

EXCO**Meeting Minutes
23 August 2017****Attendees:**

- Chen Guang (CG), SHCH
- Colm Grace (CG), ASX
- Dale Michaels (DM), OCC
- Dimitrij Senko
(On behalf of Oliver Haderup), EUREX
- Elaine Tang Wei Eng
(On behalf of Agnes Koh), SGX
- Erica Brown (EB), NASDAQ
- George Kormas (GK), TMX
- Ketan Patel (KP), HKEx
- Kevin Mcclear (KM), ICE
- Lee Betsill (LB), CME
- Marcus Zickwolff (MZ), CCP12
- Mikio Hinoide (MH), JSCC

Other attendees:

- Andy Ni (AN), SHCH
- Jesy Beeson (JB), CME
- Robert Taylor (RT), CME
- Ryan Ingram (RI), HKEx

Agenda

SGM Agenda Chicago	2
Report from the Committees	2
Media request on SST	3
AOB.....	4
Follow-up	4

SGM Agenda Chicago	Presenter
<p>MZ advised about the draft agenda for the SGM taking place in Chicago on 19 Oct. On new memberships it is expected that India ICC will also hand in its application and LSE Group will replace the members LCH and CC&G. On membership fees MZ informed that the office has started the collection of IM data as of end of Q1/2017 to create a new member ranking for assignment of large and normal membership fees. Also the membership fees 2018 are to be discussed in the next Exco call.</p> <p>On Cyber Security LB proposed to combine the topic with the tour on CME premises after official closing of the SGM. LB will invite the Chief Security Officer of CME to give some remarks.</p> <p>LB informed that he has spoken to Bob Cox, Chicago FED, to give a short presentation at the SGM. As the Chicago FED will host a conference on recovery and resolution of CCPs on 17 Oct it is most likely that this is the subject of the presentation.</p> <p>On Next Meeting MZ stated that the next IOMA will take place in Chicago in spring 2018. So it has to be discussed if either to combine the AGM again with the IOMA and to come to Chicago a second time or to find an alternative venue. MZ proposed Shanghai as an alternative venue for the AGM and to find a date after the IOMA. EB stated that combining the AGM with IOMA is of great value as travel budgets are tight and to visit both events in spring might be difficult. LB brought up the idea to combine the AGM with the planned 2nd conference on OTC Derivatives by PBOC and Chicago FED, which may take place in June. No decision was taken and the office will follow up on the options.</p>	<p>MZ, LB, EJ</p>

Report from the Committees	Presenter
<p>a) Policy Working Committee: Call on 8 Aug/ Sub-group on position papers call on 22Aug</p> <p>RI informed on the call of 22 Aug, which was scheduled for a sub-group of the PWC to discuss potential white papers. While there is agreement that position papers by CCP12 would be very beneficial to influence the ongoing debate, there is a lack of volunteers to create the initial drafts. It was agreed that at least outlines should be created on 4 issues:</p> <ol style="list-style-type: none"> 1) Default management: best practices in auctions 2) Best practices in using recovery tools 3) CCP recapitalisation 4) No creditor worse off <p>KP proposed to further prioritize the work and was most interested in 3). Others mentioned that while some papers on OTC derivatives exist, there is a lack of best practices in equity and repo clearing.</p> <p>There was a more general discussion about supporting the creation of position papers. One proposal was to agree on an ambition like 10 position papers a year and get the commitment of all Exco members to support at least 3-5 of these papers with dedicated experts.</p> <p>b) Risk Management Working Committee: draft response on SST</p> <p>DM gave an update on RWC due to the SST report recently released from CPMI-IOSCO. The RWC chairs prepared already a draft response which</p>	<p>RI,JB,DM, AN,MZ,RT</p>

<p>was distributed to RWC and Exco to get further feedback. Some feedback has been received so far and can be incorporated, other feedback needs further discussion. For this purpose a next RWC call will be scheduled on 31 Aug., which can also serve as preparation of the CPMI-IOSCO roundtable on the subject matter scheduled for 8 Sep in Frankfurt. Several CCP12 members and MZ will participate. The response to the consultative paper is due on 22 Sep and there was agreement, that the planned white paper on details of SST design should be finished after the response to the consultation.</p> <p>DM also invited RI and AN to discuss the comments given by RI on the draft response directly after the Exco call, which was agreed.</p> <p>c) Operations working Committee: Sub-group on Harmonization of critical OTC data elements</p> <p>MZ informed subject matter experts from CME, Eurex, ICE, LCH/LSE, DTCC and ChinaClear joined the sub-group. the first conference call meeting has been conducted on 10 Aug. CME provided a draft response on the CPMI-IOSCO consultation about the “Harmonisation of critical OTC derivatives data elements” which was discussed and further comments were given afterwards. The response is due on 31 Aug. RT emphasized that he has integrated comments received so far from the experts and the document is nearly ready for final review. KP requested to send the document before the weekend and RT confirmed to be able to send it directly after the Exco call for review and approval by the Exco until 30 Aug latest.</p> <p>d) Quantitative disclosure Working Group Update: Follow up on ESRB meeting on 7 Jul</p> <p>JB reminded the EXCO regards to the ESRB meeting that was held in Paris on 7 Jul and the position paper provided by the PQDWG on the ESRB’s questions on 31 Jul. She also mentioned that Cristina Picillo from the CPMI Secretariat will start to work closely with the CCP12’s PQDWG over a joint conference call to exchange some input on QD and to schedule bilateral calls to clarify data and information needed from individual CCPs in different jurisdictions.</p>	
---	--

<p>Media request on SST</p> <p>MZ advised that a journalist requested an interview with a CCP12 representative on SST for an article in Financial Times' Global Risk Regulator. There was agreement that MZ should do the interview based on the current drafting of the response to the SST consultation.</p> <p>MZ promised to deliver a short paper of high level talking points for the interview to the Exco and to schedule the interview for 29 Aug.</p>	<p>Presenter</p> <p>MZ</p>
--	-----------------------------------

AOB	Presenter
<p>Observer membership definition MZ presented some by-laws on the observer membership. It should be possible to grant the observer membership not only to non-CCPs, but also to newly opened CCPs for a limited time frame. In general CCPs should be primary members, but a phasing-in for newcomers should be allowed. The by-laws will be proposed to the SGM as presented.</p>	MZ
<p>Website update and member login. JB recently distributed the member log-in to the member representatives. Currently there is one login ID per member. On the membership only section the meeting minutes from EXCO and AGM+ SGM will be available as well as updates from the working Committees.</p>	JB
<p>Update on membership payments 2017 CCP12 office has talked to all of the 3 members, where payments for 2017 are fully or partially missing. But no further payments were received. MZ suggested to discuss with treasurer GK further actions prior to the next Exco call.</p>	MZ
<p>FSB conference on 2nd CCP survey scheduled for 18 Sep KP has received an invitation to this FSB conference and several Exco members confirmed reception too. Some years ago the FSB conducted a survey several aspects of CCP business like financial resources, liquidity provision, custody and settlement banks and investment policy. It seems the conference should prepare a 2nd survey on the subject matter.</p>	KP

Follow-up	By
MZ will send out a revised agenda	MZ
RWC is preparing a draft to be presented to the EXCO on "The Consultative Report on SST" for approval	RWC
RT is delivering the response to the EXCO on "The Consultative Report on Harmonization of critical OTC derivatives data elements" for approval	RT
MZ will send high-level talking points on SST to the Exco for preparation of the FT interview	MZ
MZ to follow up with GK on measures, if payments are still pending	MZ,GK