

EXCO  
**Meeting Minutes**  
**13 December 2017**

**Attendees:**

- Andy Ni (AN) on behalf of Chen Guang (CG), SHCH
- Erica Brown (EB), NASDAQ
- Kausick Saha (KS), CCIL
- Lee Betsill (LB), CME
- Marcus Zickwolff (MZ), CCP12
- Mikio Hinoide (MH), JSCC
- Teo Floor (TF), EUREX
- Timothy Cuddihy (TC), DTCC
- Vikram Kothari (VK) NSCCL

**Other attendees:**

- Nora Pelamo (NP), CCP12
- Robert Taylor (RT), CME

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<b>1. CCP12 Budget 2018</b>	<b>Presenter</b>
<p>Before briefing the exco on the prepared budget proposal for 2018, MZ welcomed a new Exco member <b>Vikram Kothari from NSCCL</b> as <b>Mr. Venkata Rao Taticherla</b> has recently retired.</p> <p>Then MZ further explained that the draft budget for 2018 has been updated reflecting the SGM decisions and potential new members. Also there could be small changes within the expenses, however there will be an update version when more detailed figures are available. If anyone requires additional information or comments,- emails can be exchanged. Finally the budget has to be approved at the next General Meeting.</p>	<b>MZ</b>

<b>2. Debrief from events and meetings</b>	<b>Presenter</b>
<p><b>2.1 Meeting with Daniela Russo (ECB/co-Chair CPMI-IOSCO PSG on the 11<sup>th</sup> Dec in Frankfurt.</b></p> <p>MZ advised the EXCO on the following topics:</p> <ul style="list-style-type: none"> <li>• <u>SST final report</u> due Feb/March with no substantial changes in the horizon.</li> <li>• <u>On auctions</u> PSG plans a descriptive report, on <i>what current practices are</i>. Report is not triggered by shortfalls, more by acknowledging the importance of auctions during DMP and for Recovery and Resolution. The work will be conducted by a sub group of the PSG and has just started. Also no special focus on particular product groups outlined, moreover it should cover all asset classes. It's a fact finding effort by CPMI-IOSCO and it should lead to a common understanding and a common terminology at the end. It should also cover participation of clients and incentive setting in auctions. Input by CCP12 is welcome, especially on shortcomings, where CCPs think, they can do better, but clearing members or others are not supportive. The work by the DRMWG of the MRAC of the CFTC was acknowledged and she asked, if this report is supported by CCP12.</li> <li>• <u>On PFMI 2.0</u> she mentioned differing views on enforcement. While the majority (of supervisors) may enforce the updated PFMI, a minority has the view, only to be obliged to enforce, what is written in local law of the own jurisdiction. Currently there is no appetite to adopt local law to PFMI 2.0 in most jurisdictions.</li> <li>• <u>On PQD</u> there are no plans in CPMI-IOSCO to expand the data requests yet. The view is that current PQD is very comprehensive and has to be digested first. However this may differ for ESRB, who may ask for more information in Europe to enhance the ESRB key risk indicators. But CPMI-IOSCO had only requests for clarification, which CCP12 already took on board.</li> </ul>	<b>MZ, LB</b>

<p>CCP12 is invited to give a presentation to the next PSG about lessons learnt of composing and publishing the PQD. This will take place week of 19 Feb 2018, NY or Frankfurt. Our participation is limited to 10 persons.</p> <p><b>2.2 Meetings with JSFA, BoJ , MAS and at FIA ASIA</b>  On 27 Nov in Tokyo, MZ has presented CCP12 together with JSCC to Japanese FSA and BoJ (Bank of Japan). CCP12’s presentation and standpoint on SST was very well received.  On 28 Nov, MZ continued the meetings together with SGX and presented CCP12 to MAS (Monetary Authority of Singapore) in Singapore and also represented CCP12 in the FIA EXPO, where Relations were established to new possible members, namely New Zealand Exchange and Tokyo Financial Exchange.</p>	
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<p><b>3. New Release from the Basel Committee on finalizing post crisis</b></p> <p>Due to the new Release on “the finalizing the post crisis reforms” which came out on the 3<sup>rd</sup> of December.  Members were asked to comment on the issue.  RT from CME explained their current perception is that this is a final paper which does not respect the initial margin offset in the Leverage Ratio, however the topic remains open to bilateral negotiations at this point since they mention that the IM offset is to be evaluated over the next 2 years. RT continued that we could interpret between the lines,- that the BCBS is trying to give themselves time to receive more data around what exposure looks like under the new derivatives exposure model (SA-CCR) before they actually support a conclusion to move forward with an IM offset. So in that sense it makes sense for CCP12 to look into the topic.  LB requested whether we should respond or provide assistance. RT continued that our response from July 2016 is very relevant still today and if necessary could be highlighted via Press Release if necessary.  MZ agreed that the CCP12 office can follow up and draft a Press Release.</p>	<p>Presenter  MZ, LB, RT</p>
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<p><b>4. Report from CCP12 committees</b></p> <p><b>4.1 Policy Working Committee</b>  MZ announced that Julien Jardelot (LSEG) has volunteered to Co-Chair the PWC together with Ryan Ingram (HKEx). The next scheduled call is Monday Dec 18, together with the RWC to brainstorm priorities and divide approaches to topics between these two working committees so that we are all on the same page. A Few possible topics for PWC are:</p> <ul style="list-style-type: none"> <li>• Debrief Industry Call with FSB/BCBS re: Incentives to Clear Assessment</li> <li>• CCP12 Access to Central Bank Facilities study/survey:</li> </ul>	<p>Presenter  MZ, AN, RT</p>
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<p>This being one of the ideas that came up during the SGM and we are happy have the PWC to take forward mainly regarding the comparisons jurisdictional functional and limitations among central banks.</p> <p><b>4.2. Risk working Committee</b> As mentioned the RWC will be having a joined call with the PWC to clarify topics to take forward, within the RWC a few main themes are:</p> <ul style="list-style-type: none"> <li>• SST Regulatory outreach</li> <li>• Default management: Best practices on Auctions</li> </ul> <p><b>4.3. Operations Working Committee</b> RT Updated the Exco that CPMI-IOSCO held a conference call where the OWC was invited regarding the latest updates on their OTC trade reporting harmonization efforts. Notes were circulated among the OWC after the call. The OWC did not respond to the questions of this call to CPMI-IOSCO as no major concerns were risen on the behalf of the OWC.</p> <p><b>4.4 PQDWG</b> As Already mentioned CPMI-IOSCO's PSG meeting that will take place in February 2018 has asked CCP12 to participate and share 'lessons learnt' presentation. CCP12 can have a maximum 10 people to attend. Location will be confirmed later, probably NY or Frankfurt.</p>	
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<p><b>5. AOB</b></p> <p><b>Save the Date for OTC Symposium 26<sup>th</sup> June 2018, AGM 27<sup>th</sup> June 2018 in Shanghai</b> MZ informed that the date has been scheduled for the 2018 OTC Symposium in Shanghai, which would be merged with our AGM the following day, 27<sup>th</sup> June.</p> <p><b>Consideration for a CCP12 event alongside FIA EXPO Week in Chicago (October 2018)</b> It's considered merging the next SGM or another CCP12 event with FIA EXPO in Chicago as it worked out really well this year. Many member representatives will be there anyway and possible joining the CCP conference of the Federal Reserve Bank of Chicago prior to the FIA Expo.</p> <p><b>Invoices have been sent to members, target payment date Jan 31, 2018</b></p> <p><b>CCP12 will re-send SGM minutes due to minor editorial changes have been made.</b></p> <p><b>TF informed that he will come back to members with the discussed statistical bulleting proposal on PQD as some time constrains have occurred.</b></p>	<p><b>Presenter</b> MZ, TF, all</p>
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6. Follow-up	By
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