

## Denis Beau: The Negotiable Debt Securities Market - a French success, a European ambition

Speech by Mr Denis Beau, First Deputy Governor of the Bank of France, at the 40th anniversary of the Negotiable Debt Securities Market, Paris, 27 November 2025.

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Cher Christophe,  
Mesdames et messieurs les représentants des associations professionnelles,  
Mesdames et messieurs,  
C'est un grand plaisir de vous accueillir ce soir dans la Galerie Dorée de la Banque de France, pour célébrer avec vous les 40 ans du marché des titres de créances négociables (TCN), marché que nous appelons marché NEU CP (pour Negotiable European Commercial Paper) depuis 2016.  
Allow me to switch to English, as a courtesy to the issuers and investors who have honored us by traveling from abroad.

Tonight, we bring together the rich ecosystem that sustains and energizes the short-term funding market: banks, corporates, public entities, lawyers, rating agencies, investors-particularly money market funds-and the central securities depository Euroclear.

I have structured my remarks about the NEU CP market tonight around three topics. First, the position and importance it has acquired (I). Second, the foundations of its success and benchmark role (II). Third, our ambition for this market in a European Savings and Investments Union (III).

### I. The NEU CP Market: A Leading Position in the European Union

**Short-term funding markets are a vital instrument for diversifying and adapting the resources borrowed by economic actors to their financing needs for their activities.** By complementing bank-intermediated funding, The NEU CP as a funding market offers issuers the flexibility to tailor their financing strategies to evolving needs and market conditions in terms of maturities, interest rate structures, and issuance currencies.

Within the European Union (EU), according to ECB statistics, outstanding short-term securities issued by EU residents totalled approximately €2,000 billion as of October 2025. The issuance of these instruments is sprinkled across financial corporations (€1,124 billion), public entities (€795 billion), and non-financial corporations (€103 billion). A significant share of these instruments takes the form of commercial paper (CP) or certificates of deposit (CD), underscoring their centrality in short-term financing strategies.

**Against this backdrop, the NEU CP market stands out as a success story and a benchmark for all stakeholders.** With outstanding amounts of around €310 billion at end-October 2025 (€350 billion including NEU Medium Term Notes), it is a market of prime importance: (i) NEU CP leads in euro-denominated issuance across all issuer

categories; (ii) it leads in non-financial corporate issuance across all currencies; and (iii) euro-denominated NEU CP accounts for roughly half of STEP-labeled euro issuance. **For non-financial corporations, outstanding NEU CP securities currently amount to approximately €64 billion for entities established in France alone, representing just under 10% of the total debt they raise on the markets.**

**Moreover, from a monetary policy perspective, thanks to its sound functioning, the NEU CP market fully plays its role in transmitting changes in the ECB's key interest rates.** For non-financial corporations, a comparison with bank lending rates reveals significantly stronger transmission in the NEU CP market over a one-month horizon: resorting to the NEU CP market therefore offers companies advantages in financing conditions, not only structurally in terms of levels but also during phases of monetary easing, owing to the faster transmission.

**However, we must also recognize that CP market -including the NEUCP market- has also shown its vulnerability to severe stress episodes, as seen in March 2020.** In response to exceptional liquidity shortages, the Eurosystem intervened under the CSPP by purchasing short-term securities issued by non-financial corporations. It will be important going forward to strengthen further the resilience of this market segment with systemic risk mitigation measures advocated by the Financial Stability Board in 2024<sup>1</sup> such as improving market microstructures (for instance through an increased digitalisation) and enhancing data transparency for both market participants and public authorities. NEU CP is "best in class" in this regard but can nevertheless further progress.

## **II. The Foundations of Success: NEU CP as a "Model Market"**

I now come to the second topic of my remark, the foundations of this success. I would like here to highlight three of them.

**1/ First and foremost, the market benefits from a regulatory framework, modernised by the authorities over time, which provides participants with security and transparency.** This framework defines the legal nature of the instruments, specifies the range of eligible issuers, and sets the conditions for issuance. Overall it tends to reduce issuers' legal access costs, while evolving over time towards greater simplicity.

**With hindsight, it is striking to note that some of the market's most structural parameters, as we know them today, date almost from its inception, i.e. the oversight role of Banque de France and market transparency.**

**The role we play in verifying issuance conditions, combined with a clear legal framework secures investors and reduces access costs for issuers.** It complements the mechanism for reducing information asymmetries via making mandatory at least one programme rating, provided by ESMA-approved agencies and accepted on the market.

**The very high level of transparency in the NEU CP market is perhaps its most distinctive feature and greatest strength vs peer markets.** This transparency offers

benefits, on which we have leveraged to promote ESG-labelled programmes and issuances.

**2/ The market benefits also from the robustness and efficiency of its post-trade infrastructure.** Euroclear France's infrastructure is connected to the Eurosystem T2S platform, enabling settlement in central bank money.

**3/ Finally, a third foundation, intrinsically linked to the first two ones I highlighted, is its long-standing acceptance by the ECB within its collateral policy**. This acceptance is reassessed annually against three key principles for the Eurosystem: safety, transparency, and accessibility. Eligibility is a key dimension for investors and an additional advantage in terms of liquidity.

### **III. Advancing NEU CP within the European Savings and Investment Union**

**I will end my remarks tonight with referring to the European Savings and Investments Union (SIU) project, and the ambitions we hold for the NEU CP market within this context.**

**Across the European Union as a whole, short-term debt markets retain significant potential for development, particularly with regard to non-financial corporate issuance.** However, they remain highly fragmented in terms of legal frameworks, disclosure requirements, post-trade infrastructures, and investor bases. This has been very recently illustrated in a report by the ICMA<sup>2</sup>.

**At the national level we are working, with the French Treasury and the financial community, to make the NEU CP market more open and attractive to EU participants.** A new regulatory reform will be introduced in 2026. The project is nearing completion and should enable to reduce entry barriers for French and European issuers. It intends to:

- (i) allow all issuing and paying agents established within the EU;
- (ii) broaden the range of accepted legal forms for non-financial companies;
- (iii) relax conditions for programme guarantors; and
- (iv) introduce simplification measures, such as removing the requirement for programme rating if the issuer is already rated itself, and harmonising the minimum issuance amount with that of the STEP label, at €100,000.

**From a legal and regulatory perspective, we are probably reaching the limits of what can be achieved at national level.** To further strengthen the integration of short-term securities markets, ambitious action is also needed at the Union level.

More Europe means that we must improve the ability of commercial paper programmes to "circulate" within the EU. A single European passport for commercial paper issuers, modelled on the existing Prospectus Directive for bonds would reduce costs and constraints for issuers and broaden the investment universe for subscribers. This "circulation" of programmes can only be envisaged within a strongly harmonised framework. This ambition could build on the NEU CP market, for all the reasons I have outlined this evening, as well as on the STEP label.

**Finally, technological innovation can also contribute to further strengthen the integration of short-term securities markets.**

**This is why on 10 October, we launched Project Pythagore with Euroclear: an ambitious initiative aimed at gradually migrating the NEU CP market to a DLT-based infrastructure, provided by Euroclear.** This is not about conducting isolated experiments; it is a medium-term approach aimed at a profound modernisation of post-trade processes for all participants by increasing automation, standardization, and transaction speed. By fostering operational efficiency, costs reduction, transparency, tokenization should serve the SIU. On top of that, Pythagore will also make the NEU CP an early - in fall 2026 - adopter of settlement in wholesale central bank digital currency (CBDC). Alignment with the agenda of PONTES, the Eurosystem Wholesale CBDC project, is fully consistent with the current functioning of the NEU CP market: NEU CP securities are currently settled in central bank money.

In conclusion, the NEU CP market exemplifies what can be achieved when the commitment of authorities and that of the industry converge to promote a transparent, robust, and innovative market. Our collective challenge is now to build on this foundation, leveraging technology and the momentum on the SIU to contribute to a truly integrated European market for short-term debt instruments.

Thank you for your attention.

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<sup>1</sup> See FSB(2024): [Enhancing the Functioning and Resilience of Commercial Paper and Negotiable Certificates of Deposit Markets](#)

<sup>2</sup> [ICMA-paper-Creating-the-conditions-to-scale-up-the-European-commercial-paper-market-November-2025.pdf](#)