



ICMSA Newsletter – December 2008

Membership

Membership of the association stands at 26 members, 14 full and 12 associate members.

ICMSA met regularly throughout the year and at each General Meeting there was an external guest speaker. Representatives from the ICSDs presented on EPIM; Factset Research Systems Inc. made a presentation on league tables for the Capital Markets Services Industries; SWIFT made a presentation on SWIFT Community Net; the Luxembourg Stock Exchange made a presentation on the regulatory environment in Luxembourg, the partnership with NYSE Euronext, and future developments for the exchange and ICMA presented an overview of the current efforts within the ICMA that compliment market developments.

Publications

ICMSA published the following in 2008:

- 17 June 2008 ICMSA Guidelines for Spanish Withholding Tax Procedures
- 30 June 2008 ICMSA Variable Rate Instruments – Best Practice Processing Principles Information Provision
- 26 November 2008 ICMSA Recommendation with respect to Payment of Trustees' Legal Expenses
- 28 November 2008 Global Tax Procedures – Generic Guidelines
- 28 November 2008 Global Tax Procedures – Tax Relief Procedure for UK Unlisted Eurobonds

Market Initiatives

ISMAG

Members of the association are participating in the International Securities Market Advisory Group (ISMAG) focusing on improving market efficiency. The focused work is driven through working group meetings.

EFMF

ICMSA has been invited to participate in this European wide industry association representative group seeking cooperation at European level on issues affecting the securities industry relating to clearing and settlement. EFMF has met twice this year and ICMSA has attended both meetings.

ICMA

Members of ICMSA have been invited as speakers on panels at two ICMA events: Graham Cox spoke at the 11th Annual Clearing & Settlement conference on 6 October and Ray Morison spoke at the ICMA Primary Market Forum on 11 November.

Message from the Chairman, Graham Cox:

"ICMSA continues to produce focused work through its sub-committees. I am pleased to see the number of market publications this year marking the completion of many projects in 2008. Cooperation with other market organizations continues with joint meetings and market initiatives. We continue to face new challenges and I'm sure our contribution to the efficiency of the capital markets will continue in 2009."

Projects

The project driven work of the association continues through the sub-committees:

The **Operating Practices** sub-committee (formerly the Paying Agency sub-committee), under the chairmanship of the Bank of New York Mellon, has focused on two major initiatives in 2008, which were driven by working groups of the sub-committee. The work on market practices for Variable Rate Instruments concluded with the publication of the statement of principles and this work has now been incorporated into the ISMAG income working group as part of the overall ISMAG initiative. A second working group focused on the variances in the market for record dates and business day definitions. This work is soon to conclude with publication of market recommendations. This sub-committee continues to work through the practical impact of ECB Standard 3, most recently the proposed acceptance of registered bonds as eligible collateral for the Euro system and changes in the Euro system itself, such as the recent broadening of eligible currencies.

Ongoing Projects for 2009

- Record Dates / Business Days

The **Trustee** sub-committee, under the chairmanship of Deutsche Bank, concluded work on Payment of Trustee / Service Provider own and Counsel Fees with the publication of guidelines and recommendations. The Trustee sub-committee continues to work on a joint initiative with the ESF streamlining noteholder meeting provisions. A most successful ICMSA led joint meeting with TACT members was organized to raise awareness of the impact of UK Covered Bond Regulations on Trustees and, significantly, persuade HM Treasury that some amendments be effected. The sub-committee continues to invite guest presenters to its meetings and has had presentations from such entities as the Rating Agency, Moody's, and the monoline insurer, Financial Security Assurance Inc.

Ongoing Projects for 2009:

- Streamlining Noteholder meetings
- Manifest/proven error
- Trustee pre-funding

The **Money Market Instruments** sub-committee, under the chairmanship of Euroclear SA/NV, continues to monitor, promote and support the usage of EPIM for ECP across the dealer and IPA communities, identifying opportunities to increase EPIM usage such as standardising procedures for dealers for a day. Additionally this committee is working on the expansion of EPIM to MTNs as announced by the ICSDs in July.

Ongoing Projects for 2009:

- Increase usage of EPIM for ECP
- EPIM for MTN
- Government Guaranteed bank issues (through a working group)

The **Global Tax** sub-committee, under the chairmanship of Clearstream Banking, has focused on documenting tax guidelines and procedures. In 2008 the sub-committee has produced generic tax guidelines with country specific procedure appendices for Spain and UK Unlisted Eurobonds.

Ongoing Projects for 2009:

- Irish Unlisted Eurobonds
- Tax procedure appendices for additional countries such as the Lebanon and Portugal