

**Executive Committee**  
**Conference call - Meeting Minutes**

**December 12, 2018**

Attendees	Other Attendees
Agnes Koh (AK), SGX	Andy Ni (AN), SHCH
Daisuke Miyauchi (DM), JSCC	Nadine Pique (NP), CCP12
Erica Brown (EB), NASDAQ	Robert Taylor (RT), CME
Kausick Saha (KS), CCIL	Tyler Cain (TC), CCP12
Ketan Patel (KP), HKEX	Veronika Riazanova (VR), CCP12
Kevin McClear (KM), ICE	
Lee Betsill (LB), CME	
Marcus Zickwolff (MZ), CCP12	
Roger Nolan (RN), LSEG	
Timothy Cuddihy (TC), DTCC	
Zhen Xu (ZX), SHCH	
Excused	Absent
Dale Michaels (DM), OCC	Piyush Chourasia (PC), ICCL
George Kormas (GK), TMX	Slawomir Panasiuk (SP), KDPW
Teo Floor (TF), Eurex	

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<p><b>0. Minute of Silence for Bob Cox</b></p>	Presenter
<p>ZX informed the ExCo, that Bob Cox from the Chicago Fed has passed away last week. CCP12 has lost a great advocate for the CCP industry and a dear friend. In his memory a minute of silence was conducted.</p>	ZX
<p><b>1. Approval of Minutes from November</b></p>	Presenter
<p>Comments on the ExCo meeting minutes from November were received. The ExCo approved the revised meeting minutes.</p>	MZ
<p><b>2. Working Committees</b></p>	Presenter
<p><b><u>Update on recent meetings/communications</u></b>  MZ informed, that he has met Daniela Russo (DR) recently and she advised on the following initiatives:</p> <ul style="list-style-type: none"> <li>- The PSG on client clearing and porting will start its work beginning of next year.</li> <li>- The PSG on auctions is currently revising the feedback received. Some voices say that there should be more guidance in regards to DMP, others are of the opinion, that there is already enough guidance. It can be expected that some standards (format to be decided) will be presented.</li> <li>- Another work stream of the PSG is global cooperation of supervisors. This should help to provide the field for executing multi-jurisdictional supervisory stress tests.</li> <li>- The planned workshop on client clearing for January is postponed to July. It will be a 2-day workshop, with the first day on client clearing and porting and the second day on auctions.</li> <li>- DR encouraged CCP12 to meet with the PSG for a one-day meeting (CCPs and supervisors only). It was proposed to do this in conjunction with the PSG meeting in Tokyo (or perhaps Singapore) in late September / beginning of October.</li> </ul> <p>KM informed the ExCo about the CFTC MRAC Meeting on CCP risk topics, which took place on 4 Dec. LB and DM participated in a panel. The meeting covered many clearing issues, but nothing new was presented.</p> <p><b><u>2.1 Updates from OWC</u></b>  AP informed, that an OWC Conference Call will be scheduled for the second week of Jan 2019, in which cyber and incident management (paper by FCA) shall be discussed. AP will inform the office on the envisaged date and the office will set up the call.</p> <p><b><u>2.2 Updates on PQDWG</u></b>  AK confirmed, that the WC is currently waiting for the new PQD numbers to be released in Jan 2019 in order to continue the work with the newsflash and the newsletter.</p> <p><b><u>2.3 Updates from PWC</u></b>  A PWC Conference Call will be held on 18 Dec and the following topics will be discussed:</p> <ul style="list-style-type: none"> <li>- BCBS Consultation on SLR: Request by EACH for co-signing CCP12 response</li> <li>- FSB discussion paper: "Financial resources to support CCP resolution and the treatment of CCP equity in resolution".</li> </ul>	<p>MZ, ALL</p>

<p>- A FSB industry session will take place in Madrid on 22 Jan 2019. LB, KM, TF, EB, representatives from DTCC, SGX, HKEx, LSEG and MZ will attend. It can be expected that the buy-side and CMs are also invited. For that session speaking points are to be prepared.</p> <p><b><u>2.4 Updates from RWC</u></b></p> <p>KP reported that the Initial Margin Paper (Primer on Initial Margin – a CCP12 white paper) was published on 05 Dec and received very positive feedback (e.g. daily newsletter Exchange Invest: “Must read of the day”). Ideas for next papers are default fund or stress testing.</p> <p>MZ reported that the CPMI-IOSCO questionnaire on auctions was due on 3 Dec and that he has received a thank you note from the CPMI-IOSCO secretariat. It can be assumed that several responses were handed in.</p> <p>On the FIA paper on CCP risk management, which was released in Nov, a discussion arose, whether a response in some way by CCP12 shall be envisaged. KM proposed to write the next paper about membership criteria, as this topic was very prominent in the FIA paper. EB also enhanced this idea, however she advocated to move away from the NASDAQ Nordic clearing member default and to shift more to best practice industry standards. Questioned by LB whether a best practice paper on a broader topic or a single topic paper shall be preferred, TC supported the first alternative. MZ reminded that the aim of the white papers in the first place was to have educational papers, which explain several central clearing topics in more detail. With a best practice paper, the view could be too high-level. An alternative could be to do both versions. However as it was proposed to consider publishing a best practices paper already before the ECB conference on 27 Feb 2019. The RWC Co-Chairs will conduct an internal brainstorming session and results will be reported back to the ExCo.</p> <p>MZ reported on the ISDA and FIA offer of cooperation on auction design in DMP.</p> <p>EB reported that a global call on NASDAQ Nordic member default will take place on 19 Dec. The Oliver Wyman report on the default will be presented verbally in the call. The report cannot be circulated to the ExCo as it contains also non-public. The report contains also an action plan with recommendations for areas of improvement.</p>	
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<p><b>3. Updates on the Growth Plan</b></p>	<p>Presenter</p>
<p><b><u>3.1 Proposal for Developing a CCP12 Financial Optimization Plan</u></b></p> <p>MZ reported, that the fee collection for 2019 has started. Invoices were sent out. So far 17 members agreed to pay the mark up of 5000\$. MZ will forward an overview of the fee structure to the ExCo by the end of the week.</p> <p>The financial optimization plan is currently being drafted and will be presented to the ExCo in Jan 2019.</p>	<p>MZ</p>

### **3.2 Secondment programme**

The secondment term of PL is coming soon to an end. His last day in Shanghai will be on 4 Jan.

Further secondees are highly welcome. A FAQ is currently being prepared and will be circulated soon.

### **3.3 Conferences**

#### **27 February 2019 - CCP conference by ECB, Bundesbank & Chicago FED**

Invitation will be sent out soon

#### **03 June CCP12 AGM London, Host LSEG**

Due to shortages of rooms, the AGM has to be rescheduled and will take place on 03 June 2019. It is planned to start in the late morning (so that the members can arrive in the morning) with a panel. After the lunch the AGM will take place.

#### **25 June 3rd symposium on OTC derivatives, Beijing or Shanghai**

AN informed, that it is currently more likely that the symposium will take place in Beijing, but this is still being discussed between the PBoC and the Chicago FED.

#### **Q3/4 CCP12 SGM in Asia?**

MZ reported, that he is currently in talks with JSCC. However as the budgets are tight a confirmation for hosting is still outstanding. It is planned to have the SGM in conjunction with the PSG Meeting, which is currently either hosted by the Bank of Japan or MAS.

### **3.4 Association management support/consultancy**

#### **The consultancy contract with Nadine will be prolonged until 30 Jun 2019**

#### **Position paper on Incentives for central clearing and non-clearing**

MZ reported, that ClarusFT delivered a second draft, which is not too clearing centric anymore. A workshop with the editorial board on the final chapter conclusions will take place on 13 Dec. It is proposed to finalize the work with ClarusFT before Christmas. The editorial fine-tuning will then be done by the CCP12 office and the ExCo will receive the final draft for approval. The release of the white paper is planned for Jan 2019 (prior to the Central bank conference on CCPs in Frankfurt on 27 Feb).

### **3.5 Training and education**

#### **Pilot CCP12 fire drill workshop on 30 Nov**

The workshop was very successful. Many discussions between the participants arose. The moderator and the presentation received also good feedback.

#### **More workshops to be scheduled in 2019:**

28 Feb CCP12 fire drill workshop, Frankfurt (day after Central bank CCP conference, targeting more senior CCO experts to discuss best practices)

06 Jun CCP12 fire drill training, London (day after FIA IDX)

26 Jun CCP12 fire drill training, Beijing (or Shanghai, day after 3rd symposium on OTC derivatives)

01 Nov CCP12 fire drill training, Chicago (day after FIA Expo)

<p><b><u>3.6 Research on PQD and Update PQD Bulletin</u></b> The migration of the PQD database to CCP12 office is currently in preparation.</p> <p><b><u>3.7 Web-site improvements</u></b> Work on new improvements ongoing.</p> <p><b><u>3.8 Staffing of CCP12 office</u></b> TC started as the Chief Legal Officer / Senior Policy Advisor on 26 Nov and gave a short introduction. VR started as the new Executive Assistance on 03 Dec and gave a short introduction.</p> <p>The recruitment process for a business analyst (PQD and Research) will start soon.</p>	
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<p><b>4. AOB</b></p>	<p>Presenter</p>
<p><b><u>4.1 Takasbank applied for primary membership</u></b> MZ reported, that Takasbank applied for primary membership. Due to the AoA, they can only be approved as primary members at the next AGM, therefore it was proposed to them to change the application until the next AGM to an observer membership application. Until now no feedback from Takasbank has been received, but the process will be closely followed.</p> <p><b><u>4.2 NCCPL</u></b> NCCPL signaled to be able to pay early next year for 2018 and 2019. MZ agreed to give them a payment period until 31 Mar 19.</p>	<p>MZ, ALL</p>

<p><b>5. Calendar</b></p>
<p>16 Jan Due date BCBS on client clearing NEW DATE 22 Jan FSB Industry roundtable on resolution, Madrid 01 Feb Due date FSB CCP resolution 27 Feb Central bank CCP conference, Frankfurt 28 Feb CCP12 fire drill workshop, Frankfurt (planned) NEW DATE 03 Jun AGM CCP12, London 04&amp;05 Jun FIA IDX, London NEW 06 Jun CCP12 fire drill workshop, London (planned) 25 Jun 3rd symposium on OTC derivatives, Beijing or Shanghai 26 Jun CCP12 fire drill training, Beijing or Shanghai (planned) NEW Week of 2 Jul PSG Industry session on DMP auctions and client clearing/porting, Paris NEW late Sep / early Oct PSG/CCP12 meeting, Tokyo (or Singapore) ?? Oct Bund financial summit, Shanghai 29 Oct Chicago FED CCP conference, Chicago 30-31 Oct FIA Expo, Chicago 01 Nov CCP12 fire drill training, Chicago (planned) 04&amp;05 Dec FIA Asia, Singapore</p>

6. Follow up		
<b>6.1 New items</b>	<b>By</b>	<b>Deadline</b>
Discuss new idea of RWC white paper	RWC	asap
Circulate FAQ on secondment to membership	Office	31 Dec
Set up OWC Call	OWC, Office	11 Jan
Follow up with Takasbank on membership application	Office	16 Jan
<b>6.2 Open items from recent calls</b>	<b>By</b>	<b>Deadline</b>
Draft & publish Q4 Newsletter	Office	17 Dec
Migrate PQD database to CCP12 office	Eurex/ Office	31 Dec
Follow up with BuBa on CCP conference in Frankfurt	MZ	16 Jan
Review and finalize white paper on Incentives for central clearing and non-clearing	All	16 Jan
Develop a CCP12 Financial Optimization Plan	Office	16 Jan
Draft CCP12 AGM Agenda (London, 06 Jun)	Office	16 Jan
Release of web page improvements	Office	16 Jan
PWC will discuss the BCBS consultation on SLR and draft a CCP12 response	PWC	16 Jan
Draft & publish CCP12 2018 report	Office	16 Jan
PWC will discuss the FSB consultation on CCP resolution and draft a CCP12 response	PWC	01 Feb
Follow up on the unpaid membership fee from NCCPL	MZ	31 Mar
Set up / organize further fire drill workshops	Office	ongoing
Determine date and location for next SGM 2nd half of 2019	MZ	ongoing
<b>6.3 Completed items</b>	<b>By</b>	<b>Deadline</b>
Circulate SGM Minutes to all members	Office	Completed
Reschedule ExCo Call	LB	Completed
Hand in comments on CCP12 White Paper on Initial Margin	ExCo, RWC	Completed
Publish CCP12 White Paper on Initial Margin	Office	Completed
Respond to CPMI-IOSCO questionnaire on auctions	All	Completed
Send out membership fee invoices for 2019	Office	Completed
Prepare CCP12 fire drill workshop Singapore	NP	Completed
Prepare support letter on ISDA lobby effort on BCBS consultation on SLR	MZ	Suspended
Set up call for discussion on CFTC Meeting and FSB/FIA papers	LB	Suspended