2025
Author: Andy Hill, ICMA

ICMA Report: European Secondary Bond Market Data Corporate Edition (H2 2024)
Published: 3 April 2025
Author: Simone Bruno, ICMA

The Asian International Bond Markets: Issuance Trends and Dynamics (Fifth edition)
Published: 26 March 2024
Authors: Mushtaq Kapasi and Alex Tsang, ICMA, with support from the Hong Kong Monetary Authority

A time for change in the sustainable fund market - Reflections and Recommendations in a New Regulatory Environment
Published: 25 March 2025
Authors: Nicholas Pfaff and Ozgur Altun, ICMA

ICMA Report: European Secondary Bond Market Data Sovereign Edition (H2 2024)
Published: 21 March 2025
Author: Simone Bruno, ICMA

ICMA ERCC Briefing Note: The European repo market at 2024 year-end
Published: January 2025
Author: Andy Hill, ICMA

ICMA DLT Bonds Reference Guide
Published: 11 December 2024
Author: Gabriel Callsen, ICMA

ICMA Report: European Secondary Bond Market Data Corporate Edition (H1 2024)
Published: 4 December 2024
Author: Simone Bruno, ICMA

ICMA Report: European Secondary Bond Market Data Sovereign Edition (H1 2024)
Published: 5 November 2024
Author: Simone Bruno, ICMA

ICMA Guide to Asia Pacific Repo Markets: Australia
Published: 30 October 2024
Author: Richard Comotto

Second ICMA Repo and Sustainability Survey: Summary Report
Published: 30 August 2024
Author: Zhan Chen, ICMA

Korean Treasury Bonds: An International Perspective
Published: 25 July 2024
Authors: Alex Tsang, Mushtaq Kapasi and Christhoper Matthew, ICMA with contributions from Ilhwan Kim and Vicky Cheng, Bloomberg

The Asian International Bond Markets: Development and Trends (Fourth edition)
Published: 26 March 2024
Authors: Andy Hill, Mushtaq Kapasi and Alex Tsang, ICMA, with support from the Hong Kong Monetary Authority

Use of RMB-Denominated Bonds as Collateral for Global Repo Transactions
Published: 26 March 2024
Author: Joint report by ICMA and the China Central Depository &

ICMA Learning Pathways

by **Marc Granville**

As capital markets continue to evolve at pace, the need for technical expertise, robust market knowledge and adherence to best practice is more pressing than ever. This need is implicit at heart of the mission of ICMA to promote resilient, well-functioning international debt capital markets that support sustainable economic growth and development and the inspiration behind the development of our industry-certified training qualifications – ICMA Diplomas and the ICMA-Certified series.

Professional development pathways: ICMA Diplomas

For those entering or building early expertise in the capital markets – whether working in primary or secondary markets or in front, middle or back office roles – ICMA Diplomas provide structured, market-aligned qualification routes designed to establish strong foundations and support progression into specialist roles.

The ICMA Diploma pathways – Debt Capital Markets, Securities & Derivatives, Financial Markets Operations and Sustainable Finance – offer a coherent development framework for professionals who want to gain practical fluency in market structures, instruments and processes, and understand the standards and conventions that underpin efficient cross-border activity.

In doing so, ICMA diplomas help to develop a technically confident, standards-driven talent pipeline across the industry – supporting market integrity, operational robustness and the broader functioning of international debt capital markets.

Professional specialisation: ICMA-Certified

For professionals who already have some experience in their roles but are looking to identify themselves as having the requisite skills and knowledge to meet industry requirements, the ICMA-Certified series offers intensive, applied qualification paths to deepen expertise.

The ICMA-Certified routes –Primary Market Professional, Fixed Income Trader & Portfolio Manager, Operations Professional And Sustainable Finance Professional – combine advanced courses and specialist modules and are designed for practitioners who want to master state-of-the-art market practices, stay abreast of regulatory and structural developments, and sharpen the applied skills needed to perform at senior levels.

ICMA-Certified has been developed in collaboration with key ICMA committees and working groups to represent a series of industry-certified qualifications for a workforce capable of navigating the technical, regulatory, and operational challenges of modern capital markets – reinforcing market resilience, best-practice compliance and cross-border coherence.

Why these educational pathways matter – for market integrity and broader impact

By offering both the Diploma and ICMA-Certified programmes, ICMA directly advances several pillars of its mission. These qualifications promote internationally accepted best practices by grounding participants in ICMA's own handbooks, recommendations and guidelines – the standards that underpin efficient, transparent and cross-border issuance and trading. They also foster more informed dialogue across the industry: as a growing number of professionals share a common technical foundation, the market benefits from greater transparency, a consistent vocabulary and smoother collaboration between issuers, intermediaries, investors and service providers.

A call to the ICMA community

As capital markets grow more complex, global and interconnected, the value of common standards, shared knowledge and professional excellence becomes ever more critical. ICMA learning pathways represent not only an opportunity for individual career development but also a strategic investment in the quality, integrity and future-readiness of the global debt capital markets.

We encourage all members of the ICMA community – whether banks, asset managers, issuers, legal firms or infrastructure providers – to consider how these programmes can enhance their teams' capabilities, contribute to their governance frameworks, and ultimately reinforce the collective mission of building resilient, efficient and sustainable capital markets worldwide.

@ **Contact: Marc Granville**
marc.granville@icmagroup.org

Forthcoming events

ICMA will continue to deliver a full schedule of conferences in Spring 2026, addressing the latest market developments globally focussing on sustainable finance, FinTech and Digitalisation as well as primary and secondary markets.

Date	Event	Location
January		
27th	ICMA & A&O joint European Primary Bond Markets Regulation Conference	London
28th	ICMA Women's Network (IWN): The art of impactful negotiation	Zurich
February		
2nd	ICMA MENAT Primary Market Forum	Dubai
4th	ICMA Future Leaders: Crypto & Finance: What's next?	Madrid
11th	ICMA, JSDA & JPX joint Japan Securities Summit	London
25th & 26th	LMA & ICMA Annual Africa Summit 2026	Cape Town
March		
3rd	AI in Finance – Myth vs. Reality	Lisbon
4th	ICMA, ISDA & ISLA joint CDM Showcase 2026	London
31st	ICMA China Debt Capital Market Annual Forum 2026	Beijing
31st	European debt capital markets: How to address the economic and geopolitical challenges?	Paris
April		
27th	ICMA and ISLA joint conference: Saudi Arabia's Evolving Capital Markets: Focus on Repo and Securities Lending	Riyadh

Recordings of a selection of our events are available via the ICMA website. In addition, we continue to produce a range of podcasts featuring important stakeholders in the market, discussing their views on a variety of issues relating to capital markets. The ICMA podcast series remains a valued service for the market with **9,700** downloads in 2025.

Register for our upcoming events

Further details of all forthcoming ICMA events are available at www.icmagroup.org/events or contact events@icmagroup.org.
To discuss sponsoring an ICMA event, contact sponsorship@icmagroup.org

Glossary

ABCP	Asset-Backed Commercial Paper
ABS	Asset-Backed Securities
ADB	Asian Development Bank
AFME	Association for Financial Markets in Europe
AI	Artificial Intelligence
AIFMD	Alternative Investment Fund Managers Directive
AMF	Autorité des marchés financiers
AMIC	ICMA Asset Management and Investors Council
AMI-SeCo	Advisory Group on Market Infrastructure for Securities and Collateral
APA	Approved publication arrangements
APP	ECB Asset Purchase Programme
AUM	Assets under management
BCBS	Basel Committee on Banking Supervision
BDT	Bond Data Taxonomy
BIS	Bank for International Settlements
BMCG	ECB Bond Market Contact Group
BMR	EU Benchmarks Regulation
bp	Basis points
BRRD	Bank Recovery and Resolution Directive
CAC	Collective action clause
CBDC	Central Bank Digital Currency
CCBM2	Collateral Central Bank Management
CCI	Consumer Composite Investment
CCP	Central counterparty
CDM	Common Domain Model
CDS	Credit default swap
CIF	ICMA Corporate Issuer Forum
CJEU	Court of Justice of the EU
CMU	EU Capital Markets Union
CoCo	Contingent convertible
COREPER	Committee of Permanent Representatives (in the EU)
CPC	ICMA Commercial Paper Committee
CPMI	Committee on Payments and Market Infrastructures
CPSS	Committee on Payments and Settlement Systems
CRA	Credit rating agency
CRD	Capital Requirements Directive
CRR	Capital Requirements Regulation
CSD	Central Securities Depository
CSDR	Central Securities Depositories Regulation
CSPP	Corporate Sector Purchase Programme
CSRD	Corporate Sustainability Reporting Directive
CT	Consolidated tape
CTP	Consolidated tape provider
DCM	Debt Capital Markets
DEI	Diversity, equity and inclusion
DLT	Distributed ledger technology
DMO	Debt Management Office
DNSH	Do No Significant Harm
DvP	Delivery-versus-payment
EACH	European Association of CCP Clearing Houses
EBA	European Banking Authority
EBRD	European Bank for Reconstruction and Redevelopment
EC	European Commission
ECB	European Central Bank
ECJ	European Court of Justice
ECOFIN	Economic and Financial Affairs Council (of the EU)
ECON	Economic and Monetary Affairs Committee of the European Parliament
ECP	Euro Commercial Paper
EDDI	European Distribution of Debt Instruments
EDGAR	US Electronic Data Gathering, Analysis and Retrieval
EEA	European Economic Area
EFAMA	European Fund and Asset Management Association
EFC	Economic and Financial Committee (of the EU)
EIB	European Investment Bank
EIOPA	European Insurance and Occupational Pensions Authority
ELTIFs	European Long-Term Investment Funds
EMIR	European Market Infrastructure Regulation
EMTN	Euro Medium-Term Note
EMU	Economic and Monetary Union
EP	European Parliament
ERCC	ICMA European Repo and Collateral Council
ESAP	European single access point
ESAs	European Supervisory Authorities
ESCB	European System of Central Banks
ESFS	European System of Financial Supervision
ESG	Environmental, social and governance
ESM	European Stability Mechanism
ESMA	European Securities and Markets Authority
ESRB	European Systemic Risk Board
ESRS	European Sustainability Reporting Standards
ETF	Exchange Traded Fund
ETP	Electronic trading platform
€STR	Euro Short-Term Rate
ETD	Exchange-traded derivatives
EURIBOR	Euro Interbank Offered Rate
Eurosystem	ECB and participating national central banks in the euro area
FAQ	Frequently Asked Question
FASB	Financial Accounting Standards Board
FCA	UK Financial Conduct Authority
FEMR	Fair and Effective Markets Review
FICC	Fixed income, currency and commodity markets
FIIF	ICMA Financial Institution Issuer Forum
FinAC	ICMA FinTech Advisory Committee
FMI	Financial market infrastructure
FMSB	Financial Markets Standards Board
FPC	UK Financial Policy Committee
FRN	Floating rate note
FRTB	Fundamental Review of the Trading Book
FSB	Financial Stability Board
FSC	Financial Services Committee (of the EU)
FSOC	Financial Stability Oversight Council (of the US)
FTT	Financial Transaction Tax
G20	Group of Twenty
GBP	Green Bond Principles
GDP	Gross Domestic Product
GFMA	Global Financial Markets Association
GHG	Greenhouse gas
GHOS	Group of Central Bank Governors and Heads of Supervision
GMRA	Global Master Repurchase Agreement
GRCF	ICMA Global Repo and Collateral Forum
G-SIBs	Global systemically important banks
G-SIFIs	Global systemically important financial institutions
G-SIIs	Global systemically important insurers
HFT	High frequency trading
HKMA	Hong Kong Monetary Authority
HMRC	HM Revenue and Customs
HMT	HM Treasury
HQLA	High Quality Liquid Assets
HY	High yield
IAIS	International Association of Insurance Supervisors
IASB	International Accounting Standards Board
IBA	ICE Benchmark Administration
ICMA	International Capital Market Association
ICSA	International Council of Securities Associations
ICSDs	International Central Securities Depositories
IFRS	International Financial Reporting Standards
IG	Investment grade
IIF	Institute of International Finance
IMMFA	International Money Market Funds Association
IMF	International Monetary Fund
IMFC	International Monetary and Financial Committee
IOSCO	International Organization of Securities Commissions
IRS	Interest rate swap
ISDA	International Swaps and Derivatives Association
ISLA	International Securities Lending Association
ISSB	International Sustainability Standards Board
ITS	Implementing Technical Standards
KID	Key information document
KPI	Key performance indicator
LCR	Liquidity Coverage Ratio (or Requirement)
L&DC	ICMA Legal and Documentation Committee
LEI	Legal Entity Identifier
LIBOR	London Interbank Offered Rate
LTRO	Longer-Term Refinancing Operation
LMT	Liquidity management tool
MAR	Market Abuse Regulation
MENA	Middle East and North Africa
MENAT	Middle East, North Africa and Turkey
MEP	Member of the European Parliament
MiFID	Markets in Financial Instruments Directive
MiFID II/R	Revision of MiFID (including MiFIR)
MiFIR	Markets in Financial Instruments Regulation
MISP	Market Integration & Supervision Package
ML	Machine learning
MMF	Money market fund
MOU	Memorandum of Understanding
MREL	Minimum requirement for own funds and eligible liabilities
MTF	Multilateral Trading Facility
NAFMII	National Association of Financial Market Institutional Investors
NAV	Net asset value
NBFI	Non-Bank Financial Intermediation (or Intermediaries)
NCA	National competent authority
NCB	National central bank
NPL	Non-performing loan
NSFR	Net Stable Funding Ratio (or Requirement)
OEF	Open-ended fund
OJ	Official Journal of the European Union
OMTs	Outright Monetary Transactions
OTC	Over-the-counter
OTF	Organised Trading Facility
PBOC	People's Bank of China
PCS	Prime Collateralised Securities
PEPP	Pandemic Emergency Purchase Programme
PMPC	ICMA Primary Market Practices Committee
POATRS	Public offers and admissions to trading regime
PRA	UK Prudential Regulation Authority
PRIIPs	Packaged Retail and Insurance-Based Investment Products
PSIF	Public Sector Issuer Forum
QE	Quantitative easing
QMV	Qualified majority voting
RFQ	Request for quote
RFRs	Near risk-free reference rates
RM	Regulated Market
RMB	Chinese renminbi
RPC	ICMA Regulatory Policy Committee
RSP	Retail structured products
RTS	Regulatory Technical Standards
RWA	Risk-weighted asset
SDR	Special Drawing Right
SEC	US Securities and Exchange Commission
SFC	Securities and Futures Commission
SFDR	Sustainable Finance Disclosure Regulation
SFT	Securities financing transaction
SGP	Stability and Growth Pact
SI	Statutory instrument
SLB	Sustainability-Linked Bond
SMEs	Small and medium-sized enterprises
SMPC	ICMA Secondary Market Practices Committee
SMSG	Securities and Markets Stakeholder Group (of ESMA)
SARON	Swiss Average Rate Overnight
SOFR	Secured Overnight Financing Rate
SONIA	Sterling Overnight Index Average
SPV	Special purpose vehicle
SRF	Single Resolution Fund
SRM	Single Resolution Mechanism
SRO	Self-regulatory organisation
SSAs	Sovereigns, supranationals and agencies
SSM	Single Supervisory Mechanism
SSR	EU Short Selling Regulation
STS	Simple, transparent and standardised
SWES	System-wide exploratory scenario exercise
T+1	Trade date plus one business day
T2S	TARGET2-Securities
TD	EU Transparency Directive
TFEU	Treaty on the Functioning of the European Union
TLAC	Total Loss-Absorbing Capacity
TMA	Trade matching and affirmation
TONA	Tokyo Overnight Average rate
TR	Trade repository
VNAV	Variable net asset value

ICMA

International Capital Market Association

ICMA Zurich
T: +41 44 363 4222
Dreikönigstrasse 8
CH-8002 Zurich

ICMA London
T: +44 20 7213 0310
110 Cannon Street
London EC4N 6EU

ICMA Paris
T: +33 1 8375 6613
25 rue du Quatre Septembre
75002 Paris

ICMA Brussels
T: +32 2 801 13 88
Avenue des Arts 56
1000 Brussels

ICMA Hong Kong
T: +852 2531 6592
Unit 3603, Tower 2,
Lippo Centre
89 Queensway Admiralty
Hong Kong