Minutes of the Expert Group on Corporate Bond Market Liquidity

Brussels, 22 October 2017

Minutes
Meeting of the Expert Group on Corporate Bond Market Liquidity

9 October 2017, Brussels

1. Approval of the agenda

2. Nature of the meeting

The meeting was non-public.

3. List of points discussed

3.1. Introduction

The Chair welcomed the group and explained that the day would focus mainly on going through the Expert Group's last comments on the headline report. The main objective of the meeting was to reach a consensus on the report as a whole, with a view to finalise it by the end of the month.

3.2. The Headline Report

The Chair presented the Secretariat's assessment of the headline report. The following points were highlighted:

- The main objective of the introduction is to explain the mandate of the Experts' Group;
- The recommendations need to be analysed once again and, where necessary, made sharper and more incisive;
- Changes to the Executive Summary should be limited to conceptual and fundamental ones.

The last version of the drafted recommendations was presented and discussed so as to agree on the Expert Group's stance. In particular, slight changes were produced with regard to the recommendations related to issuers, to investors, to the level of information and transparency and to policy framework, with the intent to reach a unanimous consensus on the final text of
each recommendation. For broadly consensual recommendations, none or only minor changes were adopted so as to strengthen and better specify the problem tackled.

The Chair concluded by making sure that the experts were satisfied with the work produced. No further comments were made.

The Chair went through the two chapters of the Headline Report, which were scrolled to verify the need for additional remarks or the opportunity to rephrase certain sentences and provide other information or explanations. The experts notably discussed the recommendation on the bond allocation process until it proved consensual to the whole group.

The Expert Group agreed that the Headline Report was in a good shape. Some editing was still to be done to improve the nuance of wording and additions would be needed before publication

3.3. Analytical Report

The Secretariat explained the work done so far on the analytical report. The Chair stressed once again that the Analytical Report was supposed to remain a support document and not a policy statement. The Expert Group welcomed the analytical report as an effective document to support the Expert Group's recommendations. Some remaining edits to qualify, synthesize and reformat were discussed.

4. Conclusion and next steps

The Group discussed possible ways to communicate on the results of the Expert Group's work. All experts were already invited to participate in a public hearing on European corporate bond markets, scheduled to take place in Brussels on 24 November 2017. The opportunity of organising a public consultation was also discussed, focusing on the timeline and what this consultation would include. Questions on the expected impact and take-up of the recommendations were also raised.

The Chair summarised the day's discussion and showed his appreciation for the consensus reached on all recommendations as well as on the whole work. The experts expressed their satisfaction on the work done by the whole group and thanked the Commission for its coordination work as well as its input on the legislations and procedures. The final result of the group's work was found very positive. It was highlighted that the reports were valuable as few studies had so far managed to gather the opinion of all actors on the market. This was considered a strong added value of this work, and source of legitimacy for the group's findings.

The Chair concluded by outlining the next steps towards the finalisation, approval as well as publication of both the headline and analytical report, and thanked again the Expert Group for their commitment and hard work throughout the process. Although this was the last meeting of the Expert Group, the Chair called for the experts to keep communicating in their respective institutions about their work and give visibility to the reports.
6. List of participants

Members

Halina ANTOSZYK, Citigroup Inc. - CitiHandlowy

Patrice BERGE VINCENT, ICI Global

Hans BEYER, SEB – Nordic Securities Association

Graziano CREMA, Banco Bilbao Vizcaya Argentaria

Harald ENDRES, Bundesverband Öffentlicher Banken Deutschlands, VÖB - Bayerische Landesbank

Scott EATON, MarketAxess Limited

Andrew HILL, International Capital Market Association

Christoph HOCK, Union Asset Management Holding AG. - Union Investment Privatfonds / Institutional GmbH

Sanjay JHAMNA, JPMorgan Chase & Co.

Paul MALLOY, Vanguard

David MAROTO SOBRADO, Telefonica, S.A.

Denis PROUTEAU, BPCE – Natixis

Fabrizio TESTA, London Stock Exchange Group - MTS SpA and EuroMTS Ltd

Lé Quang TRAN VAN, AFEP

Victoria WEBSTER, Association for Financial Markets in Europe

Observers

Claudia GUAGLIANO, European Securities and Markets Authority (ESMA)

Christian STIEFMUELLER (Finance Watch)

European Commission

Niall BOHAN (FISMA)

Agnès LE THIEC (FISMA)

Amaury CHAZEAU-GUIBERT (FISMA)
Hana SOFTIC (FISMA)

Nicolas BERNIER-ABAD (FISMA)

Lars BOMAN (ECFIN)