

## DEBT ISSUANCE MARKET CONTACT GROUP

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## Outcome

### 8<sup>th</sup> Meeting of the Debt Issuance Market Contact Group (DIMCG) – 16 June 2021

#### 1. Welcome remarks

The Chairperson introduced the agenda of the meeting and clarified that the focus of the meeting is to discuss the first draft version of the DIMCG report (v0.1).

#### 2. DIMCG workplan

The ECB team presented the action plan for the drafting and review of the DIMCG report until the expected end of the mandate of the group. DIMCG participants acknowledged that a total of three draft versions will be produced and discussed in the next months prior to the finalisation of the report which is expected to take place by end September 2021.

#### 3. Separate DIMCG sessions reporting

##### DIMCG separate session on harmonisation governance

The ECB reported on the workshop on governance of harmonisation work in debt issuance held on 2 June. The DIMCG members acknowledged the governance principles, the question of scope coverage, the potential governance arrangements that could be envisaged and the Eurosystem experience on the governance of post-trade harmonisation activities. The members discussed on whether a recommendation on the possible future governance arrangements could be included in the DIMCG report as well as the call for the optimal collaboration between public and private initiatives depending on the areas of harmonisation.

##### DIMCG Pillar 3 discussions

The ECB team introduced the main takeaways collected so far in the stock taking of the available initiatives and bilateral discussions with some DIMCG participants. The next version of the draft report will include the anonymised outcome of this exercise.

#### 4. DIMCG advisory report

The ECB presented the first draft and internal version of the DIMCG advisory report (0.1). This version focused on the introduction and the sections describing Pillars 1 and 2, whereas the section related to the Pillar 3 needs to be further elaborated. The executive summary and main conclusions will only be drafted in the context of the version 0.3 of the document. The ECB team took note of the comments received by

DIMCG participants orally during the meeting and encouraged the DIMCG participants to include their detailed input in the context of the ongoing written procedure.

Some key elements were discussed during the meeting:

- Pillar 1 should acknowledge the existence of a third issuance model (i.e. private placement) in addition of syndication and auction even if these were not in the scope of the DIMCG survey;
- The “preparation for settlement” process of the auction model should include the activities related to the “documentation preparation” as mentioned for the syndication model;
- The tables included in the version 0.1 of the report will be moved to the annex of the report and the section related to the “detailed findings per process” will be redrafted to reflect the main findings instead;
- Regarding pillar 2, investor identification section should be reviewed as the reference to non-coverage of LEI for natural persons is not an issue for the DIMCG use case of issuance plain vanilla bonds;
- Based on the input to be provided by DIMCG members, an additional workshop could be organised on the ISIN allocation, and in particular regarding its relevance for inclusion among the harmonisation areas in the DIMCG report;
- On documentation section, the issue statement namely that preparing, managing and finalising documentation is a key bottleneck and barrier to speed up and digitise the issuance process might be complemented with a concrete example as an illustration of the pain point ;
- On governance section, the text could further elaborate on the conclusions with regards to optimal governance in light of the outcome of the governance workshop and additional input / comments by DIMCG members.

***Follow-up actions:***

- DIMCG participants are invited to comment via written procedure on the version 0.1 of the DIMCG report by 23 June 2021;
- DIMCG participants to provide their views and material to the ECB team by 28 June 2021, with a view to agree on the follow-up for the discussion on the ISIN allocation topic.