

EXCO
Meeting Minutes
19 July 2017

Attendees:

- Agnes Koh (AK), SGX
- Andy Ni (AN), SHCH
(On behalf of Chen Guam)
- Dale Michaels (DM), OCC
- George Kormas (GK), TMX
- Ketan Patel (KP), HKEx
- Kevin Mcclear (KM), ICE
- Lee Betsill (LB), CME
- Marcus Zickwolff (MZ), CCP12
- Mikio Hinoide (MH), JSCC
- Slawomir Panasiuk (SP), KDPW
- Timothy Cuddihy (TC), DTCC
- Venkat Rao Taticherla (VT), NSCCL

Other attendees:

- Jesy Beeson (JB), CME
- Nora Pelamo, (NP)
CCP12
- Ryan Ingram (RI),
HKEx

Agenda	
Report from the Committees:	2
Work plan Update	3
Membership payments	3
AOB.....	4
Follow-up	5

Report from the Committees:	Presenter
<p>a) Policy Working Committee: Call on Jul 18 JB gave an update on July 18th PWC call. 19 Members were present to discuss the major updates from CPMI-IOSCO and FSB. The aim was to hear member’s thoughts and feedback on the reports. Moreover, the group agreed to follow on few updates: Teo Floor (EUREX) has volunteered to draft a paper and some nuclear points based on ‘No Creditor worse off’ so we can continue this conversation within the PWC in two weeks’ time. The other update would be to take on key topics of the PWC which will be prepared by JB and RI and will then be handed in to the EXCO.</p> <p>b) Risk Management Working Committee: Call on Jul 6 DM gave an update on RWC due to the SST report recently released from CPMI-IOSCO. The RWC has agreed and prepared already some bullet points that will be transformed by AN and the SHCH team to a Consultative paper to submit to RWC for further discussion as the deadline for this response letter is September 22nd. DM also asked if anyone of the EXCO has vital key points to make, please email them to DM or AN and they will be noted. Once the first draft is ready, it will be passed on for EXCO to assess. AN specified that his team has finished preparing the first draft and has gathered some feedback from MZ which means that after DM has reviewed next week the draft can proceed towards RWC members.</p> <p>c) Operations working Committee: TOR MZ informed that for OWC,- the date has been set for the first conference call meeting and the Terms or Reference (TOR) has been handed in to the Committee members. The group will be discussing the latest update from CPMI-IOSCO about the “Harmonisation of critical OTC derivatives data elements” which was published on the 27th of June. MZ emphasized that having the leader to take on this theme is key. MZ passed on a proposal from RI regarding the coordination of CCP12’s working Committees, where communication should be consistent between the groups. RI believes that other associations like <i>EACH</i> or <i>ISDA</i> the policy committee has a coordination role and it could be a needed function. MZ stated that Exco has this coordination function in CCP12, which was agreed. MZ volunteered to keep the groups coordinated and to inform the Exco when necessary as he attends every committee call.</p> <p>d) Quantitative disclosure Working Group Update: ESRB meeting on Jul 7 JB advised the EXCO regards to the <i>ESRB</i> meeting that was held in Paris a week ago which is why the PQDWG is scheduled for a call next week. Besides her representing CCP12, mostly <i>EACH</i> representatives, a <i>FIA</i> and an <i>ISDA</i> representative and some regulators met to discuss quantitative disclosure indicators that the <i>ESRB</i> has prepared. There are ten all in all and are calculated based the available Public Quantitative Disclosures. JB has not received a copy of the report from the meeting yet nor is able to distribute all information to CCP12 as its maintained confidential. The goal of these QD is to be aligned with their risk dashboard. As the <i>ESRB</i> is using a large scale on the indicators which is why differences resulted in the outcome and this is where CCP12 can come to be helpful. The goal of <i>ESRB</i> is to include select recognized CCP’s, so non-EU CCP’s will be</p>	<p>LB, MZ, RI, DM, AN, JB</p>

<p>represented in the risk dash board. More importantly, the discussed enrolled in two aspects which were whether or not these indicators have worked and is there anything that the indicators are missing. Feedback is promised by the end of the month in PQDWG and EXCO in recent weeks.</p> <p>There are two things to follow up on, - Firstly, Cristina Picillo from the CPMI Secretariat expressed an interest to work closely with the CCP12's PQDWG over a joint conference call to exchange some input on QD and thus PQDWG could assist on explaining/clarifying the data and share needed information faced in different jurisdictions. EXCO supported PQDWG to take this call.</p> <p>BME representative Patricia Doncel had participated on to a PQDWG call as they were subject of many of the ESRB's comments that were discussed by the PQDWG. Thus, JB wanted to confirm if anyone is against other non CCP12 members of EACH taking part in future PQDWG discussions and no one opposed. LB then made a point about BME and if we should advocate them to become a member of the CCP12. MZ followed upon stating that BME cannot proceed with two annual fees to both EACH and CCP12, however CCP12 should be supportive in cooperation with BME.</p>	
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<p>Work plan Update</p>	<p>Presenter</p>
<p>MZ appointed few enhancements to the work plan that was distributed to the EXCO in advance and emphasized that the CCP12 Work Plan will be discussed in more detail later on in the SGM in October. He also cleared out to contact him directly in case of any specific questions.</p> <p>Especially in the regulatory schedule, it seems that majority of the expected reports have been published and are now being acknowledged in the working committees accordingly.</p> <p>Most things checked on the list have been CCP12 Office related. MZ reminded everyone that if there are questions received concerning the work plan, - we can continue and bring it up in the EXCO call as well.</p>	<p>MZ</p>

<p>Membership payments</p>	<p>Presenter</p>
<p>a) NCCPL received a second bill add on VAT and promised to pay the difference</p> <p>MZ informed that NCCPL has received the invoice for outstanding amount and has agreed to pay it. It will take a few more weeks as the payment has to go through the Central bank system in Pakistan. MZ is confident that this will be solved quite soon.</p> <p>b) Grupo BMV requests to waive the large membership from Jan 2017on and wants to become an observer instead.</p> <p>For this one MZ informed the case more complex as the mentioned member has asked to be downgraded as an observer member due to membership fee difficulty. Thus, MZ asked the EXCO to take on the decision.</p>	<p>MZ, All</p>

<p>c) Decisions to be made: accept or not accept the waiver for the 2017 and the direct transformation to observer status. Many of the members agreed that the observer status should be redefined as many thought it comprehends a “fresh or a startup clearing houses” not an old large member. Majority also thought that the definitions or large & medium membership should be revised. MZ promised to gather some bylaws for this definition and also pointed out that this issue has already been added to the list to discuss in the next SGM. The EXCO then agreed that Grupo BMV cannot become an observer. MZ promised to follow up with a redefined list of large and medium members based on the initial margins and inform Grupo BMV accordingly. JB will email the EXCO with BMV’s IM details, which was used for the member classification.</p> <p>d) CC&G is liaising with LCH on consolidation into one membership MZ referred to CC&G as becoming a lost member due to organizational structure changes via merger. EXCO did not see a problem to proceed as suggested. MZ will forward the latest email from CC&G to LB stating their point of view.</p>	
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<p>AOB</p>	<p>Presenter</p>
<p>New Members: MGEX and IndiaICC promised to hand in the documentation by 12 September for Consideration at the 19 September EXCO call, in order to be considered at the SGM 19 October. MZ stated the documentation process was well received by MGEX especially is optimistic for their application in Chicago.</p>	<p>MZ</p>
<p>NCC suggestion for PWC. MZ reminded that NCC from Moscow has sent in a suggestion via email to the PWC concerning, “fair play” in the CCP industry wishing to see an effort in non-discriminatory treatment of third country CCP’s in national jurisdictions and abandoning a quasi-territorial approach applied by authorities. They also pointed out that third country CCPs’s are forced to queue in some cases for years to get the recognition while suffering commercial losses. Moreover, they also mentioned that it would good to discuss with international and national regulators about ways to establish the predominance of international standards over national regulation to avoid discrimination, double standard approach and create, better and fair environment. The EXCO then pondered whether due to PWC having so many responses to follow (from CPMI-IOSCO: FSB) is it the right time to advocate the questioned theme. However, the EXCO agreed that since this is a fundamental global issue this might be a proper topic to go forward with. It was then agreed to take the issue to PWC to proceed with an open letter to the chairs of CPMI-IOSCO according to the suitable agenda.</p>	<p>MZ</p>
<p>Suggestion from KP on shared Fire drill or default management position paper. MZ suggested that it should depend on the Clearing houses who participated to this drill and whether or not they are able to share this information. LB was open to share more information with CCP12 maybe to follow on the SGM in October. RWC can follow up this theme and prepare an introduction at the next SGM.</p>	<p>KP</p>

<p>Website update and member login. JB updated that the member log-in will be available soon: It has taken more time due to having individually upload old content. On the membership only section the old meeting minutes from EXCO and AGM+SGM will be available as well as updates from the working Committees.</p>	<p>JB</p>
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Follow-up	By
PWC will draft a paper(s) and add NCC suggestion to the agenda	PWC
RWC is preparing a draft to be presented to the EXCO on "The Consultative Report on SST"	RWC
CCP12 Work Plan to be discussed in more detail in the next SGM	MZ
CCP12 Office will be submit the response from the EXCO to Grupo BMV and CC&G regarding CCP12 membership	MZ
MZ will prepare bylaws and material for defining observer membership	MZ
RWC will follow up the fire drill participants for needed data to present at SGM	RWC