

General Meeting of ICMA's European Repo Council (ERC)

November 19, 2014 hosted by MTS

Venue: London Stock Exchange

Location: 10 Paternoster Square
London
EC4M 7LS

Time: From 9:45 – 14:00 (GMT)

DRAFT AGENDA

1. **Welcome and opening remarks by the Chairman of the European Repo Committee**

Mr. Godfried De Vidts, Chairman of the ICMA European Repo Committee, will provide an overview of recent developments.

2. **Approval of the minutes of the ERC Annual General Meeting held on January 22, 2014 in Luxembourg**

Please find the draft for approval [here](#).¹

3. **T2S**

Mr. David Field, representing Rule Financial, will set out the work that has been done: (a) to gauge market sentiment to T2S; and (b) to develop a cash and repo operating model that will spell out how market participants can expect to interact with T2S. He will also outline any gaps or uncertainties that have been identified in developing the operating model.

4. **SWIFT messaging**

Mr. Richard Young, of SWIFT, will outline the settlement messaging functionality that exists in SWIFT, especially in relation to repo and other securities financing transactions.

5. **Recent trends in the European repo market and what we have to look forward to**

¹ Alternatively, see: <http://www.icmagroup.org/assets/documents/ERC/Minutes-from-repo-council-meetings/Minutes-of-ERC-AGM-22-January-2014-DRAFT-SUBJECT-TO-APPROVAL.pdf>

Mr. Richard Comotto will discuss:

- a) the main findings of the 27th Semi-annual Repo Survey and proposed changes to the repo survey (driven partly by FSB and ECB proposals);
- b) the calculation of term sell/buy backs with a FRN as the underlying collateral if the coupon changes during the term of the repo; and
- c) best practice on negative interest rates.

6. **Paper on the interaction of regulation on repo and collateral markets**

Mr. Richard Comotto and **Mr. David Hiscock** will outline the work that has been done to develop a paper, based on a quantitative study of dislocation of the repo rate around reporting dates..

7. **Secured benchmarks**

Mr. Romain Dumas will report on the work of the European Repo Committee in the area of secured benchmarks. In particular, he will report on: (a) the meeting of the ERC Secured Benchmark Working Group with the EMMI Eurepo Steering Committee, which took place on 8 October in Brussels; and (b) proposals for a further meeting with the EMMI Eurepo Steering Committee to discuss ATs and CCPs, to be hosted by ICMA in London.

8. **Legal update**

Ms. Lisa Cleary will provide a legal update that will highlight a number of issues including: (a) the work being done to develop a buy-side annex that would be a standard-form annex to the GMRA; and (b) proposals to cease coverage of the 1995 legal opinions from 2016.

9. **CSD Regulation**

- a) The move to T+2 – **Mr. Andy Hill** will discuss the the move to T+2;
- b) The trading of forward-forward repos on electronic trading platforms – **Mr. Andy Hill** will outline the issue; and
- c) Mandatory buy-ins and settlement discipline – **Mr. Andy Hill and Mr. Stefano Bellani** will discuss the ERC's concerns with the Regulation and the steps that have been taken to discuss these concerns with the regulatory authorities.

10. **FSB's final regulatory framework for haircuts on non-centrally cleared securities financing transactions**

Mr. David Hiscock will provide an assessment of the implications of the final regulatory framework for the European repo market.

11. **Securities Financing Transactions Regulation**

Mr. David Hiscock will report on the latest developments relating to the Securities Financial Transactions Regulation, including proposals by the ECB to develop a trade repository.

Mr. David Hiscock will report on a joint ERC – ISLA education session that was organised for MEP assistants on 7 November in Brussels.

12. **ERC Operations Group update**

Mr. Nicholas Hamilton (Chairman of the ERC Operations Group) will report on the recent work of the ERC Operations Group including:

- a) T+2 – lessons learnt and what still needs to be done;
- b) Trade matching and affirmation; and
- c) Repo data repositories.

Mr. Jean-Robert Wilkin, of Clearstream, **Mr. Cédric Gillerot**, of Euroclear, and **Mr. Stefan Knoblauch** of Eurex Clearing, will provide an update on tri-party settlement interoperability.

Mr. Michel Bricq, of Clearstream and **Mr. Edwin de Pauw**, of Euroclear will discuss the improvements being made to the Bridge, and will also touch upon the on-going discussions that the ICSDs have been having with market participants on the continued need for improved interoperability in the light of Target2 Securities.

13. **Regulatory update**

Mr. David Hiscock will provide a brief update on other relevant regulatory developments including liquidity and leverage rules.

Further information outlining the range of regulatory and market practice issues that ICMA is currently involved in can be found in the latest edition of the [ICMA Quarterly Report](#).²

14. **Any other business and next meetings**

The next ERC Annual General Meeting will be held on 18 May, 2015 in Brussels, hosted by Euroclear.

The next ICMA Guide to best practice in the European Repo Market Course will be held on 17 November 2014 in London

The next ICMA Professional Repo and Collateral Management Course will be held from 17 – 18 March, 2015 in Frankfurt, hosted by Clearstream.

² Alternatively, see http://www.icmagroup.org/assets/documents/Regulatory/Quarterly_Reports/ICMA-Quarterly-Report-Fourth-Quarter-2014.pdf