

**EXCO**  
**Meeting Minutes**  
**16 May 2018**

**Attendees:**

- Agnes Koh (AK), SGX
- Andy Ni (AN) on behalf of Chen Guang (CG), SHCH
- Corentine Poilvet-Clediere (CP-C), LSEG
- Daisuke Miyauchi (DM), JSCC
- Hamish Treleaven (HT), ASX
- Kausick Saha (KS), CCIL
- Ketan Patel (KP), HKEX
- Kevin McClear (KM), ICE
- Lee Betsill (LB), CME
- Marcus Zickwolff (MZ), CCP12
- Slawomir Panasiuk (SP), KDPW
- Timothy Cuddihy (TC), DTCC

**Other attendees:**

- Karolina Ziólkowska (KZ), KDPW
- Nora Pelamo (NP), CCP12
- Robert Taylor (RT), CME
- Ryan Ingram (RI), HKEX

<b>Agenda</b>	
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<b>1. Approval of ExCo Minutes from April 2018</b>	Presenter
HKEX stated that they will provide written comments to the minutes following the call. Comments will be circulated by the end of this week and the reviewed minutes will be added to the website.	MZ

<b>2. Preparation for AGM on June 27, 2018</b>	Presenter
<p><b>MZ</b> shared that the AGM preparations are well on the way. He also reminded everyone to contact the office in case members are interested in staying at the Hyatt as the offer on proposed rates is about to expire. Furthermore, according to our AoA; new member application has to be pre-approved by the ExCo one month before. Therefore:</p> <p><b>2.1 NZX Clearing application for primary membership</b> Application has been received. Since they were accepted as an Observer member in February, we are proceeding with the same documentation updated versions of appendix 2A and cover letter which have been provided. No objections were made to the NZX Primary Membership application.</p> <p>MZ also informed that <i>Vietnamese VSD</i> has dropped out from the application process, however the dialogue still continues.</p> <p><b>2.2 Call for ExCo nominations</b> Due to the upcoming ExCo elections MZ informed that the office will be sending out 'a call for nominations' email on Thursday 17<sup>th</sup> May, 2018. The membership will be informed of the upcoming ExCo election in the AGM. Thus, if ExCo members wish to re-nominate themselves, they can get back to us via email by the end of the month. New candidates have to use form Appendix 4 of the AoA to be nominated.</p> <p><b>2.3 Budget proposal for 2018</b> MZ informed that the Budget has been discussed with the Treasurer. The proposal also has to be approved in the AGM, thus any additional questions or feedback at this point is much appreciated. KP inquired more details with regard to the possible consultant fees and where their costs/fees would be required, moreover more transparency was requested regarding the proposed projects. MZ emphasized that questioned cost is deducted from the second spreadsheet (CCP12 Other Budget spreadsheet; under 'Association management budget in blue') meaning from the funds provided by the Shanghai Municipal Government. MZ added that for the AGM, a presentation on the intended projects will be prepared.</p> <p><b>2.4 Drafted Secondment Program</b> The provided attachment for the ExCo was well received. KM wished to know what would be the protocol for accepting and approving the secondments. The majority preferred the secondment application and the project to be approved by the ExCo. It was also raised that the ExCo is in favor of announcing the program prior to the AGM to get member feedback.</p>	MZ

<p><b>2.5 Joint Working Committee Sessions - Following the AGM on Thursday, 28 June, 2018</b></p> <p>MZ further explained that the office has prepared a joint meeting for interested committee members the day after the AGM. RI added that since most people are traveling to Shanghai it might be a good idea to benefit from the time and discuss our further approaches in more detail as the time in the AGM is limited. LB echoed the idea.</p> <p>Further inquiries were made regarding Visa procedure and AGM week registration. For any registration and documentation inquiry, contacting the CCP12 Office is advised.</p>	
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<p><b>3. Committee Updates</b></p>	<p>Presenter</p>
<p><b>Policy Working Committee “PWC”</b></p> <p><b>Letter to US Banking Regulators on SLR</b></p> <p>RI updated the ExCo on the latest policy courses of action. The PWC has drafted a response to the US banking officials regarding the Enhanced Supplementary Leverage Ratio (SLR) Consultation. The draft has already been put in circulation to the ExCo and the PWC members. The message reiterated our previous stance and also states our disappointment due to the fact that the commitment to a similar course of action such as the one taken by BCBS (stating to issue further detailed analysis on the SLR effects on clearing).</p> <p>Our previous letter from 2016 to the BCBS will also be attached to this response. MZ informed that he has been in touch with Rafael from <b>EACH</b> to discuss a possible co-signing. Normally EACH does not reflect to US based responses, therefore, MZ enquired if the ExCo would like to proceed with the joint response. CPC said it might not be of interest but finds no harm in asking. LB was in favour of using all efforts. Approaching <b>EACH</b> on the matter was then mutually decided and MZ agreed to follow up with Rafael.</p> <p><b>Cross Jurisdictional CCP Recognition Efforts</b></p> <p>A subgroup of the PWC (HKEX, CME, LSEG, EUREX) have continued discussions on what a CCP12 effort could achieve and also to discuss differences in approaches from difference jurisdictions. RI informed that power lines have been brainstormed which proceed into a possible paper and will be presented to the ExCo in due course.</p> <p><b>FSB Effort on CCP financial resources for resolution</b></p> <p>RI gave a final note on the CCP resolution topic currently under works in the FSB and stated that MZ has been able to set up a FSB meeting in Basel Switzerland on June 7<sup>th</sup> regarding their efforts.</p> <p>So far besides MZ and RI, possibly Teo Floor (EUREX) and Julien Jardelot (LSEG) will be participating. LB said he might be able to participate in the proposed meeting as well.</p> <p>Moreover, it is believed that the FSB is bound to produce something for the G20 regarding the topic. KM noted that the itinerary involved materials that will be</p>	<p>AN</p>

<p>challenging to prepare and it is important to prepare concise presentation materials. MZ assured that our talking points will be prepared in advance and forwarded to the ExCo for final assessment as we did with the PSG meeting.</p> <p><b>Debrief on CPMI-IOSCO Level 3 Assessment Publication</b> RI mentioned the CPMI-IOSCO Level 3 Assessment Report had been published which provides an insightful analysis of how CCP's have progressed on implementing certain PFMI principles. However, RI also mentioned that the Press Release introduced by the CPMI-IOSCO with this update can be found alarming as it enhanced the point of view that CCP's have not fully implemented the PFMI. This was quickly picked up by the press afterwards. The ExCo discussed whether CCP12 should consider issuing a statement in reflection of the L3 report. LB supported the idea and volunteered to draft a document with high level points which could mention, among other things, jurisdictional differences regarding the PFMI implementation. Others acknowledged this is a complex topic and our comments should be carefully constructed. ExCo will be informed in due course when a draft could be developed.</p> <p><b>Letter to CPMI-IOSCO on final SST report</b> This topic was not discussed due to time constraints.</p> <p><b>Risk Working Committee "RWC"</b> <b>Work on auction during DMP (pending input by CPMI-IOSCO)</b> No new updates. Other than that, there will be a panel on auctions at the OTC Symposium in Shanghai.</p> <p><b>Update Process on default email list started</b> Updating of the default management list in is process and will be completed during next week.</p> <p><b>Operations Working Committee "OWC"</b> RT reported that a second Cyber Security Sub group meeting will be held this coming Monday as feedback was good and members actively participated during the first one. Others who would be interested to take part could get in touch with the CCP12 office or RT. Topics for upcoming discussion will revolve around the differences between the RPI and RTO as well as internal monitoring.</p> <p>RT also informed that an update on the FSB Unique Product Identifiers (UPI) was released; however we do not plan to respond at this time.</p>	
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<p><b>4. AOB</b></p>	<p>Presenter</p>
<p><b>CCP12 Procurement policy</b></p> <ul style="list-style-type: none"> <li>MZ informed that the above mentioned has been discussed and agreed with the Treasurer and he would be happy to answer to any further questions.</li> </ul>	<p>MZ</p>

<p><b>Update on OTC-Derivatives Symposium on 26 June, 2018 Shanghai</b></p> <ul style="list-style-type: none"> <li>• SHCH agreed to circulate the latest agenda for the Symposium.</li> <li>• LB reminded the ExCo about the additional call on 30<sup>th</sup> May to discuss our EACH/CCP12 combination project.</li> <li>• AK asked if anyone is going to the IOSCO Operational Risk Meeting on cyber security scheduled on 12<sup>th</sup> June, which takes place in Singapore. AK agreed to circulate the agenda as many had not heard from it.</li> </ul>	
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5.1 New Follow-ups	By	Deadline
Letter to US Banking Regulators on SLR to be sent out: liaise with EACH on co-signing	CCP12 office	21 May
April ExCo Meeting Minutes to be published after review	CCP12 office	25 May
Default management email list to be updated	CCP12 office	25 May
Special ExCo call on CCP12/EACH combination	ExCo	30 May
Call for ExCo nominations for the upcoming AGM	CCP12 members	31 May
Preparation of meeting with FSB on CCP financial resources for resolution (7 June) for approval by ExCo	JJ, LB, MZ, RI, TF	01 June

Secondment program to be published to the members prior to the AGM	MZ, CCP12 office	13 June
Draft letter to CPMI-IOSCO on Level 3 Assessment Publication	LB	20 June
Paper on Cross Jurisdictional CCP Recognition Efforts	PWC	18 July
<b>5.2 Open Follow-ups from recent calls</b>		
CCP12 Office will prepare a business & fund location plan for received funds	MZ, CCP12 office	13 June
GARP to be added on the SGM discussion list in October	MZ, DTCC	15 August
Update on the discussed statistical bulletin proposal on the PQD data	TF	20 June
<b>5.3 Completed</b>		
CCP12 Budget pre approval & detailed assessment	ExCo	Completed
Official AGM Invites to be sent out	CCP12 Office	Completed