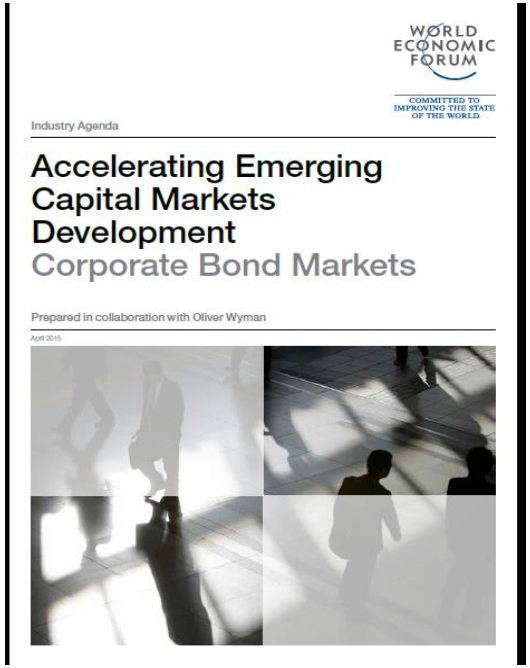
REITUN
Lánshæfismat

Innlegg í umræðu um uppbygging markaðar með fyrirtækjaskuldabréf

17.09 2015

Stutt samantekt sem send er út til fróðleiks og sýnir nokkra punkta úr áhugaverðri grein sem World Trade Forum gaf út „***Accelerating Emerging Capital Markets Development Corporate Bond Markets***“

Skýrsluna má finna á heimasíðu World Economic Forum með því að ýta á þessa slóð.



Þróun fyrirtækjaskuldabréfamarkaðar

Öflugur markaður fyrir fyrirtækjaskuldabréf er og verður mikilvægur fyrir fyrirtæki um allan heim að mati World Economic Forum. Breyttar aðstæður fjármálafyrirtækja þar sem geta og vilji þeirra til lánveitinga hefur minnkað gerir þörfina enn meiri að mati stofnunarinnar. Ef vel tekst til þá getur það, að þeirra mati, leitt til aukins hagvaxtar og fjármálastöðugleika.

Þessi samantekt þeirra er um margt áhugaverð. Auk hvatningarinnar er bent á leiðir til úrbóta og sett fram á einfaldan hátt. Í flestum þróaðri ríkjum er fyrirtækjaskuldabréfamarkaður mun lengra á veg kominn en hér heima. Fram kemur í samantektinni að margt sé hægt að gera til að auðvelda fyrirtækjum aðgengi að skuldabréfamarkaðnum ásamt því að auka seljanleika bréfanna.

Lánshæfismöt gegna mikilvægu hlutverki að þeirra mati og eru ein af grunnstoðum innviða fyrirtækjaskuldabréfamarkaðar.

Vonum að þér lítist vel á þessa samantekt WEF. Við viljum senda hana út þó svo við nánast undantekningarlaust erum ekki að senda út samantektir og aðrar greinar annarra en það sem unnið er af Reitun.

- Þróun innlends skuldabréfamarkaðar afar mikilvæg. Breytt umhverfi banka takmarkar getu og vilja til lánveitinga frá því sem áður var.

In today's environment, accelerating the development of domestic capital markets, particularly for local currency debt, is more crucial than ever. Global financial reforms have transformed banks' willingness and ability to lend. Recent events have highlighted the limitations of relying heavily on foreign investments alone and the potential repercussions of borrowing significantly in non-local currencies, at least for businesses that are not export-focused. As the US and other developed economies normalize their macroeconomic policies, there are legitimate concerns that foreign investments that had flocked to emerging markets in search of higher yields will quickly reverse, creating a funding gap that cannot be adequately filled by existing domestic capital pools. Furthermore, should relative values of emerging-market currencies decrease, the challenges of servicing the large volume of now-more-expensive debt may cripple some emerging-market businesses, resulting already in a number of headline defaults.

- Mikilvægt hagvexti og fjármálastöðugleika. Fleiri leiðir til fjármögnunar mikilvægt fyrirtækjum.

Stable access to long-term capital from diversified sources is important to the sustained growth of the real economy and stability of the financial system. Well-functioning corporate bond markets efficiently mobilize savings to fuel the private sector and finance valuable projects, diversify credit and funding risk from the banking system, and facilitate the maturity transformation of domestic short-term savings to long-term investments.

- Fyrirtækjaskuldabréfa-markaður á Íslandi er klárlega vanþróaður þó svo við teljumst ekki til þróunarríkja. Íslensk fyrirtæki eiga almennt mjög erfitt með að fjármagna sig á alþjóðlegum markaði og treysta nær alfarið á banka til fjármögnunar.

Yet, emerging corporate bond markets remain relatively underpenetrated; emerging countries' corporates, many of which are unable to tap into international markets, continue to rely heavily on banks for debt financing. Given the pace of growth experienced by emerging countries over the past decade, their private sectors capital needs will evolve beyond the volume and complexity that can be efficiently satisfied by banks alone, particularly as lending tightens in the post-crisis environment.

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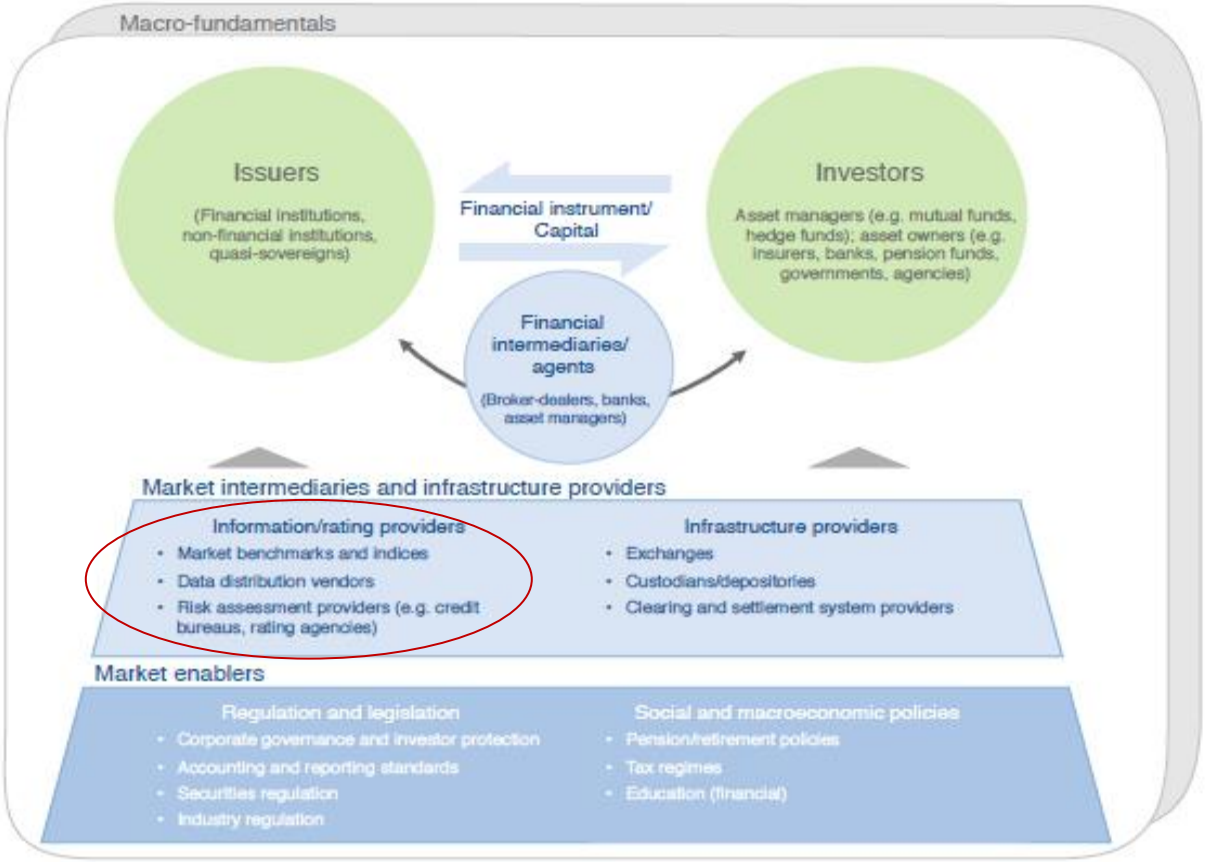
Figure 8: Corporate bond market ecosystem



Source: Oliver Wyman

– *Information/rating providers* who disseminate market information. This, in turn, allows investors to determine the benefits and risks of investing in different issuances and markets, allows for better price discovery and, thus, improves overall market efficiency.

– *Market infrastructure providers*, which include the facilities, platform and technology required to execute primary (and secondary) market trades and post-trade activities.

Corporate Bond Markets

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- Góð yfirlitsmynd af þátttakendum á fyrirtækjaskuldabréfamarkaði. Rauði hringurinn sem Reitun setti inn sýnir mikilvægt hlutverk lánshæfismatsfyrirtækja og upplýsingaveitna. Hlutverk sem Reitun og IFS eru að sinna.

- Munurinn á alþjóðlegum og innlendum lánshæfismatsfyrirtækjum rammaður inn í stuttu máli í rauða kassa Reitunar.
- Fyrir þá sem eru á innlendum skuldabréfamarkaði þá hentar innlent lánshæfismat. Oft eru útgefendur bæði með innlent og alþjóðlegt lánshæfismat. Þetta er sérstaklega gagnlegt ef innlendur markaður þarf að taka mið af landsbundnu mati, eins og á Íslandi, fyrir heimamynt sökum lágrar lánshæfiseinkunnar ríkissjóðs á alþjóðlegum markaði.
- Aðstæður á Íslandi fyrir innlent lánshæfismatsfyrirtæki eru mjög góðar. Traust regluumhverfi, endurskoðun, upplýsingagjöf og siðferði stjórnenda á að tryggja sem gagnsæjast lánshæfismat.

Quality of ratings is only as good as the disclosure and auditing regime
Contribution from Henrik Raber – Global Head of Capital Markets, Standard Chartered

Credit rating agencies can help disseminate information to bond investors. Should issuers choose to have their bond issuances rated, credit rating agencies provide an independent evaluation of issuers' accounts and the legal agreements governing the bond issuances to determine the overall creditworthiness and likelihood of default. Issuers can also enhance the credit quality of their issuances by seeking various forms of guarantee. Examples include partial-credit guarantees from the government or international organizations, financial guarantees from bond insurers (i.e. "wrapping" their bonds) and collateral guarantees, such as asset-backed securities.

Issuers can choose to have their bonds rated by a local credit-rating agency, an international credit-rating agency, or both. Although international rating agencies can work in nearly every country and provide greater standardization of ratings across markets, issuers may select a local rating agency due to:

- Lower fees: local rating agencies generally have lower staff costs and fees
- Language: local rating agencies are more likely to have analysts who speak the local language
- Operating environment: idiosyncrasies of the country's operating environment may be more familiar to local analysts

However, investors have expressed certain concerns with ratings from local agencies. First, some local rating agencies publish only a summary of their analysis. The detailed analysis – which may contain adverse comments – is provided by local convention only to the issuer. Second, local rating agencies are commercially incentivized to issue ratings based on the information that they receive, which may be limited, rather than the detailed and audited financial information that they would prefer.

In contrast, international rating agencies may simply refuse to rate issuers who provide insufficient information. Local agencies may not have that luxury because their businesses may depend entirely on domestic issuers that operate in an environment of poor disclosure. This tension between the commercial and analytical aspects of local rating agencies is heightened during economic downturns.

Many of the local agencies' clients are impacted by the same market cycles, and severe ratings downgrades amid an economic downturn could alienate clients. Rating agencies focused on any one country can only be as good as the disclosure and auditing regime in that country.

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- **„Stage 1“:** Hér er talað um að kauphöll og lánshæfismatsfyrirtæki sé hluti að grunn innviðum fyrirtækjaskuldabréfamarkaðsins.
- Kemur fram að mikilvægt sé að tryggja þessa innviði ásamt vaxtaferil áhættulausra vaxta (ríkissjóðs).

- **„Stage 3“:** Passar við þróunina hér heima þar sem aðeins fáir stórir útgefendur og fjárfestar nýta sér fyrirtækjaskuldabréfamarkaðinn.
- Það þarf að stækka hópinn að mati greinarhöfunda.

- **„Stage 4“:** Skortur á seljanleika og dýpt er þekkt vandamál á íslenskum fyrirtækjaskuldabréfa-markaði sem hefur áhrif á vaxtaálag til hækkunar.
- Mikilvægt að auka seljanleika og áhættustýringu að mati greinarhöfunda.

Staging Corporate Bond Market Development

The process of corporate bond market development can be segmented into several generalized stages, each with different core objectives. Key policy actions differ at each stage but, at each stage, actions need to balance both market-growth and risk-management objectives to ensure a sustainable and robust market.

Stage 1: Establish the foundational bond market ecosystem and processes. The basic infrastructure for the corporate bond market (e.g. exchanges, credit agencies) is usually established along with the often-times preceding sovereign bond market or equity market. An important element unique to the corporate bond market, however, is a benchmark yield curve. The yield curve provides a reference point for investors to determine the relative value of other securities. For most markets, the yield curve is formed by sovereign bond issuances.

Stage 2: Enhance infrastructure/processes for the corporate market. Additional infrastructure enhancements or development may be needed specific to corporate bonds. Other market enablers such as corporate bond issuance procedures, corporate governance, and accounting and reporting standards will also need to be established if they did not exist previously.

Stage 3: Widen the issuer and investor base. Market access, at first, may be limited to the largest or most sophisticated issuers and investors. Expanding access to other participants is important for addressing the breadth of private-sector financing needs and, thus, creating a truly effective corporate bond market.

Stage 4: Improve liquidity and risk management. A common challenge even for more mature emerging capital markets is achieving liquidity in the secondary market. Large volumes of the market's securities may be held by institutional investors who engage in buy-and-hold behaviour. Lack of market information and market-makers for a given security also limits its trade. However, liquidity is important as it permits efficient price discovery, lack of which becomes a hurdle for investors to exit their positions. This either deters investments altogether or results in demands for higher premiums.

As a market grows in size and complexity, risk management becomes increasingly challenging. Introduction of new products and evolution in regulations may be required to support changing stakeholder needs and manage additional risk. For example, the development of bond futures can help investors hedge their investment positions and promote activity in the primary market. Another example may be the gradual loosening of investment restrictions or requirements for what assets (e.g. sovereign vs investment grade corporate bonds) can be used as collateral for trades as the market matures to allow flexibility for growth.

Stage 5: Expand integration with international markets. Depending on a country's financial sector development objectives (i.e. countries may desire to be financial hubs), further actions may be required to liberate its market and enhance its linkage to international markets. This may include integration with existing international infrastructure for clearing and settlement. Technological advances and regional integration efforts are accelerating the integration of domestic capital markets with international markets.

While only the core objectives are highlighted before, supplemental development and risk management actions should occur in parallel to support overall market development. For example, as the market matures, market intermediaries and components should grow in sophistication to support increasingly complex market needs. Regulations should also continuously adapt to manage increasingly complex risks.

Recommendations in the next section of this report focus primarily on how to accelerate the first three stages of development.

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Figure 12: Generalized sequencing of corporate bond market development

Stage:	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
Key objectives:	*Establishing basic bond market 'ecosystem' and processes*	*Enhance infrastructure/ processes for corporate bond markets*	*Widening the issuer and investor base*	*Improving liquidity and risk management*	*Expand integration with international markets*
Policy/development actions					
Market and product development	• Set up basic market infrastructure (typically through partnership between the public and private sector) • Establish benchmark curve through government bond issuances • Develop institutional investors	• Introduce corporate bond issuances • Establish wholesale credit market/establish credit ratings system	• Reduce issuance costs and accelerate issuance timeline • Promote growth of asset management industry • Promote among issuers an investor relations culture and ability to manage compliance of covenants	• Introduce more sophisticated financial instruments • Enhance investor/issuer awareness • Development of a domestic swap curve and a basis swap curve • Ability for repos – securities borrowing/lending	• Introduce (regulatory) approval processes for international issuers • Potential linkages of domestic market with international markets (e.g. linking of exchanges, collateral management, and clearing systems)
Risk management	• Establish regulatory body to govern securities markets	• Restrict permissible investments for institutional investors • Establish market standards (e.g. for accounting/corp. governance) and regulations (e.g. insider trading laws) • Standardize minimum level and frequency of documentation (e.g. comfort letters, sub agreements, pricing supplements, offering circular) and disclosure	• Some relaxation of investment criteria for institutional investors (e.g. increase volume of investment in non-government securities) • Evolve regulations to better reflect regional/international standards and meet evolving stakeholder needs • Test legal system/enforcement	• Continue to relax investment criteria for institutional investors (e.g. allow for investments in infrastructure and other types of assets) • Refine regulations to adapt to more complicated market structure and instruments • Adopt "prudent man's rule"	• Potential bilateral or international treaties to facilitate and govern cross-border capital flows • Extend capital account liberalization
Market characteristics – Types of market participants					
Issuers	• Government • Quasi-government	• Government/Quasi • Financial institutions • Largest corporates	• Government/Quasi • Financial institutions • Medium – Large corporates	• Government/Quasi • Financial institutions • Wider range of local corporates	• Government/Quasi • Financial institutions • Wide range of corporates (including some foreign)
Investors	• Foreign investors (limited) • Banks • Domestic institutional investors (limited)	• Foreign investors • Banks • Domestic institutional investors	• Foreign investors • Banks • Domestic institutional investors • Sophisticated domestic retail investors	• Foreign investors • Banks • Institutional investors • Retail investors • Alternative investors	• Foreign investors • Banks • Institutional investors • Retail investors • Alternative investors

Source: World Economic Forum; Oliver Wyman

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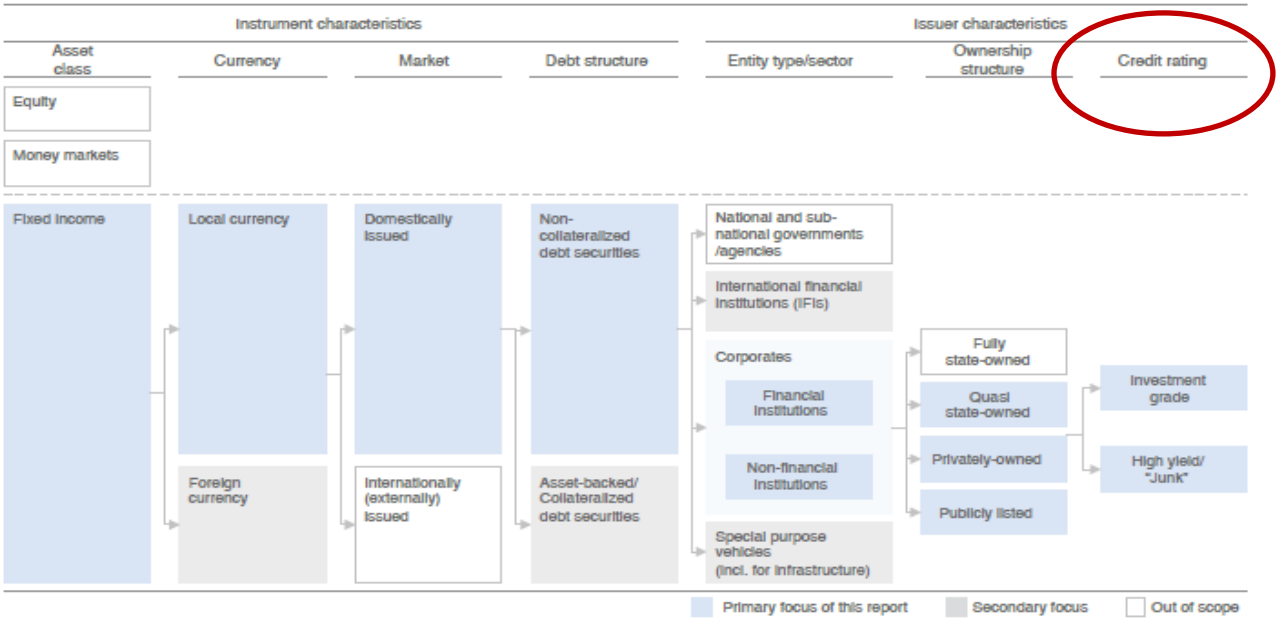
- Góð yfirlitsmynd frá greinarhöfundum um skref í uppbyggingu fyrirtækjaskuldabréfamarkaðar.
- Líklegt að Íslenskur fyrirtækjaskuldabréfamarkaður sé upb. í kringum skeið 2. Á þessu skeiði mæla greinarhöfundar með að sett sé upp lánshæfismatskerfi fyrir markaðinn.

Figure 3: Defining the fixed income/bond market – Instrument and issuer characteristics



Source: World Economic Forum; Oliver Wyman

10 Accelerating Emerging Capital Markets Development

Credit rating: This report makes recommendations for building a corporate bond market that supports a wide breadth of issuers across the rating spectrum.

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- Greinarhöfundar mæla með að byggður sé upp fyrirtækjaskuldabréfamarkaður fyrir sem breiðastan hóp lántakenda m.t.t. lánshæfiseinkunna.

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- Í mörgum þróaðri löndum hefur verið sett upp sérstakt kerfi til að einfalda minni og meðalstórum fyrirtækjum aðgengi að skuldabréfamarkaðnum.

SME financing on the corporate bond market

While the SME credit gap is estimated to be around ~$1.5 trillion globally – two-thirds in emerging markets – SMEs around the world face challenges attaining the required financing.[39] Their small issuance sizes and limited market history have traditionally made it difficult to attract traditional fixed-income investors who seek liquidity.

However, in more advanced markets, corporate bond markets are increasingly considered as alternative platforms for SMEs to raise debt capital. Some developed markets have introduced special bond platforms or access channels for SMEs. An example is Deutsche Börse's Entry Standard Segment, a retail investor-targeted bond platform where SMEs can bypass traditional bank underwriting and, instead, arrange their own prospectuses and issue directly on the exchange with the help of a "listing partner", an independent service adviser.[40] This is expected to help issuers save on issuance time and costs.

Other exchanges have launched similar platforms such as the MARF in Spain and Düsseldorf and Stuttgart in Germany, although there is still a limited number of SMEs listed on the exchanges. Recently, the European Commission announced a vision for creating an EU Capital Markets Union (CMU), which could "cut the cost of raising capital, notably for SMEs and help reduce [the EU's] very high dependence on bank funding."[41]

While these alternative solutions to improve access to financing for SMEs are gaining traction in developed markets, emerging economies should, however, be cautious. Having too many different issuance platforms or sub-segments of the market can fragment liquidity in the early stages of development. Furthermore, policy actions to promote access to capital for SMEs should not undermine the continued important role banks should play alongside corporate bond markets in SME financing.

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TILGANGUR LÁNSHÆFISMATS MA.

- Mat á áhættu
  - Getur lántaki endurgreitt og hversu öruggar eru tímanlegar endurgreiðslur
  - Mat á tryggingum, lánaskilmálum og öðrum þáttum sem auka lánagæði skuldabréfs
    - Ef lánshæfismat er ekki til staðar þá eykst almennt óvissa og hækkar vaxtaálagið
- Flokkun lántakenda
  - Einkunnarskali
  - Flokkun í hópa í stað huglægs mat hvers útgefanda
    - Veruleg einföldun á vinnulagi
- Samanburður
  - Gæðamunur endurspeglast í flokkun
    - Réttlátari dreifing og verðlagning. Verður hlutlægara
- Lægri kostnaður og aukin gæði
  - Hagkvæmni og heildstætt kerfi
    - Dýrt og ófullkomið að hver og einn fjárfestir sé að vinna í sínu horni

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Lánshæfismat eru skilyrðislaust og án undantekninga framkvæmt í bönkum við lánveitingar þeirra sjálfra

Lánshæfismatsfyrirtæki, óháður aðili, framkvæmir þetta mat fyrir skuldbréfamarkaðinn. Ástæður m.a.:

- Sérþekking sem fjárfestar búa oft ekki yfir
- Flokkun í gæðahópa (einkunnir) og vinnusparnaður
- Gagnsærra áhættumat og verðlagning
- Aðgengi að upplýsingum. Innherjatakmörkun

ÁHERSLUR LÁNSHÆFISMATS

- Minni óvissa fjárfesta
  - Lægri krafa og betra aðgengi útgefenda
    - Ávinningur beggja
- Sérhæfður og sjálfstæður aðili
  - Leggur mat á áhættu og gefur einkunn
    - Notuð við verðlagningu
- Landsbundin vs. alþjóðleg möt
  - Landsbundin möt oft notuð við íslenskar aðstæður
    - Ríkissjóður besti lántakinn en aðrir með álag
- Lánshæfismat frá Reitun
  - Miðar við landsbundið mat í krónum
    - Ríkissjóður sé besti útgefandinn
  - Gæti stutt við innleiðingu nýrra reglugerða frá Evrópu
    - Lánshæfismatsviðmið önnur hér á land v. ISK
- Erlend aðferðafræði en innlend aðlögun
  - IFS tenging og innlendir fjármálasérfræðingar
    - Tenging við erlend viðmið

TAKK FYRIR!

Vinsamlegast hafið samband ef einhverjar spurningar vakna.

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