



## **FICC Standards Board (FMSB) members make new issue process for bonds more transparent**

*London, 2 May 2017.* Leading market participants have published final guidelines that clarify expected behaviour during the new issue process for fixed income bonds in Europe.

A series of measures are detailed in the new standard from the FICC Markets Standards Board (“FMSB”) to enhance the fairness and effectiveness of the new issue process for all participants.

An initial Transparency Draft was published in November last year and the final version of the [\*New Issue Process Standard for the Fixed Income Markets\*](#) is published today after comment from interested parties. The standard covers a range of topics from the granting of a mandate to the publication of deal statistics.

Mark Yallop, Chair of the FMSB, said: “The new standard is the result of extensive discussions between banks, corporate issuers and investors, both among our membership and from a large number of other important market participants during the Transparency Draft process. It is a significant step in clarifying practices in the market and ensuring it is both fair and effective.”

The main proposals in the standard are that:

- Lead banks should make their allocation policies, or a summary, available to issuers and all market participants.
- The issuer’s preferences should be taken in account when deciding the allocation policy for a specific/individual deal.
- When a mandate is granted, the lead banks and issuer should discuss, understand and agree the issuer’s objectives for the transaction and how the banks will achieve them, including such considerations as allocation preferences and marketing strategy for the deal.
- Lead banks should disclose publicly to all market participants their general policy, or a summary, for how they select investors for market soundings and roadshows. The policy for a specific deal should take account of any issuer preferences.
- Lead banks should agree a strategy on book disclosure frequency with the issuer. Book updates should be disclosed publicly and should not be misleading.
- Investors need time to collate their demand for a transaction. It is best practice to make no significant changes to indicative issue terms, or to publicise the order book size, during the last 15 minutes of the bookbuild.
- Investors should only submit clear orders which are a true reflection of their demand.

Jonathan Brown, Head of Investment Grade Syndicate, EMEAPAC, Barclays said: “This standard builds on continuous work from FMSB member firms and other industry bodies to ensure that as the fixed income new issue market evolves it remains fit for purpose. The paper goes beyond recent and upcoming regulation and will lead to a more open and transparent process thanks to input from issuers, investors and lead manager banks.”

FMSB members include leading corporate issuers such as BHP Billiton, BP, Vodafone, Rio Tinto, Royal Mail Group and Royal Dutch Shell, major investors such as M&G and Blackrock, and many of the senior global fixed income dealers.

The new standard is intended to apply in respect of all best efforts syndicated offerings of fixed income bonds in the European wholesale markets, including investment grade, high yield, securitised and emerging market debt. The expectation is that in time the standard will be adopted by primary markets participants in other jurisdictions.

The standard is the third to be completed by the FMSB, following earlier standards on Reference Price Transactions and Binary Options in the commodities markets.

Future standards will focus on the secondary market aspects of new bond issuance such as hedging activity, the appropriate process covering the dissemination of information and market colour in commodities and other wholesale markets, and conduct issues that relate to the use of trading technology in financial markets.

Final versions of the FMSB standards on Reference Price Transactions and Binary Options in the commodities markets are available on the FMSB website at [www.fmsb.com](http://www.fmsb.com).

- ENDS -

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## Notes to Editors:

1) The Fixed Income, Currency and Commodities or FICC Markets Standards Board (“FMSB”) is an independent body set up by market practitioners to improve standards of conduct in wholesale FICC markets. It aims to bring transparency to grey areas in the wholesale FICC markets by documenting existing practice and agreeing standards to improve conduct and market behaviour. Ensuring that wholesale FICC markets are transparent, fair and effective is at the heart of the FMSB’s mission.

2) Setting up the FMSB was one of the main recommendations to emerge from the Fair and Effective Markets Review (“FEMR”), which was conducted by HM Treasury, the Bank of England and the Financial Conduct Authority and reported in June 2015. The FEMR was launched in June 2014 to reinforce confidence in wholesale Fixed Income, Currency and Commodities markets in the wake of the serious misconduct seen in recent years.

3) The FMSB has a high-level Standards Board drawn from senior executives from across wholesale markets, from corporate clients, other market users such as asset managers and asset owners, and infrastructure providers such as exchanges and custodians. Reporting to the Standards Board are standing sub-committees addressing Market Practices, Codes & Standards Convergence and Conduct & Ethics. The Market Practices sub-committees are split into 4 asset-class specific committees. There is also an Advisory Council representing the interests of member firms. A full list of individuals can be found in 5) and 6) below

4) The FMSB’s 44 members and 6 standing guests bring together sellside investment banks, buy-side asset managers, exchanges, custodians and users of the market such as corporates. They are:

### **Member Firms:**

Aberdeen Asset Management  
Allianz Global Investors  
Bank of America Merrill Lynch  
Barclays  
BlackRock  
Bloomberg  
BHP Billiton  
BNP Paribas  
BNY Mellon  
BP  
Citadel  
Citigroup Global Markets Limited  
Crédit Agricole CIB  
Credit Suisse  
Deutsche Bank  
Deutsche Börse  
Goldman Sachs  
HSBC  
J.P. Morgan  
Legal & General Investment Management  
Linklaters (Legal Advisor)

Lloyds Banking Group  
London Stock Exchange Group  
M&G Investments  
National Australia Bank  
Morgan Stanley  
NEX  
Nomura  
PGGM  
RBS  
Rio Tinto  
Royal Dutch Shell  
Royal Mail Group  
Scotiabank  
Société Générale  
Standard Chartered  
Standard Life Investments  
State Street  
Thomson Reuters  
TP ICAP  
Tradeweb  
UBS  
Vodafone  
XTX Markets

**Standing Guests:**

Association of Corporate Treasurers  
Banking Standards Board  
Global Financial Markets Association (GFMA)  
Hedge Fund Standards Board  
KPMG  
Oliver Wyman

**5) Advisory Council representatives:**

**Member Firm:**

Aberdeen Asset Management  
Allianz Global Investors  
Bank of America Merrill Lynch  
Barclays  
BHP Billiton  
BlackRock  
Bloomberg  
BNP Paribas  
Citigroup Global Markets Limited  
Crédit Agricole CIB  
Credit Suisse  
Deutsche Bank  
Deutsche Boerse Group  
Goldman Sachs  
HSBC  
Independent  
Independent  
JP Morgan  
JP Morgan  
Legal & General Investment Management

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Elizabeth Corley  
Alex Wilmot-Sitwell  
Venkat Venkatakishnan  
Vandita Pant  
Patrick Olson  
Rob Friend  
Pascal Fischer  
James Bardrick  
Thomas Spitz  
Eraj Shirvani  
David Wayne  
Carsten Kengeter  
Isabelle Ealet  
Douglas Flint  
Mary Miller  
Charles Nichols  
Guy America  
Daniel Pinto  
Mark Zinkula

Linklaters (Legal Advisor)  
Lloyds Banking Group  
London Stock Exchange Group  
M&G Investments  
Morgan Stanley  
National Australia Bank  
NEX  
Nomura  
PGGM  
Royal Bank of Scotland  
Royal Dutch Shell  
Royal Mail  
Scotiabank  
Société Générale  
Standard Chartered  
Standard Life Investments  
State Street  
Thomson Reuters  
TP ICAP  
Tradeweb  
UBS  
Vodafone  
XTX Markets

**Standing Guests:**

Association of Corporate Treasurers  
Banking Standards Board  
Hedge Fund Standards Board  
KPMG  
Oliver Wyman

**6) Standards Board representatives:**

**Standards Board member:**

Elizabeth Corley  
Sanaz Zaimi  
Nat Tyce  
Vandita Pant  
Tarek Mahmoud  
Ludovic de Montille  
Michael Cole-Fontayn  
Andy Morton  
James Kemp  
Jim Esposito  
Thibaut de Roux  
Marc Bailey  
Catherine Bradley  
Charles Nichols  
Guy America  
Sally Dewar  
Anton Eser  
Michael Kent  
Fabrizio Testa  
Simon Pilcher

Robert Elliott  
James Garvey  
Raffaele Jerusalemi  
Simon Pilcher  
Rob Rooney  
Drew Bradford  
Michael Spencer  
Jonathan Lewis  
Patrick Fleur  
Kieran Higgins  
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Matthew Lester  
Kevin Felix  
Frank Drouet  
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Keith Skeoch  
Kim Newell Chebator  
Neill Penney  
David Casterton  
Enrico Bruni  
David Soanes  
Nick Read  
Zar Amrolia

**Representative:**

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Dame Colette Bowe  
Dame Amelia Fawcett  
Bill Michael  
Christian Edelmann

**Firm:**

Allianz Global Investors  
Bank of America Merrill Lynch  
Barclays  
BHP Billiton  
BlackRock  
BNP Paribas  
Bank of New York Mellon  
Citigroup Global Markets Limited  
GFMA  
Goldman Sachs  
HSBC  
Independent  
Independent  
Independent  
JP Morgan  
JP Morgan  
Legal & General Investment Mgmt  
Linklaters (Legal Advisor)  
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John Kirwan  
Rod Paris  
Stephen Yeats  
Nick Collier  
Enrico Bruni  
Chris Purves  
Neil Garrod  
Zar Amrolia

**Standing Guests:**

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Thomas Deinet  
Serge Gwynne

Morgan Stanley  
National Australia Bank  
Nomura  
PGGM  
Royal Dutch Shell  
Scotiabank  
Standard Life Investments  
State Street  
Thomson Reuters  
Tradeweb  
UBS  
Vodafone  
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