



## ICMSA Newsletter – December 2007

### Membership

Membership of the association stands at 25 members, 13 full and 12 associate members.

ICMSA met regularly throughout the year and at each General Meeting there was an external guest speaker. Representatives from ESF, EBRD and Business Wire presented to members this year focusing on regulatory developments and new market initiatives.

### Publications

ICMSA published the following in 2007:

- 9 March 2007 Global Tax Awareness Seminar materials
- 20 November 2007 Guidelines for the Issuance of Confidential Securities within the ICSDs

### Market Initiatives

#### ECB 3 Working Group

From 1 January 2007 new issues eligible as collateral for Eurosystem monetary policy had to be issued in New Global Note form. Members of ICMSA have followed the market roll out and assisted with resolution of practical issues arising from day to day operation of the new procedures.

#### ISMAG

Members of the association are participating in the International Securities Market Advisory Group (ISMAG) focusing on improving market efficiency.

#### EFMF

ICMSA has been invited to participate in this industry association representative group seeking cooperation at European level on issues affecting the securities industry relating to clearing and settlement.

#### UK- China co-operation on developing China's corporate bond market

ICMSA has been asked to take on the responsibility of providing City practitioner's input on the area of Clearing and Settlement as part of the joint UK-China initiative.

### Message from the Chairman, Marne Lidster:

“The formalizing of the structure of ICMSA at the end of 2006 has proved most beneficial in 2007. The work of the sub-committees is more focused and directed which has resulted in a number of successes, raising the profile of ICMSA with other organizations and within the market.”



## Projects

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

The **Paying Agency** sub-committee, under the chairmanship of the Bank of New York, has taken on a wide variety of projects both as an ICMSA sub-committee and contributing to the work of other market associations. Following an industry awareness session in February, a working group of the sub-committee was set up to focus on the market practices for Variable Rate Instruments. The working group has, for the first time, included non-ICMSA members who have all contributed to the drafting of a code of practice. Members of the sub-committee have participated at ICMA's Legal and Documentation committee working on the final terms pro forma which has been the market standard since May. ICSD members of the sub-committee have produced a market guideline on confidential issues, clarifying the requirements for confidential issues eligible in the ICSDs. The sub-committee has identified the variances in the market for record dates and business day definitions and plans to hold a working group session with legal representatives to work on market standardization. The sub-committee has continued to support the market through the practical impact of ECB Standard 3, working with the ICSDs and ICMA.

Ongoing Projects for 2008

- Variable Rate Instruments
- Record Dates / Business Days

The **Trustee** sub-committee, under the chairmanship of Deutsche Bank, organized a series of presentations to the three Rating Agencies. These presentations were extremely well received and have started an open dialogue between Trustees and Rating Agencies. Work has continued with law firms to formalize the payment of Trustee and own counsel fees at closing. The Trustee sub-committee has looked at the market impact of New Global Notes, specifically the impact of exchanges due to incorrect initial set up.

Ongoing Projects for 2008:

- Payment of Trustee / Service Provider  
own and Counsel Fees
- Noteholder meetings

The **Money Market Instruments** sub-committee, under the chairmanship of Euroclear SA/NV, continues to monitor, promote and support the usage of EPIM across the dealer and IPA communities, identifying opportunities to increase EPIM usage such as standardizing procedures for dealers for a day. The planned roll out of EPIM for MTNs is underway and work to date has been shared with the top MTN dealers (calculated both by issuance volume and number of issuances). Members of the sub-committee work closely with the ICMA ECP Dealer committee and the ECPA notably reviewing the introduction of STEP.

Ongoing Projects for 2008:

- EPIM increase usage of EPIM for ECP
- EPIM next steps (inc MTNs)

The **Global Tax** sub-committee, under the chairmanship of Deutsche Bank, organized a very successful market awareness session in March sponsored by the ICSDs, attended by investment banks, paying agents and law firms. As follow up to this seminar there has been focus on the tax procedures in Spain and Portugal. To complete and document the work of this sub-committee global tax procedures have been drafted and unique country specific appendices will be produced to cross reference with the generic document.

Ongoing Projects for 2008:

- Spain
- UK Unlisted Eurobonds
- Global tax procedures

To date there have been no issues to raise at the **Common Depository** sub-committee. The sub-committee will convene as and when required.