



# STEP

Bringing transparency and standardisation to Europe's short-term paper market for over 15 years

For more than 15 years, the STEP (Short-term European Paper) label has achieved continuous success, boasting over 200 STEP-labelled programmes to date. The outstanding amounts of STEP debt securities have experienced rapid growth in the two years since its inception and have since maintained a sustainable level close to €400 billion.

The STEP initiative, promoted by the European Money Markets Institute and ACI The Financial Markets Association, aims to foster the integration and development of European markets for short-term paper (less than one year). STEP establishes common practices and standards for the documentation of short-term paper programmes, enhancing market depth and liquidity through standardization and transparency. The idea for the STEP initiative originated within the European

Central Bank's Money Market Contact Group and received active support from the European System of Central Banks (ESCB) and the European Central Bank (ECB). The ECB played a crucial role as a catalyst for creating the STEP label and offered technical assistance to the STEP Secretariat during its initial years. From the beginning, the ECB has also provided statistics on the STEP market, specifically on volumes and yields. The Step Secretariat is performed by The European Money Markets Institute since 2006.



STEP's **transparency** contributes to market depth and liquidity, expanding issuers' potential base of investors and funding sources.



### **A win-win deal for issuers...**

The STEP label also showcases issuers' active support for the harmonisation and integration of European short-term paper markets, a concept strongly endorsed by the European Central Bank.

Furthermore, a STEP-labelled programme demonstrates a commitment to transparency by disclosing all mandatory documentation in a standardised manner and consenting to the use of specific data related to the programme for statistical purposes.



### **...and for investors**

The online STEP Market Directory lists essential information such as the Information Memorandum, the latest approved annual reports, and direct links to the ratings of the programme. The ECB produces STEP statistics available on their website and offers insights into the aggregated STEP-labelled programmes' activity, including yields, amounts outstanding by programme, and gross volumes of new issues per sector. These readily available statistics empower dealers and investors to make informed investment decisions promptly.

***STEP provides free access to up-to-date information on issuers and their short-term paper programmes.***

## **STEP Market Convention**

The STEP Market Convention lays down the criteria which short-term paper programmes must fulfil to be STEP-compliant and the procedures for granting and withdrawing the STEP label.

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## **STEP Market Committee**

STEP Market Committee members are persons of recognised standing and professional experience in the functioning of the European markets for short-term securities. They bring expertise from all across (investors, issuers, dealers, arrangers) the largest European markets for short-term paper.



## The benefits of transparency and standardisation

Transparency and standardisation play a pivotal role in the short-term paper programmes and their documentation, offering numerous advantages to the market participants. They contribute to market depth and liquidity, facilitate comparisons between issuers and paper, broaden the investors' base and sources of funding, and reduce the cost of research and arranging programmes.

With a proven track record of success spanning over 15 years, the STEP initiative continues to foster growth and integration in the European short-term paper markets. As we humbly embrace our achievements, we remain committed to transparency, standardisation, and providing valuable support to issuers and investors alike.

***STEP offers free access to standardised information on issuers and papers. This facilitates comparisons, reduces the cost of research and arranging programmes. STEP also offers a neutral and independent source of information, unaffected by any conflict of interests.***





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By obtaining the STEP Label we also support investors in collecting all the data of our Information Memorandum in a standardized and easily accessible way.

The process to obtain the STEP Label was actually very smooth and functional. Together with Allen&Overy, who assisted us in the establishment of the ECP Programme, everything was carried out quickly and profitably.

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**Stefano Pierini, Ferrovie Delo Stato Italiene S.p.A.**

“ The European Central Bank welcomes market initiatives to promote market harmonisation, transparency and liquidity, and has therefore supported Short-Term European Paper (STEP) since its inception in 2006. The ECB publishes daily statistics on primary market volumes and yields of short-term debt securities issued within programmes that have received the STEP label from the STEP Market Committee. Short-term debt instruments fulfil an important role in the money market. STEP-labelled debt securities have been a success since their inception. They have been particularly appreciated in times of crisis, such as the financial crisis, and during the pandemic, being eligible under the pandemic emergency purchase programme. ”

**Imène Rahmouni-Rousseau**  
Director General of Market Operations

“ As a major investor in the Commercial Paper Market, we particularly appreciate the transparency provided by STEP through an easy and reliable access. We consider the STEP initiative to be of the utmost importance for the integration of the European short-term paper markets, as well as for the improvement of liquidity and market depth. ”

**Cécile Mouton**  
Head of Liquidity Solutions  
Amundi





# Any questions?

For any enquiries, please do not hesitate to contact the STEP Secretariat:

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