SECOND MEETING OF THE EXPERT GROUP ON CORPORATE BOND MARKET LIQUIDITY

Monday 23 January 2017

Time: 10:00 – 16:30

Venue: Room Jean Rey (JREY), Berlaymont (200, rue de la Loi-1049, Bruxelles)

MEETING OBJECTIVES

- Agree on the composition and working methods of the sub-groups
- Discuss the implications of the interim findings of the study on the drivers of corporate bond market liquidity for the work of the expert group
- Discuss and agree on the annotated outline of the report
- Discuss the future of market-making

MEETING AGENDA

1. Registration and welcome coffee (10:00 – 10:15)

2. Introduction (10:15 – 10:20)

The Chair will present the objectives of the meeting and update members on recent developments with a bearing on the work of the expert group.

3. Discussion on the composition, working methods and expected output of the sub-groups (10:20 – 10:50)

DG FISMA will present the final composition of the sub-groups, their working methods, and the next steps. Members will be asked to endorse the sub-groups.

4. Discussion of the draft annotated outline of the expert group’s report (10:50 – 12:30)

DG FISMA will present the draft annotated outline of the expert group report, which will be circulated ahead of the meeting. The outline will also illustrate the data and analytical requirements for each section of the report, and propose how to organise the drafting. Members will be asked to discuss and agree on the draft outline and endorse it. Each rapporteur will present an overview of the trends, vulnerabilities, challenges and perspectives that could be addressed in their respective subgroup in the light of the changing market dynamics.

Lunch (12:30 – 13:15)
5. **Interim results of the study on the drivers of corporate bond market liquidity** (13:15 – 14:30)

Risk Control will present the interim results of the study on the drivers of corporate bond market liquidity. Members will be asked to discuss the implications of the interim results for the work of the expert group.

A short summary of the interim findings will be circulated ahead of the meeting.

*Coffee break (14:30 – 14:45)*

6. **Discussion on the future of market-making** (14:45 – 16:15)

Members will be invited to discuss: (i) to what extent, and where, market-making will be important for this market in the future; (ii) if corporate bond markets can function effectively without market-making; (iii) if trading/intermediation should be made less reliant on market-making, and if so, how this could be achieved; (iv) if new market-makers can emerge to replace traditional players, and if so, what needs to be done to foster this.

The Commission Services will give a presentation on the CRR/CRD VI review proposal and on the results of the Call for Evidence on EU financial services. An issue paper will be circulated ahead of the meeting.

7. **Conclusions and next steps** (16:15 – 16:30)

The Chair will summarise the main conclusions of the meeting and outline the next steps leading to the third meeting of the expert group on 2 March 2017.