

Understanding EU Bond Market Structure and Dynamics

November 2021



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November 2021

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Executive Summary

European fixed income markets play a critical role in providing funding for corporates and governments. The purpose of this document is to provide an educational overview of the current EU fixed income market size and structure. We examine how these markets serve corporates and sovereigns, differentiating between fixed income and equity market practices, types of fixed income investors and ways of transacting trades. We evaluate the relationship between liquidity and transparency, electronic trading compared to voice, and conclude with a focus on future developments.

Key observations on the current market structure with data highlighted in this report are:

- **Issuance- bonds vs equities:** in 2020, fixed income EU Issuance in corporate and government bonds was 26 times larger (at €2.1trn) than equities and therefore a significant provider of market-based funding.
- **Issuance variance:** companies issue many more variations of bonds than equities. For example, France Telecom has issued 55 unsecured bonds as compared to 3 equity issues¹².
- **Trading activity:** in 2019 EEA bond trading volumes totalled €101trn, with 77% of volumes from sovereign and 18% from corporate bonds, average trade size for sovereign bonds €8M and for corporate bonds €2.5M.³
- **Trading frequency:** bonds trade less frequently than equities, particularly as they age toward maturity. For example, historically Deutsche Telekom AG equity shares has traded almost 3500 times compared to each corporate bond traded⁴. Unlike equities, many investors buy bonds to hold until they mature to match against specific liabilities, which discourages trading after purchase.

While fixed income instruments such as sovereign debt issued by the largest countries trade frequently and are considered 'liquid' investments, other bonds can trade very infrequently due to their size, country of issuance, particular transaction terms or time since they were issued.

- **Electronic vs voice:** as European fixed income markets become more automated, how and where trading takes place is changing. Voice trading (pure Over-the-Counter (OTC) and not executed within the perimeter of a trading venue) is still the prevalent means of execution for larger bond trades or more illiquid bonds, although electronic trading activity is growing. According to Trax, fixed income electronic trading rose from c 27% in 2017 to c 36% in March 2021⁵.
- **Trading risk:** typically when a market maker trades, especially in large size or an illiquid instrument they take on a position which incurs market risk. Understandably, if the level of risk increases above a certain level, it is likely to negatively impact the amount of liquidity/pricing the market makers are able to provide. Banks continue to provide significant risk capital to the market despite a reduction in available bank balance sheets since the global financial crisis of 2007-08.
- **Different ways to trade:** Due to the heterogeneity of the market, many different ways of trading (also called protocols) have developed, which are described in this report. These include RFQ and RFS, RFQ to all, all-to-all and process trades.
- **Reporting:** MiFID II introduced major changes to fixed income trade reporting, with 'liquid' securities subject to pre-trade reporting, and all transactions subject to post-trade reporting to an Approved Publication Arrangement (APA) or Trading venue if the trade was executed there. The accuracy of data reporting is being reviewed by the official sector and by market participants.

1 See Figure 5

2 See Figure 9

3 https://www.esma.europa.eu/sites/default/files/library/esma50-165-1355_mifid_asr.pdf

4 <https://www.afme.eu/portals/0/globalassets/downloads/publications/afme-crd-mfd-tabbb-mifidii-and-fixed-income-transparency.pdf>

5 <https://www.ecb.europa.eu/home/search/coronavirus/html/index.en.html> <https://www.ecb.europa.eu/home/search/coronavirus/html/index.en.html>



While access to risk capital remains essential for active management order flow, particularly for illiquid instruments and larger trade sizes, the challenge for regulators and policymakers is maintaining a market structure which provides the right balance of optionality for all types of order flow and market participants – large or small orders, executed electronically or by voice.

To establish where best to trade requires access to accurate and timely post-trade information. There is now a significant amount of post-trade information being published in real time for liquid and most newly issued bonds, as well as delayed trade data for illiquid bonds or large-sized trades. However, more high-quality, transparent reporting does not automatically mean more liquidity. Publicly available data (free after 15 minutes) is often highly fragmented, making it difficult to access. The lack of standardisation in the data displayed, as well as the decentralisation of collection, increases the risk of inaccuracies and makes it challenging to interpret. A consolidated tape for bonds would bring this information into an accessible central location and provide a true reflection of market activity, whilst ensuring committed liquidity providers still have sufficient incentives to provide much-needed liquidity to European bond markets.

A robust Capital Markets Union (CMU) will be needed more than ever to deliver economic recovery post-covid, as well as to support the significant investments required to transition to the green and digital economies of the future. The European debt capital markets will be critical to achieving these goals, and a vibrant fixed income market will continue to offer solutions that meet these needs, as well as support refinancing of existing debt as part of the bond lifecycle. This is how stable and efficient debt capital markets will best be able to continue to support the real economy.

“A robust Capital Markets Union will be needed more than ever to deliver economic recovery post-covid, as well as to support the significant investments required to transition to the green and digital economies of the future”



EU Fixed Income Markets

To raise cash, companies can obtain funding either in the form of bank loans or issue instruments on the capital markets, such as bonds or shares. Governments raise most of their funding through bonds.

Bonds and shares are different both in their issuance processes as well as in terms of risks to which they expose investors, the holders of these securities. The two types of securities tend to have different liquidity profiles, where liquidity is the ability to buy or sell an instrument without causing significant movements in its price. While a company typically has a single class of equity share, many corporates (companies) and sovereigns (governments) can have dozens, or even hundreds, of fixed income bond issuances.

Bonds have significantly different characteristics such as:

- **Type of issuer** – sovereign (issued by a government), sub-sovereign (issued by local authorities), corporate (issued by companies)
- **Payments** – fixed vs floating interest rate (coupon), payment frequency, maturity dates
- **Backing** – unsecured, collateralised/asset-backed
- **Price construction** – bonds are quoted as a percentage of par (100%); the price at which an investor buys a particular bond with a particular coupon/interest rate will impact the investors yield/rate of return; and
- **Tax status** – bonds can be taxable, tax-exempt or capital gains exempt.

Different bonds will also have different liquidity profiles. For example, so-called benchmark government bonds (e.g. 10-year German Bunds) are very liquid, but Slovakian or Greek government bonds will be less so, partly due to the much smaller amount of sovereign debt issued and outstanding in these smaller countries.

For corporate bonds, after an active period directly following issuance (typically lasting just a number of weeks⁶) buying and selling activity will generally decline and plateau until the instrument matures. Limited liquidity in these types of instruments makes it difficult to always trade in and out of positions (buy and sell), which is why market makers can play a crucial role. When the other side of a trade is not immediately available, market makers dedicate their balance sheet to providing pricing and immediacy of execution to their clients, effectively allowing investors to buy or sell when they wish to.

This diversity in bond issuance also attracts a range of different investors.

Fixed Income Investor Types

The vast majority of European bond market investors are institutions such as asset managers acting on behalf of their clients, which include insurers, pension funds as well as retail investors. Certain corporates also purchase very short term fixed income instruments such as commercial paper for their own short term liquidity portfolios.

There are four major types of investors in the bond market:

- **Asset managers:** aim to grow the savings/investments of individual clients by investing in a wide variety of securities.
- **Pension funds:** long-term investment contracts in predominantly long-term fixed-income investments that offer targeted yields over a period of time.

6 https://ec.europa.eu/info/sites/default/files/171120-corporate-bonds-report_en.pdf



- Insurers (insuring individuals and corporations against specific risk events): Due to their long-term liabilities, insurers are large investors in the fixed-income markets. While a portion of insurer funds is set aside so that firms can respond quickly to urgent claims, the majority of insurer reserves remain invested in predominantly low-risk, long-term fixed-income investments, often in the form of government bonds. By making this investment, the insurance company is able to offset claim costs and maintain lower premiums.
- Hedge funds: Hedge fund strategies are generally complex, more aggressive, and higher risk, in order to generate higher returns. Hedge funds usually trade frequently and often in large sizes.

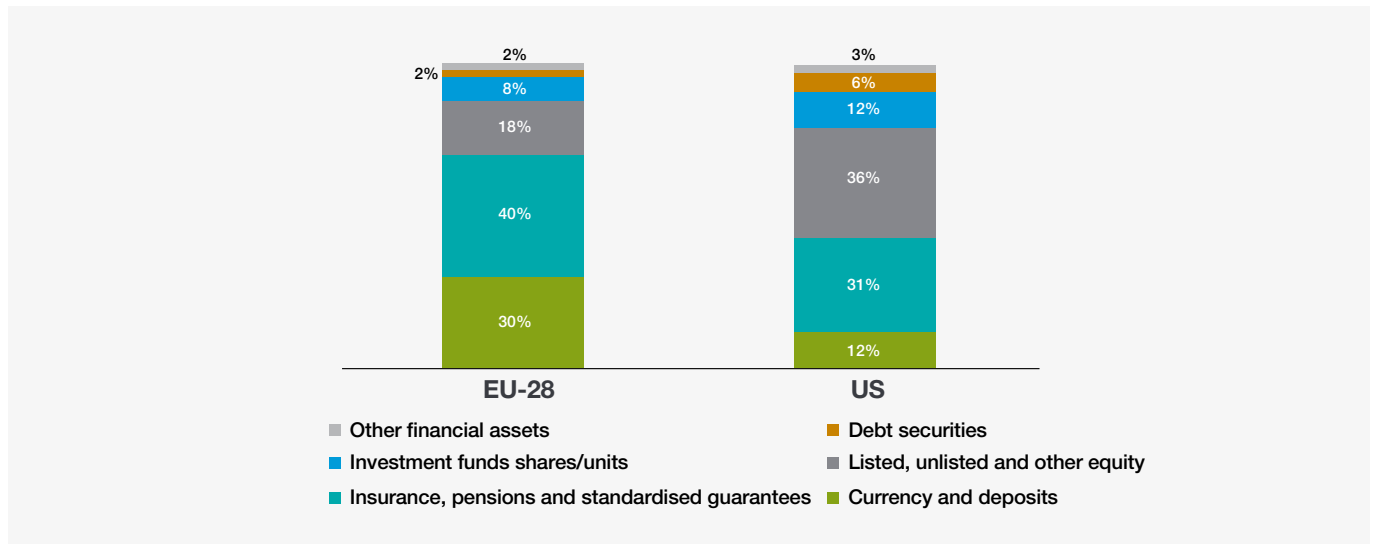


Figure 1: **Asset allocation by Retail Investors**

Source: European Capital Markets Institute (data from Eurostat Q3 2019, US Fed Q4 2019)

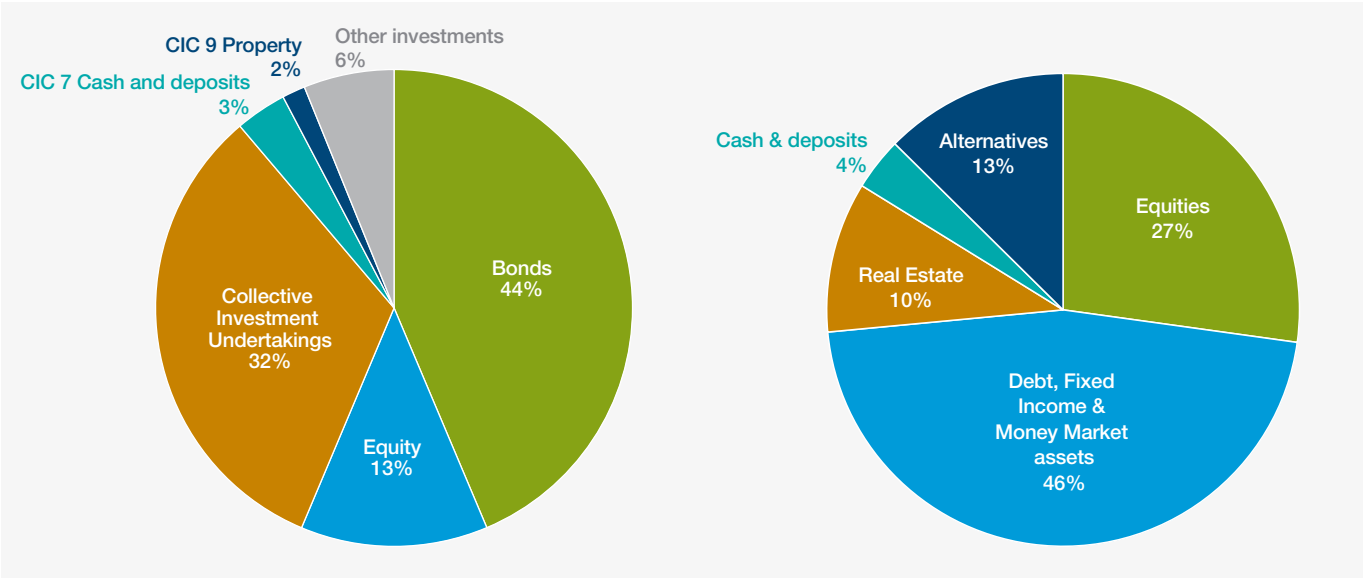
Retail investment in the fixed income markets is still comparatively low in comparison to insurance companies and pension funds (see Figures 1,2 and 3).

In recent years central banks have also become large purchasers to act as an alternative source of liquidity to the wholesale nature of European bond markets. The European Central Bank (ECB) has interjected in the fixed income market with the launch of a €1,850 billion pandemic emergency purchase programme (PEPP)⁷ to ensure low borrowing costs and increase banks' lending capabilities to support companies and governments in accessing the funds they needed to operate.

This action has merely amplified the wholesale nature of the market. In practice this means that in addition to relatively low rates of direct retail participation, trade sizes in general continue to remain larger than in equities markets.

⁷ <https://www.ecb.europa.eu/home/search/coronavirus/html/index.en.html> <https://www.ecb.europa.eu/home/search/coronavirus/html/index.en.html>





Figures 2 + 3: **Asset allocation by Insurance Companies/Pension Funds**

Source: EIOPA Q1 2021, PensionsEurope March 2020

Equity vs Fixed Income Trade Characteristics

Bond and equity transactions also differ considerably in terms of volume traded and transaction sizes. Data produced by ESMA illustrated that the average equity trade size was €13,954 versus €2.5mln for corporate bonds, €6.2mln for covered bonds (Debt securities collateralised by a pool of assets) and €8mln for sovereigns (see Figure 4)⁸.

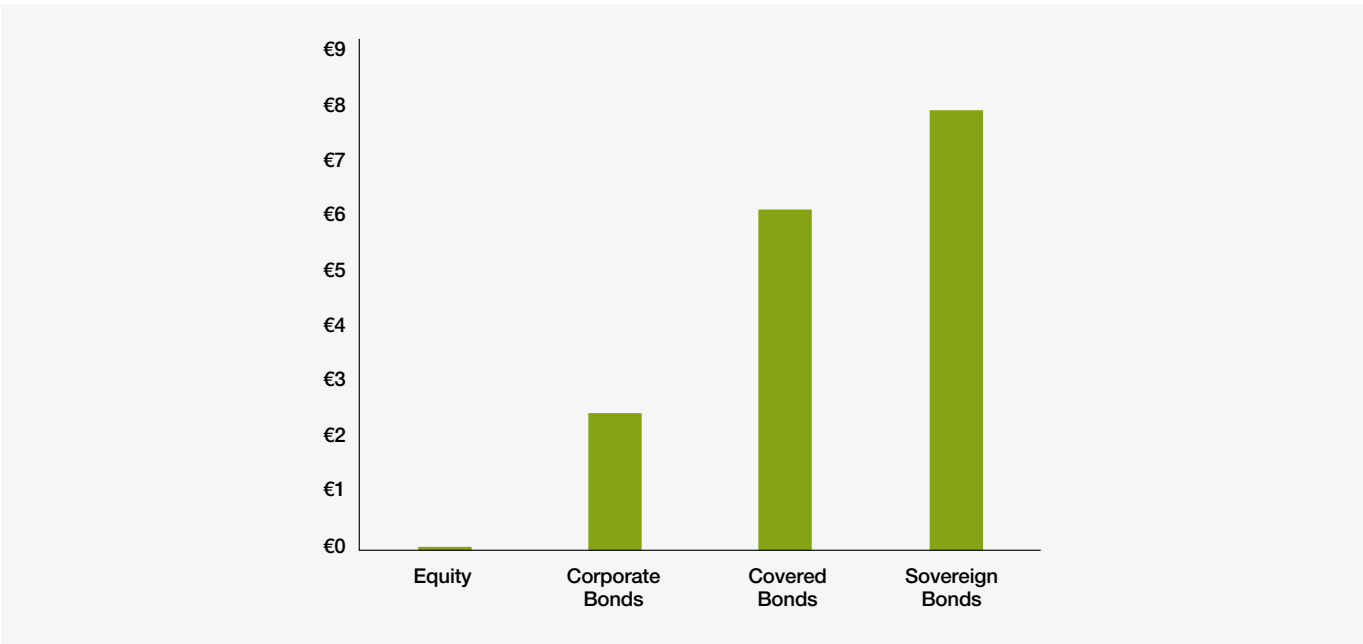
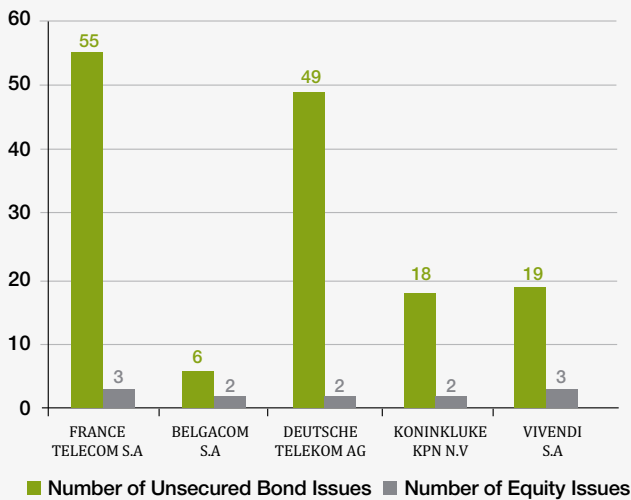


Figure 4: **Average Execution Size by Asset Class**

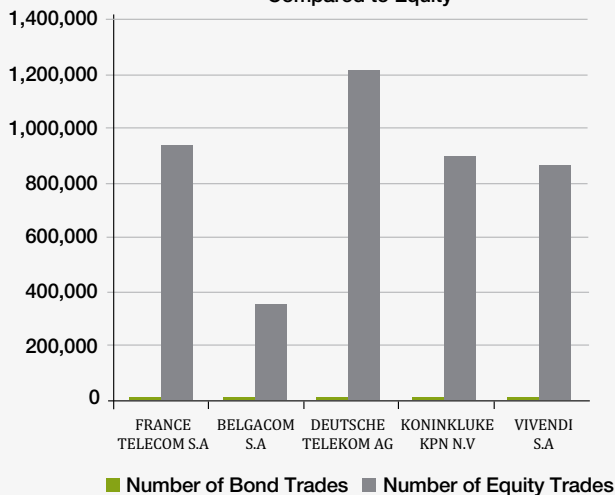
Source: ESMA



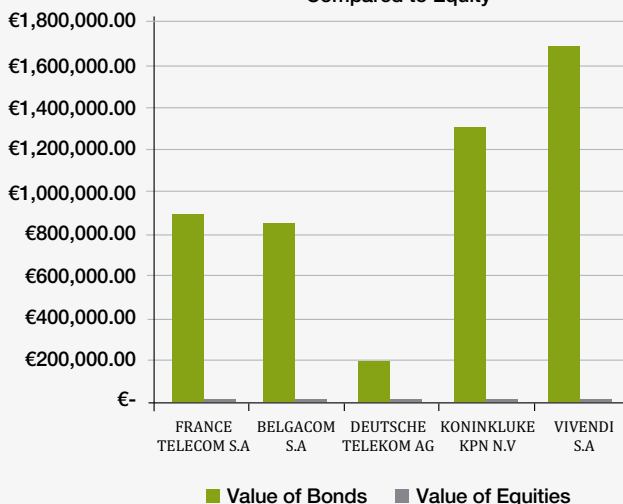
Number of Unsecured Bond Issues Compared to Equity



Number of Bond Trades Compared to Equity



Average Value of Bonds Traded by Company Compared to Equity



Figures 5, 6 + 7: Five European firms debt compared to equity

Source: Xtrakter, Bloomberg & Tabb Group

The heterogeneity of the bond asset class due to different maturities, interest rates and yields as well as the low cost of borrowing in Europe means a company will often opt to issue more debt securities than undertake the cost and complexity of issuing shares. For instance, France Telecom counts 55 unsecured bond issues compared to only 3 equity issues (see Figure 5). This heterogeneity also results in the demand for a particular bond being lower as investors have 55 bonds to choose from in the case of France Telecom, making each bond security more illiquid and potentially harder to trade. Consequently, compared to equities where there is only one type of instrument to be traded, the number of bond trades per issuer is often significantly lower (see Figure 6). However, the average value of a bond trade will be much higher than on the equity side (see Figure 7).

With the exception of the most liquid government debt, investors in bonds typically want different maturities, interest rates, yield, or other terms, and this lack of uniformity results in a unique market structure. The bond market has historically been predominantly a dealer to client market due to the low probability of equal and opposite simultaneous trading interests. As a result, market makers have an essential role to play to bridge liquidity gaps, and bond investors still rely heavily on the provision of risk capital, mostly by banks and dealers which make markets. In some cases, certain investors, may also quote prices. This has meant that unlike equities markets where electronic trading has been common for many years, the adoption of electronic trading in fixed income has been gradual, but it is slowly becoming an important and well-established part of the fixed income market landscape.

“The bond market has historically been predominantly a dealer to client market”

EU Fixed Income Markets

At times during the Covid-19 crisis there were instances where liquidity was reduced. This led to an increase in the use of alternative ways of trading (also called protocols) in an effort to maximise investors' flexibility and access to additional liquidity. Electronic trading venues such as MTFs provide the platform to connect buy-side firms with multiple liquidity providers, resulting in an increase of volumes now transacted electronically (see Figure 8).

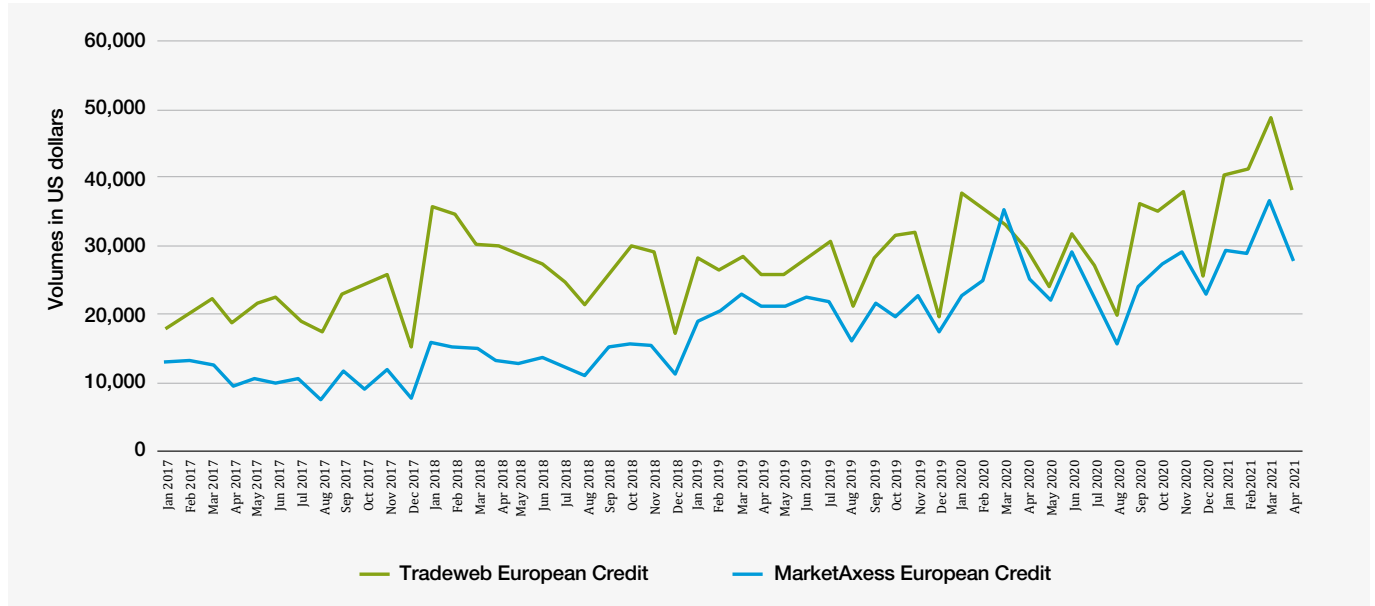


Figure 8: **Electronic corporate bond trading volumes in Europe in US dollars**

Source: The Desk

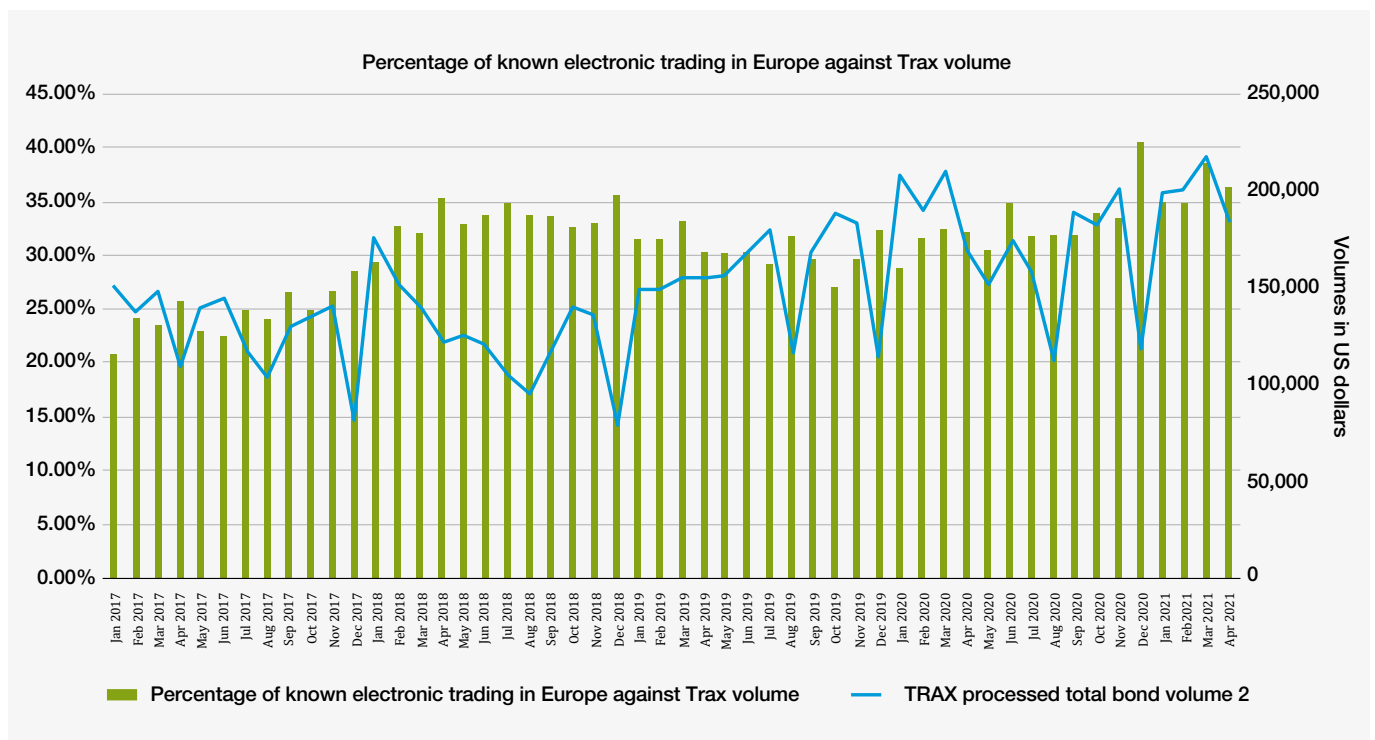


Figure 9: **Percentage of known electronic trading in Europe against Trax volume**

Source: The Desk, Trax company reports

In 2021 so far, Tradeweb's Approved Publication Arrangement (APA) which is authorised to publish trade reports on behalf of investment firms as defined under the MiFID II Directive, shows record volumes in European corporate bonds have traded electronically via trading venues as more buy-side firms look to maximise access to liquidity from multiple counterparties (see Figure 9).

However, it has to be emphasised that the increased use of electronic trading is not a homogeneous trend across all fixed income market segments. While government bonds are considered more liquid and therefore easier to trade electronically, the share of electronic trading for corporate bonds remains much lower (Figure 10), primarily due to lower available liquidity. There is also disparity within the corporate bond segment; Investment Grade bonds are increasingly traded electronically due to their liquidity, while High Yield bonds are still lagging behind (see Figure 11).

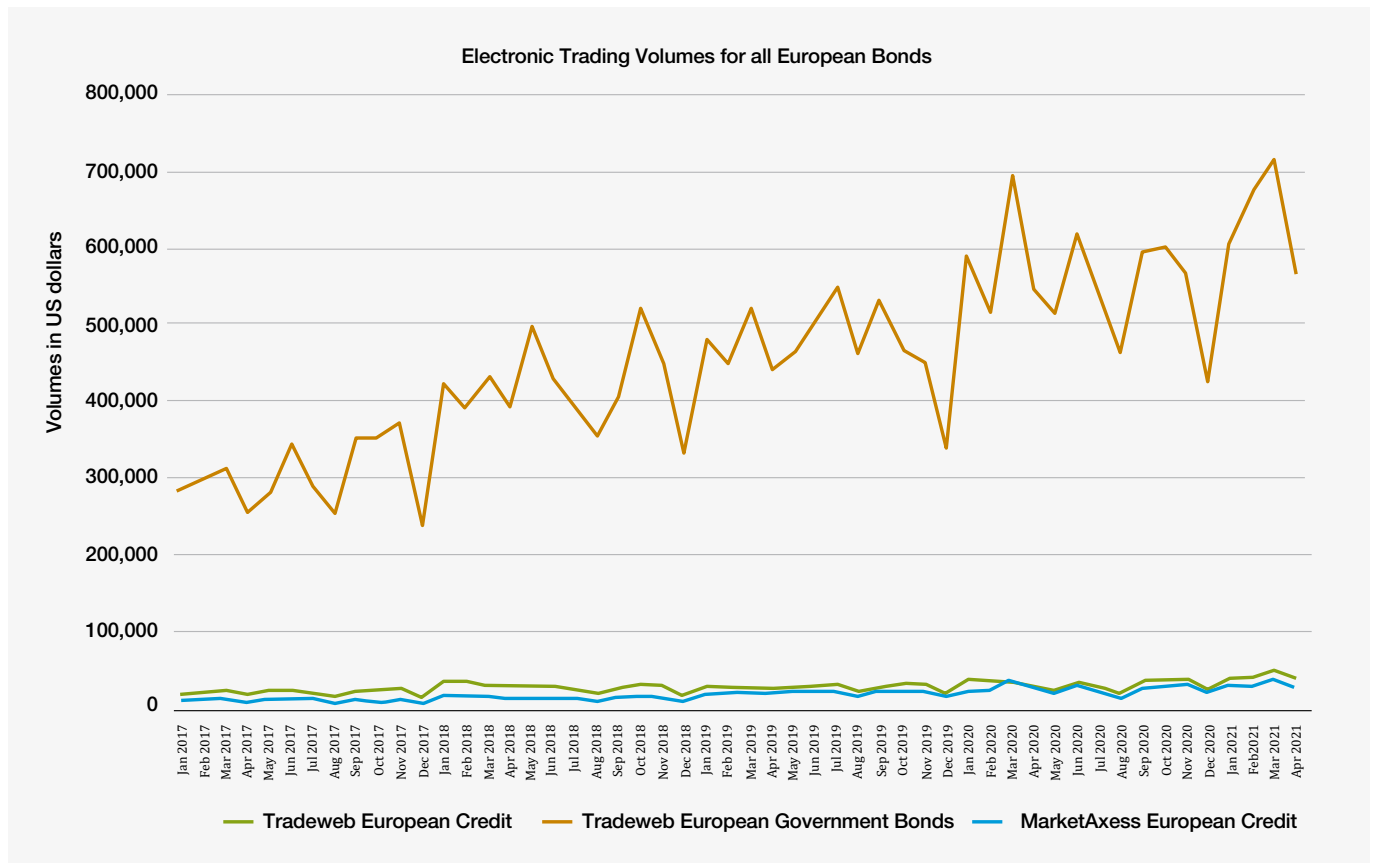


Figure 10: Electronic trading volumes for all European bonds

Source: The Desk, company reports



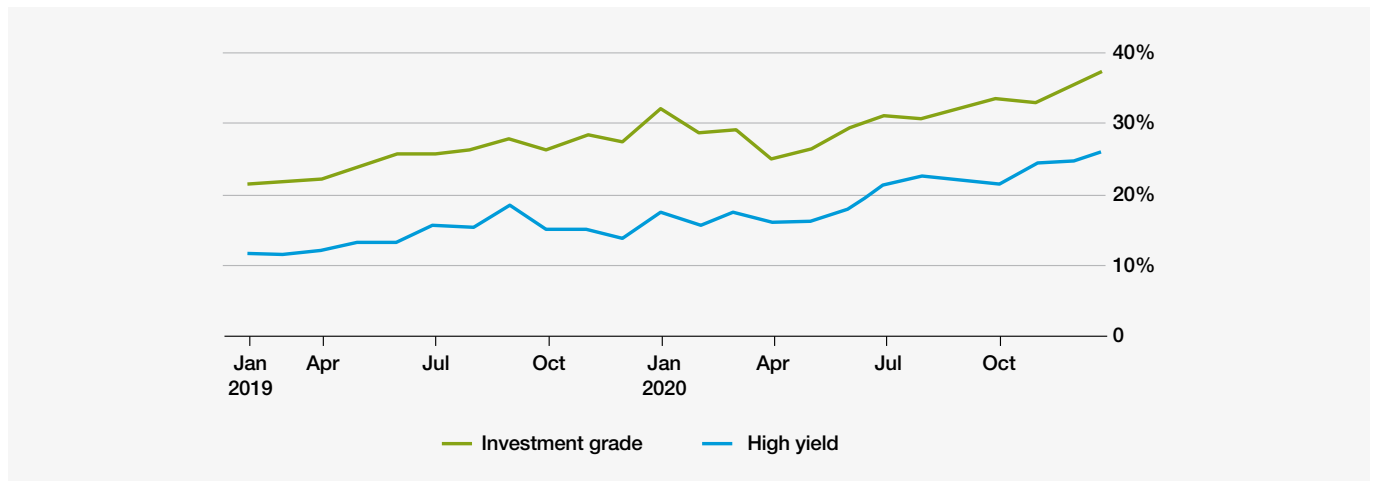


Figure 11: **Percentage of electronic trading of European corporate bonds in 2020**

Source: Greenwich MarketView, chart from Bloomberg website

The role of Market Makers and how they differ to Trading Venues

A market maker is a committed liquidity provider, dedicating balance sheet to providing pricing and immediacy of execution throughout the day. This means that investors are able to buy or sell when they need to even when the other side of the trade is not immediately available.

Given the heterogeneous characteristics of bonds, the probability of equal and opposite simultaneous trading interests always existing on the market is relatively low and the availability of quotes from market makers ready to step in to fill this gap is therefore particularly important.

The use of risk capital is specific to market-making firms because they have the balance sheet and appetite to assume and manage risk. Having taken on a risk trade, the market maker then uses its distribution network to find the other side of the trade, with the difference between the purchase and sale price being the profit margin. Until it is able to find a buyer it will take the debt into its inventory and will be exposed to market risk (changes in the asset's price during this time). Any difference in price between the original trade and the unwind represents an inventory risk that needs to be managed. For instance, in order to protect the market maker from any adverse price movements, it may seek to hedge its position, for which it will incur a cost.

MiFIR introduced the concept of a trading venue – for bonds the main trading venues are Multilateral Trading Facilities (MTFs) – which bring together multiple buying and selling interests, to execute trades and Organised Trading Facilities (OTFs) which also bring together multiple buying and selling interest but, unlike MTFs have some discretion in the method of execution.

It is important to note that market makers and trading venues undertake different roles. Trading venues do not take on any risk and do not hold any bond inventory, they instead provide a platform for facilitating trading interests via a range of protocols/functions (RFQ, RFS, all-to-all as detailed below) to maximise liquidity access, enable investors to efficiently establish the best available price and size, whilst minimising market impact and helping improve execution performance.

A market maker may also be classed as a Systematic Internaliser (SI) if it has met specific trading criteria or opted in, but its role in providing bond liquidity on a principal basis (i.e. using own inventory) is the same.

A trading venue will offer a choice to investors on how they request pricing and execute trades via a variety of functions.

Different Ways to Trade

The selection of a counterparty to trade with, and the method of execution depends on the characteristics of the instrument being traded and market conditions at the time of trade such as available liquidity, size of the order and speed of execution required. On fixed income electronic platforms, trades are generated from the following predominant negotiation protocols:

- Request for Quote (RFQ) - electronically negotiated
- Request for Stream (RFS) - electronically negotiated
- RFQ to ALL - electronically negotiated
- All-to-All - electronically negotiated
- Processed trades - voice/chat negotiated

Liquid orders will have a greater focus on volume traded relative to past hit ratios and current axes (a particular bond that a trader has expressed interest in buying or selling). However, for block/large sizes and illiquid orders, reliability of pricing, and limiting market impact will likely matter the most. For electronic trades, speed and reliability of quotes will likely be the priority alongside robust technology infrastructure. For traditional voice trading, access to balance sheet remains critical alongside the ability to warehouse risk and surety of settlement.

Given the stated differences between fixed income and equity market make-up, fixed income has remained a predominately 'RFQ' market, where investors contact dealers and ask for a quote prior to executing the order. In contrast, the equities market is largely order book driven⁹. However methods of execution are starting to change as the buy-side is looking to maximise liquidity access.

RFQ and RFS

RFQ has been the traditional method for the buy-side to trade smaller tickets on-venue. When a buy-side trader sends a RFQ to a selected number of dealers, the prices received are deemed executable for a short time, once both parties have agreed the trade is confirmed. However, trading functionality has evolved to enable the streaming of executable quotes. With request for stream (RFS), instead of responding with a single price/spread that is good for a limited time a market maker will stream prices – updating them where necessary for a longer duration, this is currently more widely used in the swaps market. This functionality is becoming more automated as electronic trading extends across asset classes.

**“Methods of execution
are starting to change as
the buy-side is looking to
maximise liquidity access”**

⁹ The landscape for European equity trading and liquidity | AFME



RFQ to All

The buy side has a fiduciary duty to deliver the best possible outcome to its end clients, which requires exploring alternative counterparties and venues to maximise liquidity opportunities. As a result, instead of the emergence of new trading initiatives, the focus appears to be on expanding and improving existing workflows (see Figure 12).

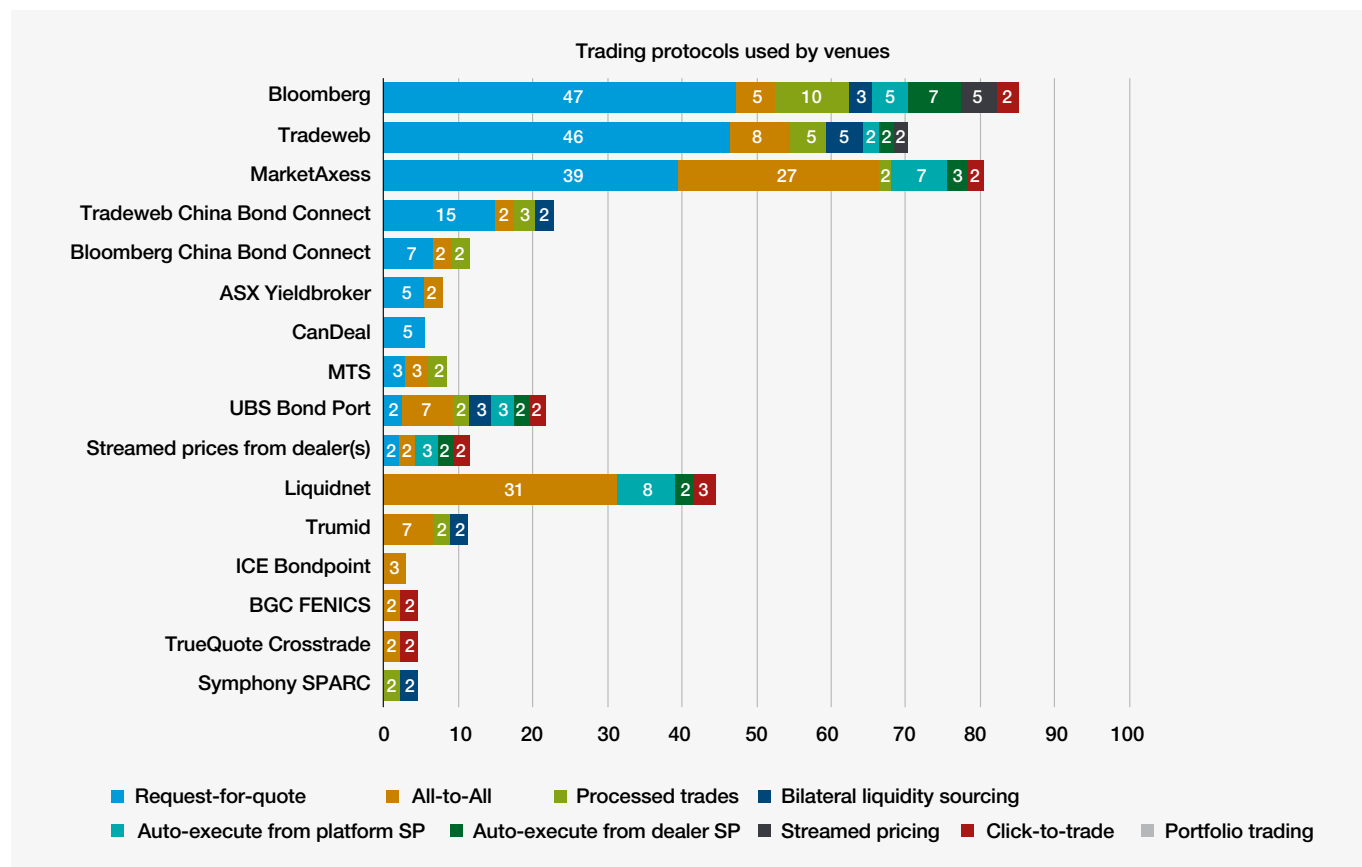


Figure 12: **Trading protocols used by venues**

Source: The Desk

<https://www.bestexecution.net/the-desks-trading-intentions-survey-2021/>

The number of dealers to which an RFQ will be sent depends on the sensitivity of the trade (i.e. its potential to impact the market). To avoid the chance of missing a pool of liquidity by not sending an RFQ to the 'right' provider, the use of requesting to-all protocols is increasing, particularly as technology enables venues to bring together all liquidity interests that exist in one platform.

All-to-All (A2A)

Although the protocol remains based on the buy side sending RFQs, reaching all liquidity providers available on a venue increases the likelihood of finding the best match. A2A protocols (which sit as an additional protocol alongside dealer-to-client market making via RFQ), where the buy-side can also offer liquidity in corporate bonds are gaining traction as a way to source latent liquidity however this price making will be one sided (bid or offer) depending on the position they want to trade out of/into and infrequent (unlike market makers who consistently offer two-way pricing throughout the day). In times of stress when markets are less liquid, investors are likely to be one directional in their trading. Although A2A only accounts for a small proportion of trades, it is growing in popularity¹⁰.

¹⁰ <https://www.marketaxess.com/pdf/All-to-All-Trading-Takes-Hold-in-Corporate-Bonds.pdf>

The government bond market structure is different and has no real need for A2A functionality despite having some very illiquid bonds. This is due to the primary dealer (PD) network where each sovereign issuer has appointed several primary dealers (market makers - in primary markets) who undertake obligations to provide pricing within agreed spreads (e.g., Italy currently has 16 PDs). There is clear transparency around who is a primary dealer so institutional investors know who they can contact to provide a quote¹¹. In contrast a corporate bond is issued via a syndication of banks which is much smaller and it is harder to identify which banks participated in a syndication years previously.

Process Trades

A process trade is negotiated bilaterally via voice or instant chats and can be sizeable but benefits from being executed on-venue, meeting reporting obligations, and capturing the data in an audit trail. Each trade generates data points which can be used to form an overview of the fixed income market landscape and conduct further in-depth analysis (see Figure 13).

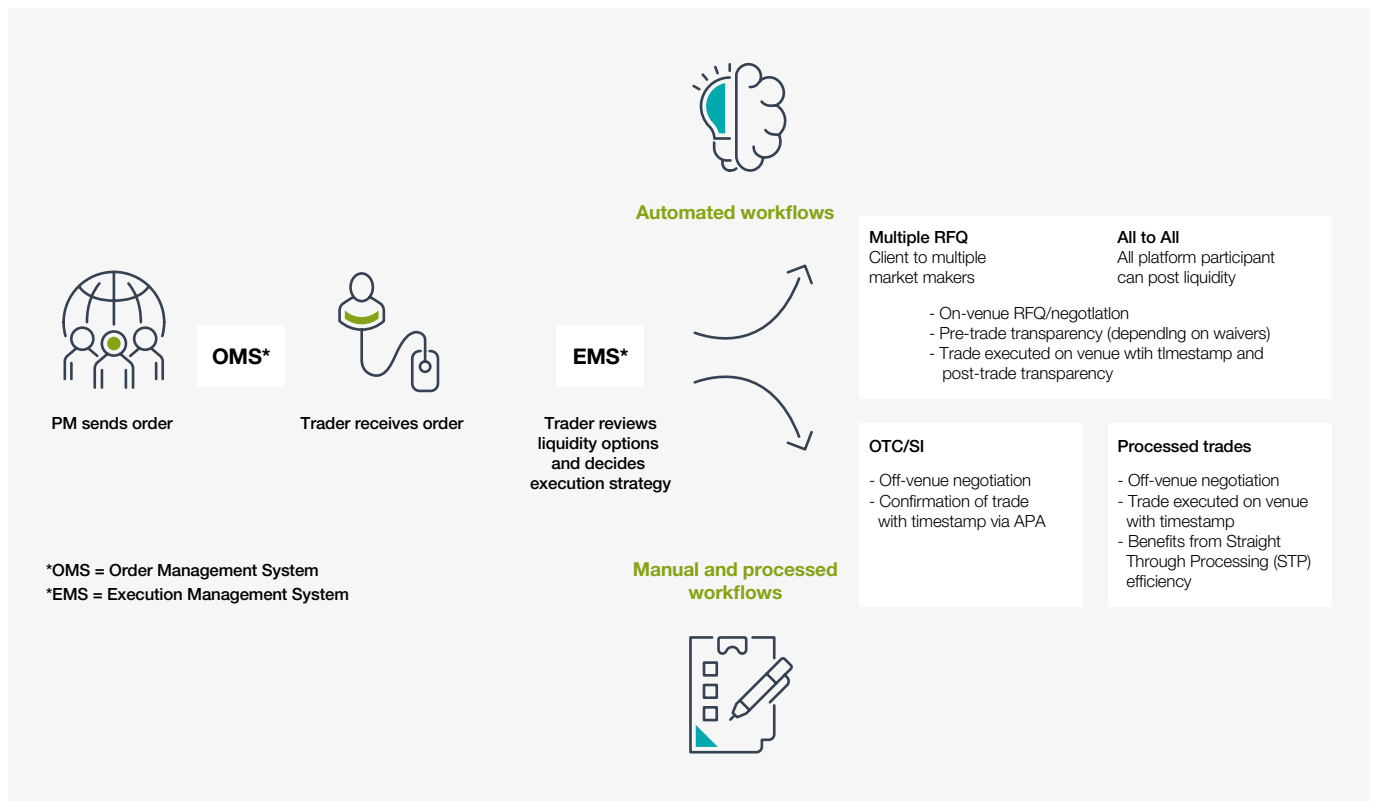


Figure 13: **Different ways of trading**

Source: Redlap consulting

“In times of stress when markets are less liquid, investors are likely to be one directional in their trading”

Post-Trade Transparency Data - Balancing Transparency and Liquidity

Rising Automation

While the largest tickets and more illiquid instruments are still more likely to be voice-traded today, to minimise market impact, the longer-term trend is towards greater electronification and digitalisation of bond workflows. This has accelerated recently as a means to address inefficiencies resulting from manual processes. The emergence of the auto execution functionality enables the automated trading of small and liquid tickets with minimal human intervention freeing up traders' time to focus on more complex trades delivering higher returns. As technology continues to progress, functionality will evolve such as 'bond watch-lists' and suggesting substitute bonds with similar characteristics. The greater the flexibility of product and capacity to develop additional functionality, the more buy-side traders feel comfortable trading electronically, increasing the size of the ticket that can be automated.

Post-Trade Transparency Data - Balancing Transparency and Liquidity

Articles 21 and 10 of MiFIR requires venues (including investment firms that operate a venue) and investment firms to publish the price, volume and time of transactions "*as close to real-time as technically possible*", initially within 15 minutes for the first three years of MiFIR and then within 5 minutes¹² thereafter in order to improve post-trade transparency within the fixed income markets.

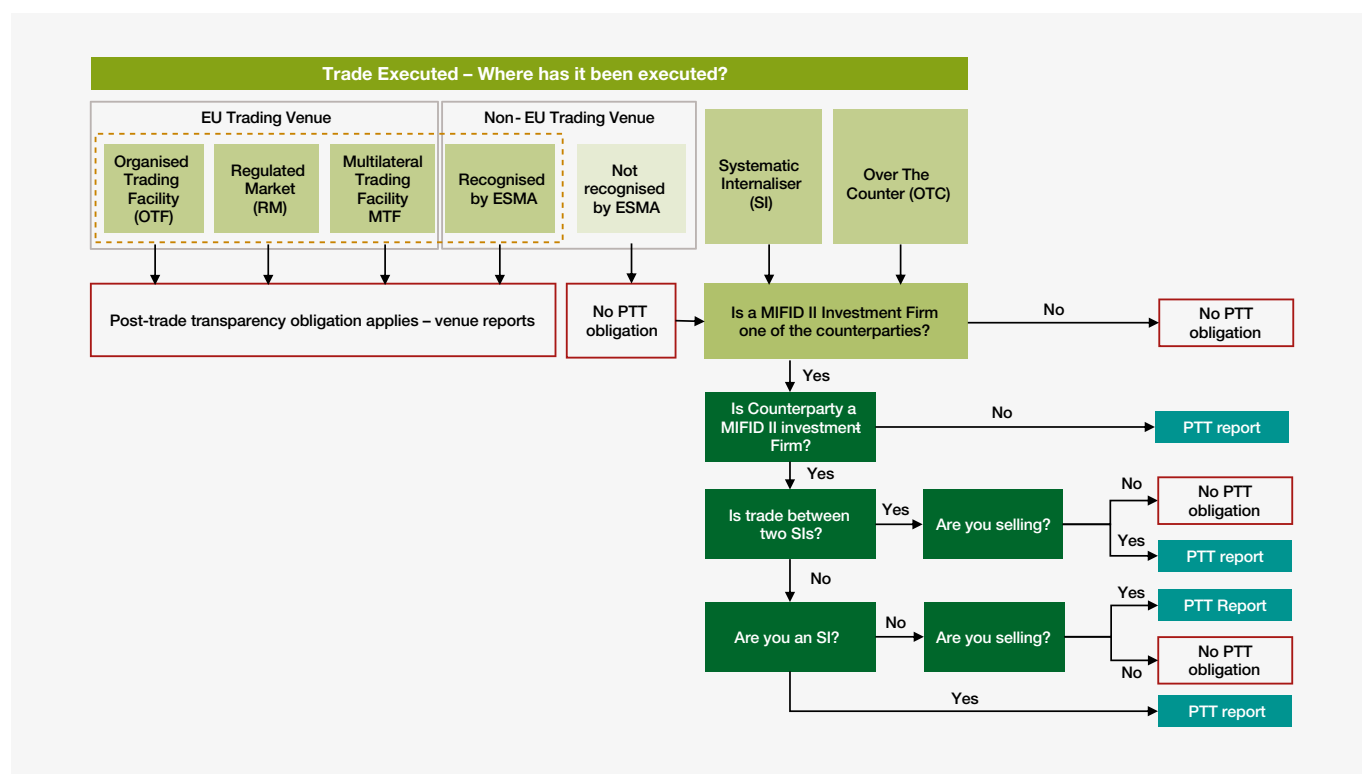


Figure 14: **Simplified decision tree illustrating the assignment of responsibility of the post-trade reporting obligation**

¹² https://www.esma.europa.eu/sites/default/files/library/esma70-156-3329_mifid_ii_mifir_review_report_on_the_transparency_regime_for_non-equity_instruments.pdf

The process of deferring the reporting of trade details such as price and volumes to a later date that can range from days to weeks due to sensitivity of the trade

Since the introduction of MiFID II, market participants have been able to collect more post-trade data to use in a pre-execution capacity. Yet, the fragmentation and lack of standardisation across trading venues and Approved Publication Arrangements (APAs) of which there are currently 15 registered with ESMA, makes the collection of accurate data highly challenging to understand the real price of a bond. For illiquid bonds that may trade once a month or less, determining the accurate price becomes very challenging. Venues and APAs often use non-standardised formats, (for example file types can be .csv/.xls/.txt or JSON) and the data can be difficult to access. There are also instances of data being reported inaccurately. Addressing this fragmentation and lack of standardisation will help improve the accuracy of data. As more accurate data becomes available and trading protocols are refined and improved, market participants will broaden their selection process and technology tools to improve liquidity identification and enhance performance for the end investor.

Deferrals

In addition, there are deferrals¹² (permission from the relevant national competent authority to exceed the standard publication timing requirements) for those trades above size specific thresholds (SSTI/LIS) or for bonds classed as illiquid. These exist to minimise any adverse impact on the market by limiting any unnecessary identification of sensitive inventory information which allows committed liquidity providers sufficient time to hedge/ unwind their positions; a bond dealer needs first to hedge their position (using swaps, or other bonds), and then unwind it. As noted earlier, the unwinding phase is specific to the bond market and can often take longer to execute than in equities markets which can result in a dealer being exposed to a greater level of risk potentially impacting the provision of liquidity.

Transaction Cost Analysis (TCA), the process for determining how good a price was for a given trade, has gained significant traction over the last decade in equities, however, given the lack of accurate data in fixed income, TCA products for fixed income can be less successful in enabling firms to establish the most valuable information. This has led to individual firms collecting and aggregating their own data to feed back into their execution process. The difficulty with that approach is that it requires significant investment and resources, which puts smaller firms at a disadvantage.

A Consolidated Tape (CT) for Bonds

Better access to consolidated, accurate post-trade data will help with the data challenges European bond markets currently face. Since liquidity is a dynamic concept that is constantly evolving, a new issue deemed liquid when it first starts trading can quickly become illiquid (within a matter of weeks) and be negatively impacted by post-trade transparency requirements (which for new issues can class a bond as liquid for a matter of months).

A post-trade consolidated tape for bonds aimed at aggregating current transparency data provides a starting point to improve access to the existing fragmented transparency, across trading venues and APAs.

Once consolidated this data can then be analysed to identify areas that would benefit from transparency recalibration. It would provide a single picture/access point of the EU market, particularly helpful for smaller investment firms and possibly retail investors and would help create a true single EU bond market. This single picture would also help international investors have a comprehensive picture of the European market, helping to attract international capital.

“Better access to consolidated, accurate post-trade data will help with the data challenges European bond markets currently face”



What Next for Fixed Income?

The proposal to increase transparency in bond markets via recent European regulation of MiFID II has not been the revolution many expected. Replicating the equity regulatory infrastructure for fixed income fails to take into consideration the differences that underpin this asset class. Although more trades have moved on-venue facilitating reporting obligations and allowing for greater automation of smaller liquid transactions, the current available transparency is obscured by fragmentation of data, which is hard to access and non-standardised.

Fixed income markets would benefit from more accurate post-trade transparency. Any successful framework proposals will need to be carefully calibrated to ensure there is no undue risk so that liquidity providers can continue to provide liquidity in size. The development of a bond consolidated tape will help address these issues and provide a true reflection of transparency, improve execution outcomes and the service provided to end investors. Given the industry is currently in stage 2 of a 4-phase process where each yearly phase reduces the transparency thresholds, more bonds will naturally be subject to real time transparency as we progress through the remaining stages.

Once this transparency is better understood adjustments to the deferrals regime can then be proposed, however when making any changes to the transparency regime, it is important to take into consideration the differences between fixed income and equity markets as highlighted in this paper to ensure that committed liquidity providers are not exposed to undue risk as this will ultimately negatively impact liquidity for all market participants – European governments, insurers, companies and pensioners.

Well-functioning debt capital markets will be critical in helping governments raise finance which can be used for vital public sector initiatives, alongside private projects, such as research on new vaccines or the development of new technologies. Fixed income markets also help finance green and social investments as the proceeds of debt financing are specifically assigned to such projects. A third of the EU's recovery package will be funded via the issuance of green bonds¹³ and the EU will use the proceeds of its first social bonds to finance the Support to mitigate Unemployment Risks in an Emergency (SURE) programme, which will provide loans to EU 27 member states to help protect jobs and healthcare services.

“Well-functioning debt capital markets will be critical in helping governments raise finance which can be used for vital public sector initiatives, alongside private projects”

13 https://www.consilium.europa.eu/en/press/press-releases/2021/04/22/green-finance-speech-by-president-charles-michel-at-the-leaders-climate-summit/?utm_source=dsms-auto&utm_medium=email&utm_campaign=%22Green+finance%22+-+Speech+by+President+Charles+Michel+at+the+Leaders%u2019+Climate+Summit



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/ About AFME

The Association for Financial Markets in Europe (AFME) is the voice of all Europe's wholesale financial markets, providing expertise across a broad range of regulatory and capital markets issues.

We represent the leading global and European banks and other significant capital market players.

We advocate for deep and integrated European capital markets which serve the needs of companies and investors, supporting economic growth and benefiting society.

We aim to act as a bridge between market participants and policy makers across Europe, drawing on our strong and long-standing relationships, our technical knowledge and fact-based work.

Focus

on a wide range of market, business and prudential issues

Expertise

deep policy and technical skills

Strong relationships

with European and global policymakers

Breadth

broad global and European membership

Pan-European

organisation and perspective

Global reach

via the Global Financial Markets Association (GFMA)



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