



EUROPEAN CENTRAL BANK

EUROSYSTEM

# DIMCG framework to explore initiatives in the area of debt issuance

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George Kalogeropoulos

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# 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](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?

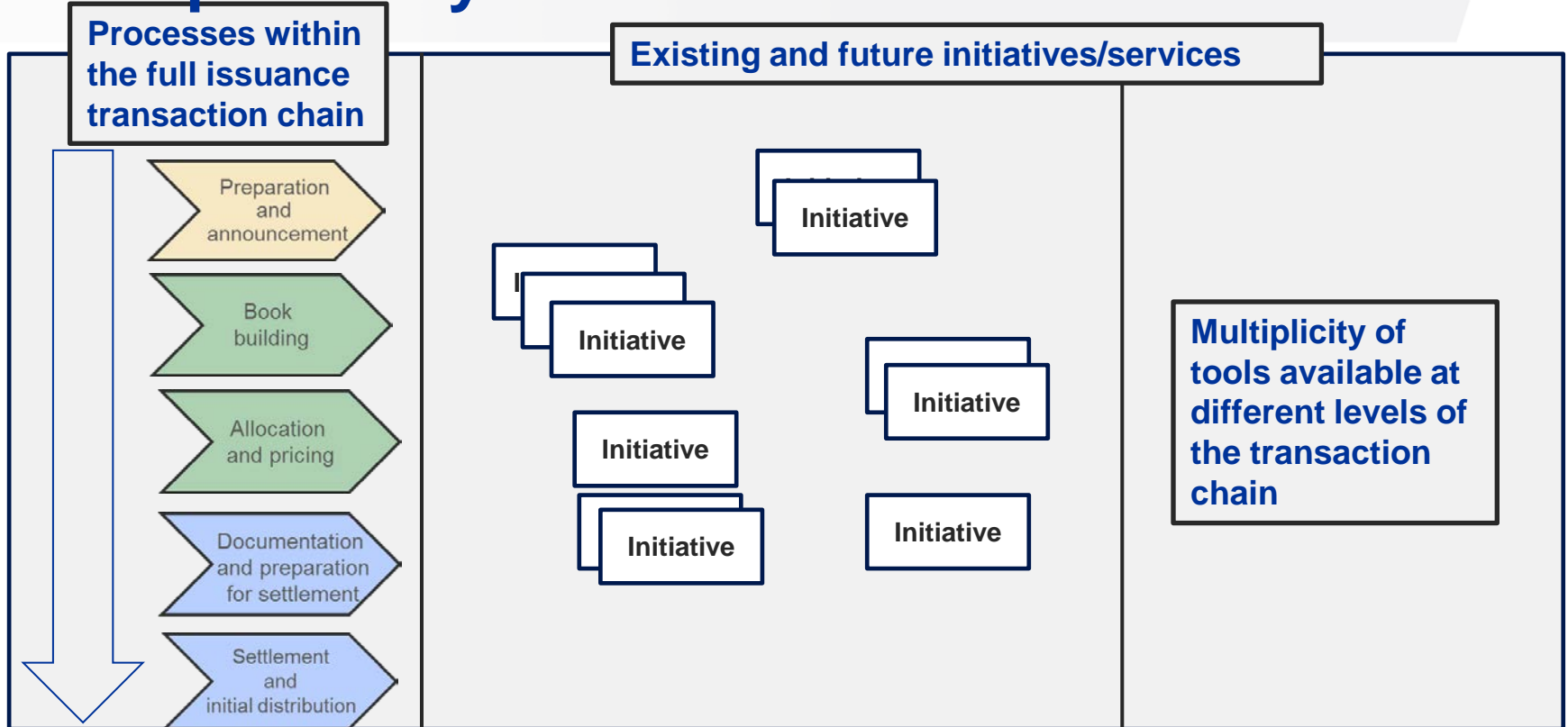
If European Integration and **harmonisation/standardisation across the full transaction chain is the goal**, then the following elements / questions can be considered as relevant:

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



## 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](https://ec.europa.eu/commission/presscorner/detail/en/ip_21_108)

# Thank you for the attention

[www.ecb.europa.eu/paym](http://www.ecb.europa.eu/paym)

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