

EXCO

Meeting Minutes  
17 January 2018

Attendees:

- Andy Ni (AN) (on behalf of Chen Guang), SHCH
- Dale Michaels (DM), OCC
- George Kormas (GK), TMX
- Kausick Saha (KS), CCIL
- Ketan Patel (KP), HKEx
- Kevin McClear (KM), ICE
- Lee Betsill (LB), CME
- Marcus Zickwolff (MZ), CCP12
- Mikio Hinoide (MH), JSCC
- Slawomir Panasiuk (SP), KDPW
- Teo Floor (TF), EUREX
- Timothy Cuddihy (TC), DTCC

Other attendees:

- Nora Pelamo (NP), CCP12
- Robert Taylor (RT), CME
- Ryan Ingram (RI), HKEx

Agenda

<b>1. Approval of minutes of last EXCO Call .....</b>	<b>2</b>
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1. Approval of minutes of last EXCO Call	Presenter
No one objected or had alterations to make to December 2017 Exco meeting minutes hence they were approved.	MZ

2. Recent event and activities	Presenter
<p data-bbox="183 613 1206 651"><b>2.1 CCP12 Press Release on Basel Leverage Ratio Published</b></p> <p data-bbox="183 651 1206 819">MZ reminded the Exco members that the Press Release enhancing our views on concerning ‘The Leverage Ratio’ had been released on 8 January 2018. It is available on the CCP12 website, furthermore it was published on other sites such as ‘Mondovisione’. Julie Aelbrecht (Global Investor magazine) approached MZ about the CCP12 position and a call is scheduled for 22 January.</p> <p data-bbox="183 857 1206 920"><b>2.2 ESMA consultation on draft guidelines on Anti-Procyclicality Margin Measures for CCP’s.</b></p> <p data-bbox="183 920 1206 1162">MZ informed that the possible response proceedings regarding the mentioned should be decided. MZ asked whether the European members have any detailed approach towards this. TF informed that EACH will respond and he is happy to discuss whether CCP12 and <i>EACH</i> should proceed with a joined response. TF continued that Margin standards in Europe are a hot topic and could be of relevance for equivalence, so that should be looked upon closely. LB was open to respond with or without <i>EACH</i>.</p> <p data-bbox="183 1162 1206 1200">It was then agreed that the consultation should be discussed at the next RWC call.</p> <p data-bbox="183 1238 1206 1301"><b>2.3 Next PSG meeting takes place on Feb 22/23 in Frankfurt. CCP12 is invited for 22<sup>nd</sup> of February. Delegation to be nominated.</b></p> <p data-bbox="183 1301 1206 1402">As already mentioned in December; CCP12 has been invited to take part to the PSG in Frankfurt with a delegation up to 10 people. MZ asked the EXCO to confirm as soon as possible who is able to attend. So far RT and TF have confirmed.</p> <p data-bbox="183 1402 1206 1464">SHCH, ICE and OCC promised to verify their participants at their earliest convenience.</p> <p data-bbox="183 1464 1206 1744">CCP12 is asked to present lessons learnt on PQD and can raise further topics. MZ mentioned auctions during default management is a likely topic. TF suggested the PSG may be interested in a ‘SST Template’. LB then questioned what would it look like. TF further explained that the main key questions or data perspectives that can be universal could be introduced, keeping in mind that there are always exceptions within jurisdictions. Thus, if there is willingness to push this forward and we would find it useful amongst ourselves then we could brainstorm around the topic.</p> <p data-bbox="183 1744 1206 1883">As soon as all participants have been confirmed, MZ will get in touch with the group participating to start the preparations and to decide possible other topics. MZ promised to run the prepared items by the next EXCO, which is scheduled one day before.</p>	MZ

3. Report from the committees	Presenter
<p><b>3.1. Policy Working Committee</b></p> <p><b>3.1.1 Call on 18 Dec</b>            The Co-chair for PWC RI recapped the joint call with the RWC from Dec 18<sup>th</sup>. The call maintained possible themes for this year alternating from <i>PFMI Further Guidance Implementation</i> and <i>SST to Basel Treatment of Cleared Exposures</i>. The committees caught up on main initial themes from CPMI-IOSCO and FSB. The lead take away was that the RWC will recommend <i>'Best practices on auctions'</i>. RI continued as the proposed Leverage Ratio on Client Clearing will be re-assessed for the next few years going forward, thus the PWC will follow up to see where we could have an input to respond.</p> <p><b>3.1.2 FSB/BCBS Incentives to Clear Study, individual responses on survey originally until 26 Jan, 2018, postponed by FSB to 2 Feb, 2018.</b>            RI wanted to emphasize the emailed Incentives to Clear study survey that is on the table for the members to respond has been delayed by a week to the 2<sup>nd</sup> of February.            Very thorough conversation then followed and the appetite to answer the voluntary survey was measured. Some members expressed their doubts regarding the qualitative section of the survey as accurate answers could not be provided. LB and TF stated that their respective firms planned to respond. It was also mentioned that regulators may encourage their CCPs to respond.            TF saw an advantage to discuss approaches for individual answers to ascertain common themes. Others seem to find the survey useful to give input on incentives to clear, also for future reference.            However, as this is for individual CCP's to respond it was then agreed that CCP12 will encourage members to respond and can provide assistance based on our previous stance on separate questions if needed.</p> <p><b>3.1.3 Survey on CCP Access to Central Bank Liquidity Study.</b>            MZ reported that the initial draft of the survey to get a holistic global picture on the subject matter in different jurisdictions has been made. He reminded that this idea was brought up at the SGM in Chicago and was also discussed at FIA Asia. Next, the draft will be discussed with the PWC chairs and then taken forward by the PWC. If the members agree to answer the survey the goal is to publish a report in the end.</p> <p><b>3.2. Risk Working Committee (Acknowledgement of MRAC documents until 19 Jan, 2018)</b>            MZ and AN summarized the joint call with PWC &amp; RWC in December and that regarding the MRAC documents it was settled that the members have time to read through and send possible comments until 19<sup>th</sup> of January, furthermore the RWC would then make another call to discuss our stance and whether we agree to endorse the mentioned. It was also agreed that the Asia Pacific region would organize a sub call to debate the subject ahead the main RWC call as the thinking in the US and Europe is much more advanced.</p>	<p>MZ, RI, AN, DM, RT</p>

<p><b>3.3 Operations Working Committee (FSB published governance arrangements and implementation plan for the unique transaction identifier (UTI) )</b></p> <p>The chair of the OWC RT shortly updated on the recent FSB report. At the end of 2017 the recent updates were released by the FSB concerning the UTI's and currently the ISO has been named as the main organization to take the developments of UTI data as a regulatory body forward. Implementation by all G20 jurisdictions is due by the end of 2020. If necessary the OWC can be contacted for further discussion.</p> <p><b>3.4 PQDWG (Preparation of PSG presentation 22/23 Feb.</b> Discussed in part 2.3 above.</p>	
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<p><b>4. AOB</b></p> <p><b>Finally MZ reported that CCP12 staff contract renewal is in process already for 2018 as the contracts are limited to a 12 month term which comes to an end on 31 March.</b></p> <p><b>Postponed due to time constraints:</b>  <b>-Report on CCP12 Member Invoices 2018</b>  <b>-Update CCP12 Default Information contact list</b></p>	<p>Presenter</p> <p>MZ</p>
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5.1 New Follow-ups	By	Deadline
PSG in Frankfurt on the 22 <sup>nd</sup> of February 2018: participants asked to contact CCP12 Office. Teo Floor can arrange a dinner for participants on 21 <sup>st</sup> Feb.	MZ, TF	26 Jan
Position on MRAC Auction papers to be discussed by RWC.	AN, DM	21 Feb
ESMA consultation on draft guidelines on Anti-Procyclicality Margin Measures for CCP's to be discussed in next RWC call	AN, DM	21 Feb
Draft survey on CCP Access to Central Bank Liquidity to be discussed with PWC chairs	MZ	21 Feb
5.2 Open Follow-ups from recent calls		
Invoices have been sent to members, target payment date Jan 31, 2018	All members	31 Jan
Update on the discussed statistical bulletin proposal on the PQD data	TF	21 Feb
CCP12 will re-send SGM minutes due to minor editorial changes have been made	MZ	21 Feb
Consideration for a CCP12 event alongside FIA EXPO Week in Chicago (October 2018)	MZ, chairs	18 April