



EUROPEAN CENTRAL BANK

EUROSYSTEM

DIMCG framework to explore initiatives in the area of debt issuance



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4th Debt Issuance Market Contact Group meeting
27 January 2021

DIMCG work structure

- **Pillar 1:** what is the issue, if any, in the area of European debt issuance;
- **Pillar 2:** potential harmonisation topics;
- **Pillar 3: existing and/or planned initiatives in the area of debt issuance**

DIMCG Terms of Reference

- ECB website: https://www.ecb.europa.eu/paym/intro/news/ecb.mipnews200417_annex1.en.pdf
- *“The objective of the group is to identify issues that preclude further improvements in **efficiency and integration in the area of debt issuance and initial distribution (i.e. covering the full transaction chain from pre-issuance to post-trade)** and to investigate how these issues may be addressed.”*
- *“The DIMCG shall also explore how any **potential harmonisation activities could be supported by private or public infrastructure initiatives** in the area of debt issuance and initial distribution services.”*

Pillar 3 analysis

- The objective is not to assess/evaluate existing or planned market initiatives but rather to **discuss and take note of them in a structured way**
- ...also to analyse how to bring the outcome of this discussion in the **DIMCG Advisory Report by September 2021**

What are the relevant elements?

If European Integration and **harmonisation/standardisation across the full transaction chain is the goal**, then the following elements / questions can be considered as relevant:

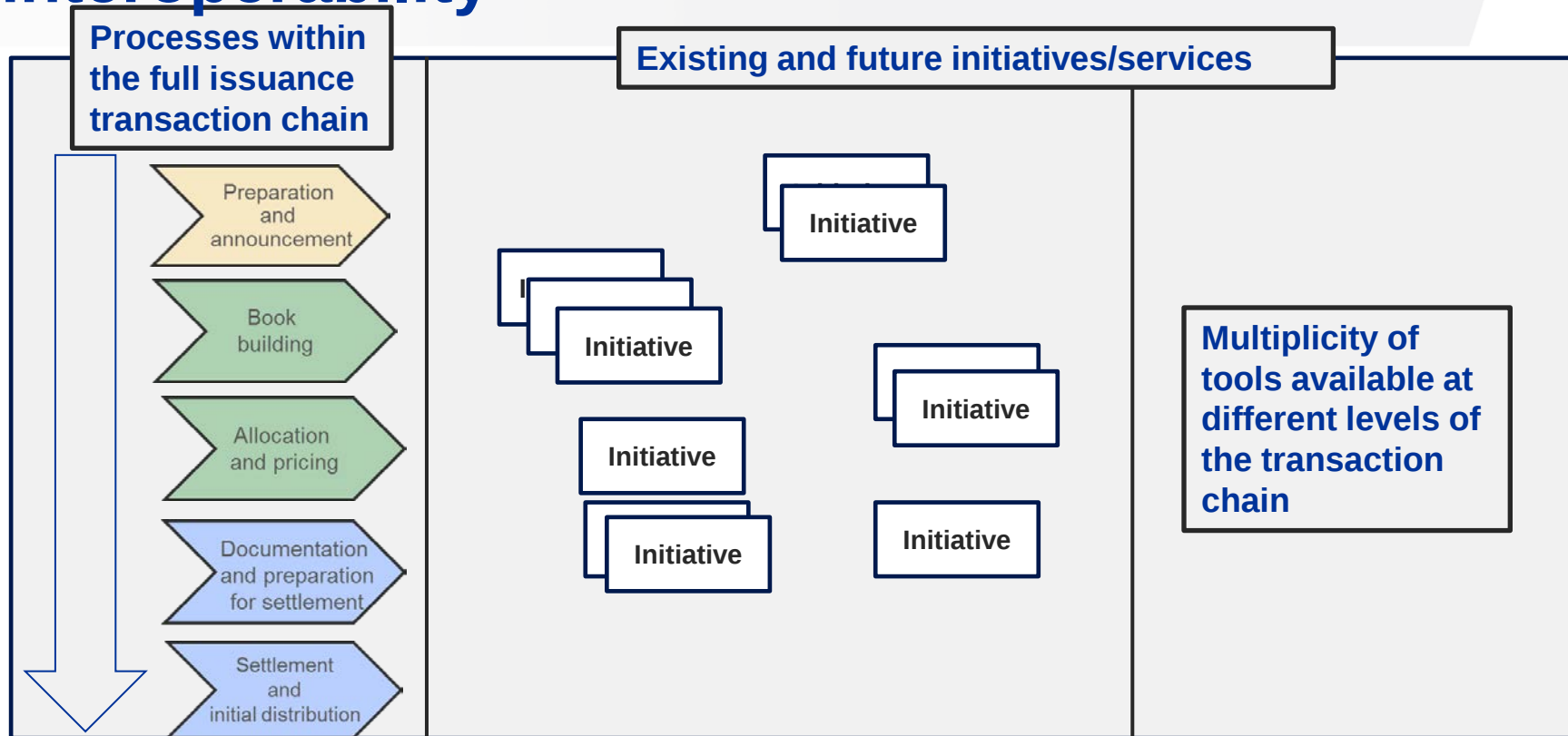
1. **Coverage: full transaction chain and interoperability**
2. **Harmonisation: across national markets**
3. **Pan-European coverage – level playing field**
4. **European governance**

1. Coverage: full transaction chain and interoperability

- **Vertical coverage:** Does the initiative(s) cover the full transaction chain, i.e. across several pre-issuance processes and does it cover the post-trade (and final distribution) aspects?
- **Horizontal coverage:** Straight Through Processing (STP) Interoperability across multiple initiatives? Is there any market-wide interoperability framework and/or connectivity across the multiple (existing or planned) initiatives?

1. Coverage: full transaction chain and interoperability

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2. Harmonisation across EU

- How do existing/planned initiatives support harmonisation and standardisation?
 - via their **implementation solution/design**?
 - via an accompanied **EU wide harmonisation agenda**?
 - Other?
- Does this harmonisation agenda cover the **full transaction chain**?
- Is harmonisation supported by adequate and multilateral **governance arrangements which facilitate mobilisation of public and private entities** across markets and EU Member States?

3. Pan European coverage - level playing field

- Does the initiative address the needs of the **EU financial market as a whole** (rather than a specific geographical area or cluster of market actors?)
 - including/covering all EU national markets?
 - does it provide equal access and level playing field across market actors in the different member states? Is there a level playing field access to different stakeholders? i.e. issuers, investors, intermediaries and CSDs independently of their location?

4. European governance

- What are the governance arrangements of the initiative?
- Is a **European governance** relevant here?
 - What does European governance exactly mean?
 - Are EU issuers and investors part of the governance arrangements?
- Is access to (and ownership of) issuers', investors', intermediaries' data important/relevant?
 - Are these issuance data sensitive and for whom?
 - What are the applicable laws/regulations to manage these data?
- How are these considerations relate to the geopolitical challenges the EU is currently facing?
 - See recent EC communication on **openness, strength and resilience of Europe's economic and financial system**
https://ec.europa.eu/commission/presscorner/detail/en/ip_21_108

Thank you for the attention

www.ecb.europa.eu/paym

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