



ICMA

International
Capital
Market
Association

ICMA European Repo Council (ERC) General Meeting

16 October 2013



ICMA

International
Capital
Market
Association

Opening Remarks

Godfried De Vidts, Chairman, European Repo Committee

Market infrastructures

» Key challenges and opportunities for the integration of European financial market infrastructures

- Tri-party Interoperability MOU – Euroclear/Clearstream/Eurex Clearing – ERC as guardian. What's next?
- Report on efficient functioning of the repo market.
- EBF/ERC work on commercial bank money efficiencies.
- [ECB Collateral Video](#)

Secured benchmarks

» Eurepo

» Questionnaire on the use of the Eurepo benchmark

1. Limited activity linked to the Eurepo fixing.
2. Even though most agreed that the Eurepo fixing could be discontinued, they also said that it should be maintained until a reliable alternative - representing the entire curve and reflecting the 'European' market – is in place.
3. What is the ideal repo benchmark?

» Meeting with ERC Working Group & Eurepo Steering Committee

Avoiding counterproductive regulation in capital markets

» ICMA paper: Avoiding Counterproductive Regulation in Capital Markets – a reality check

- Explanation of the impact of current and forthcoming regulatory changes on the ability of European fixed income and repo markets to help lubricate and sustain economic recovery and growth.
- In relation to repo, the paper will cover key concerns:
 - FTT
 - Basel Committee on Banking Supervision (BCBS) leverage ratio requirements
 - CSDR mandatory buy-in proposal
 - FSB consultation on mandatory minimum haircuts for repos
 - Reports on asset encumbrance by the European Banking Authority (EBA) and the BIS Committee on the Global Financial System (CGFS)
 - MiFID 2

Fire sales of collateral

- » FRBNY Workshop on Fire Sales as a Driver of Systemic Risk in Tri-Party Repo and other Secured Funding Markets on 4 October 2013
- » This was about the particular challenges of US tri-party repo market
- » US tri-party repo is very different from European tri-party repo
- » “Two markets separated by a common terminology” (Apologies to Winston Churchill)
- » The challenge to the FSB: to design a global solution to a regionally and nationally-segmented marketplace
- » The challenge to the media: to provide global commentary on regionally and nationally-segmented markets
- » The challenge to the repo market: to educate and inform policy-makers, regulators, academics and the media

Approval of the minutes of the ERC Annual General Meeting held on 11 March 2013 in Paris



ICMA

International
Capital
Market
Association

European Repo Council
25th ICMA European repo market survey
conducted in June 2013

Richard Comotto, Senior Visiting Fellow, ICMA Centre

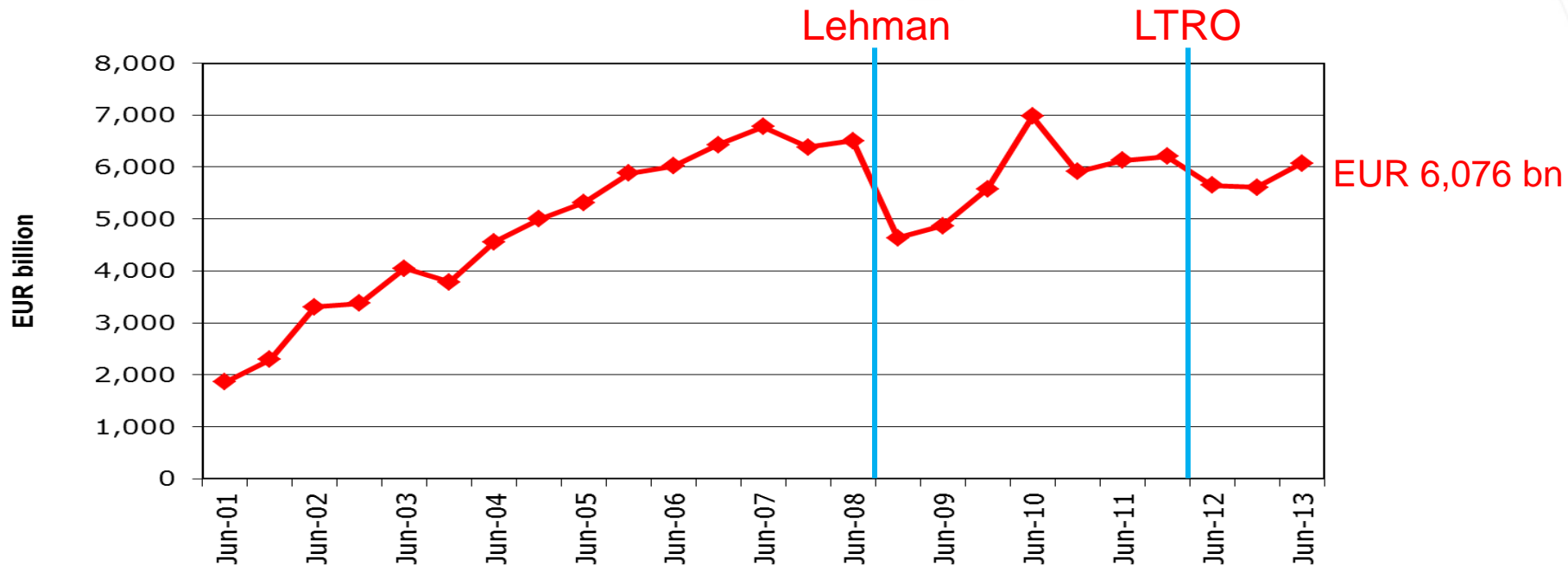
Who and when

- » Outstanding value of contracts at close of business on Wednesday, 12th June 2013
- » 65 responses from 61 groups

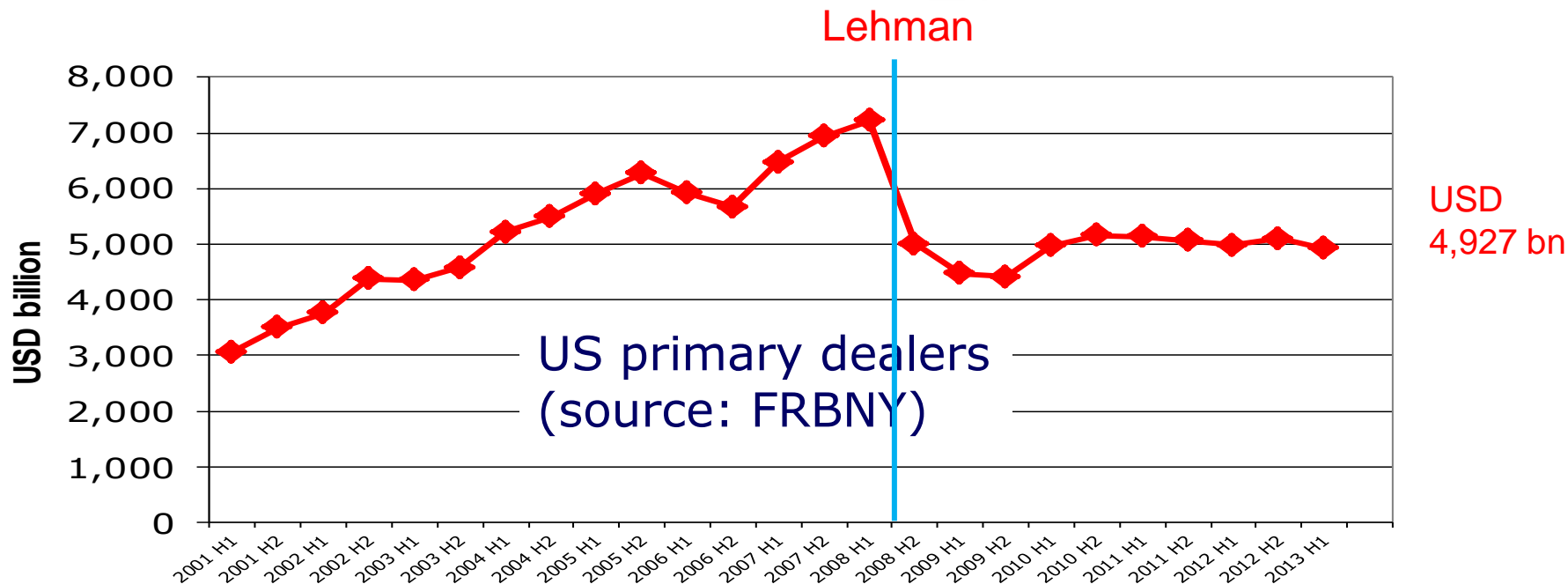
Headline Numbers

» June 2013	EUR 6,076 billion
» December 2012	EUR 5,611 billion
» June 2012	EUR 5,647 billion
» December 2011	EUR 6,204 billion
» June 2011	EUR 6,124 billion
» December 2010	EUR 5,908 billion
» June 2010	EUR 6,979 billion
» December 2009	EUR 5,582 billion
» June 2009	EUR 4,868 billion
» December 2008	EUR 4,633 billion
» June 2008	EUR 6,504 billion
» December 2007	EUR 6,382 billion
» June 2007	EUR 6,775 billion
» December 2006	EUR 6,430 billion

Headline Numbers



US headline numbers



Comparable market growth rates

- » 57 respondents participating in last 3 surveys
 - +8.6% since December 2012
 - +2.1% year-on-year

Trading analysis

automatic trading system

includes GC Pooling

bilaterally/tri-party/CCP-settled

bilaterally-negotiated
by phone or EM
bilaterally-settled

ATS
33.1%

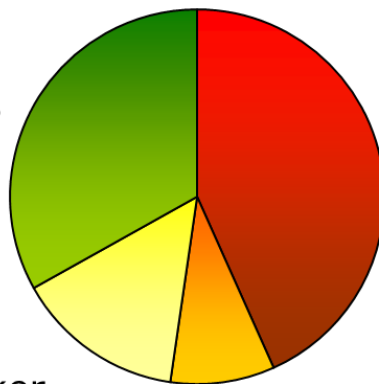
direct
42.7%

broker
14.6%

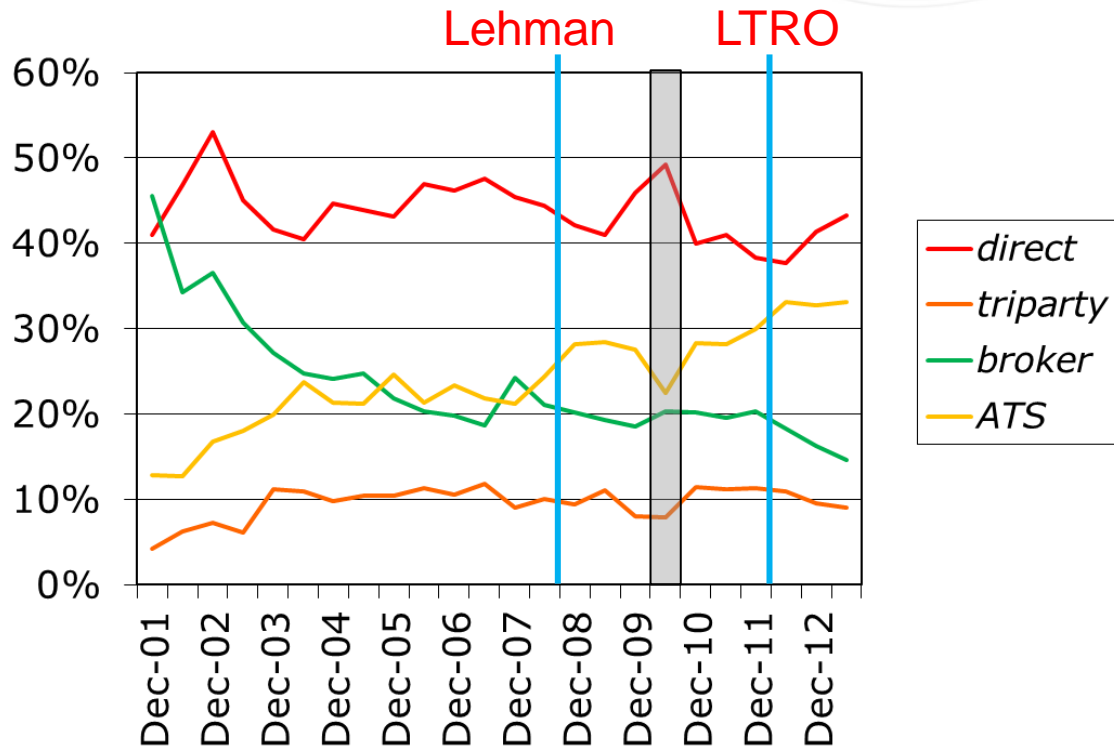
triparty
9.6%

bilaterally-negotiated
by phone or EM
tri-party-settled

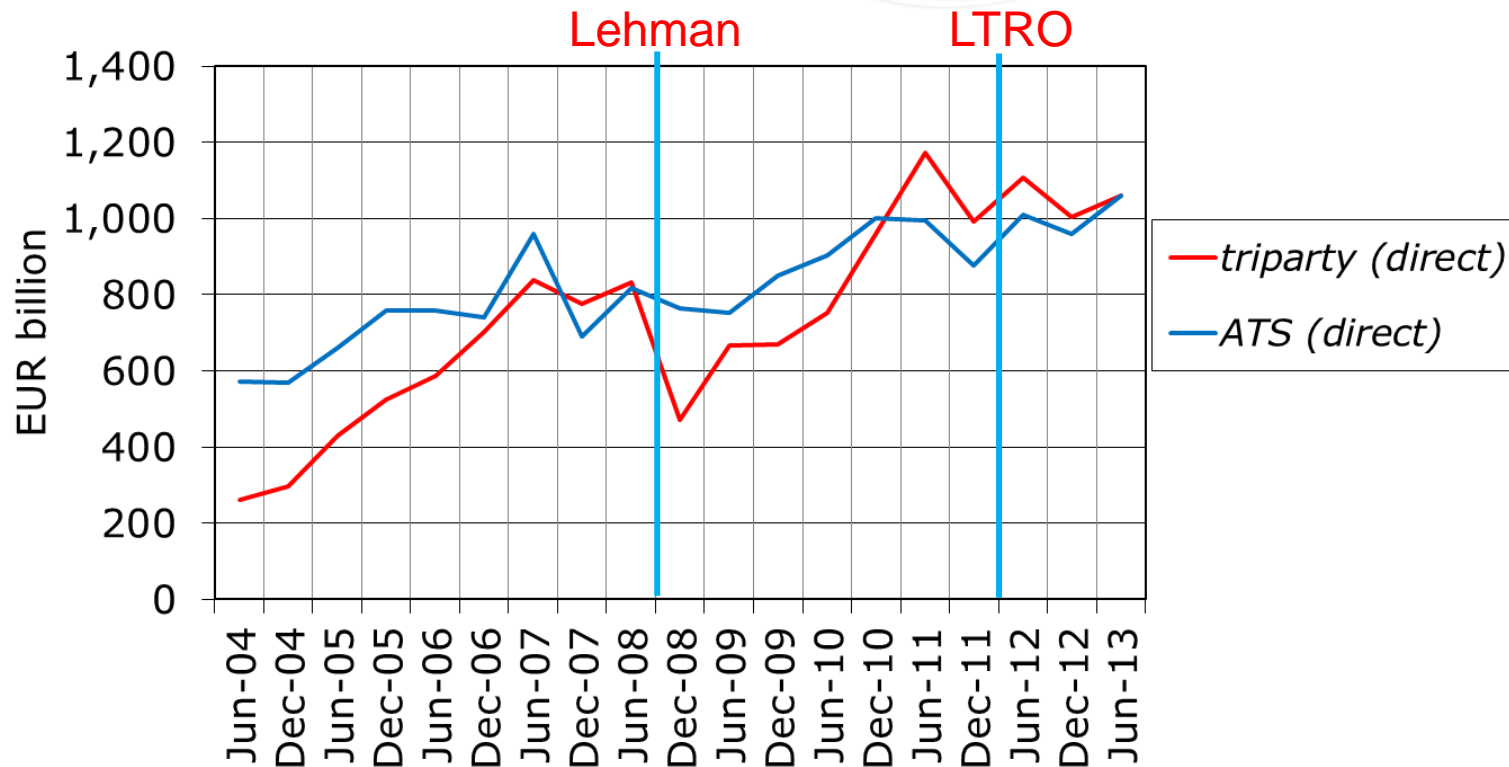
arranged by voice-broker
bilaterally-settled



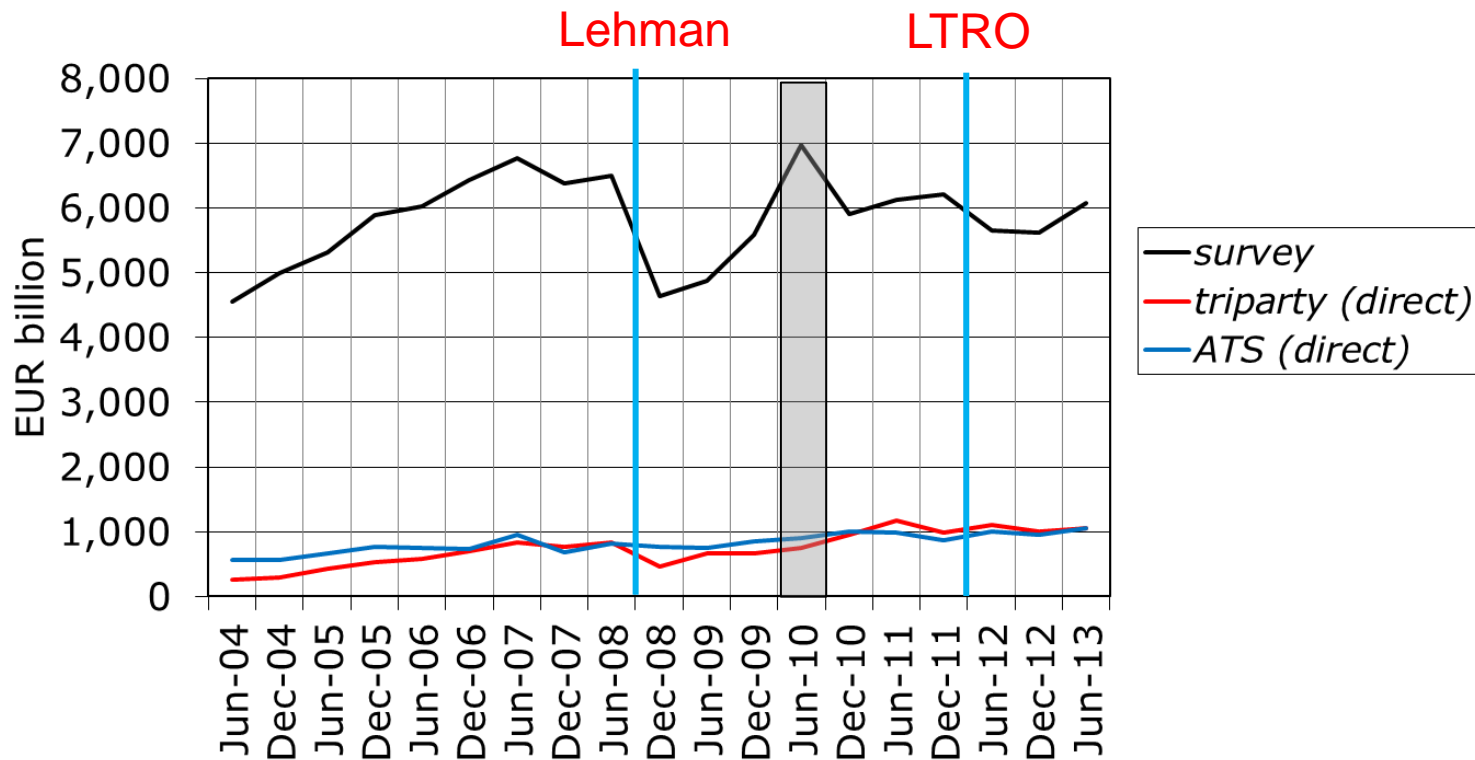
Trading analysis



Trading analysis (directly-reported by providers)

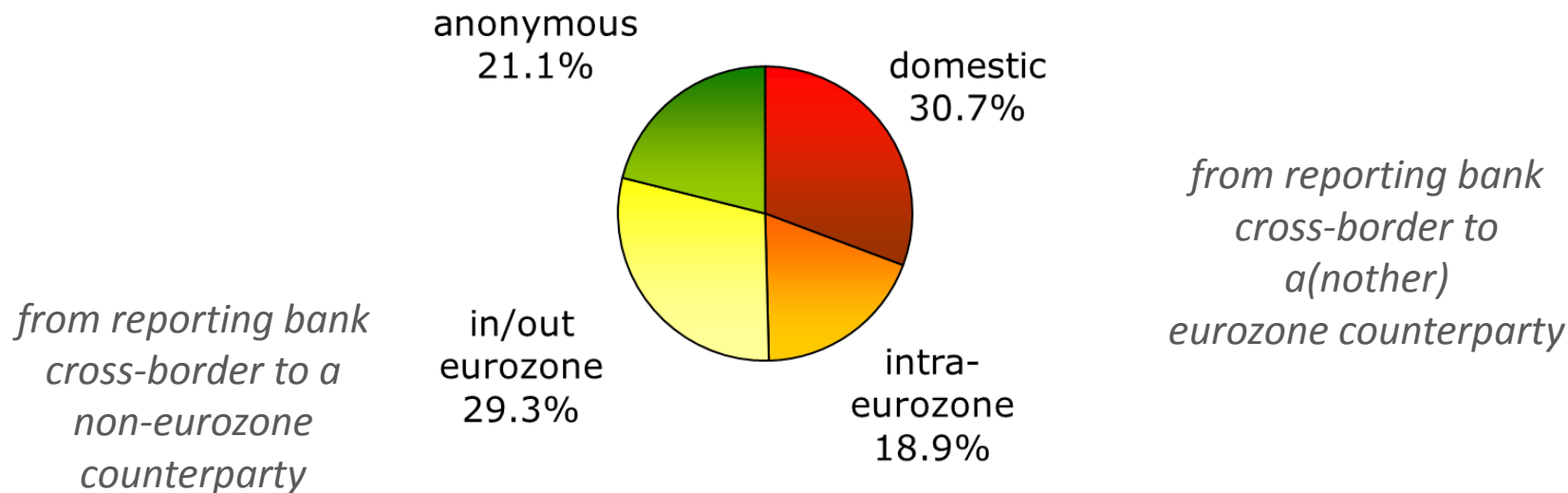


Trading analysis (directly-reported by providers)

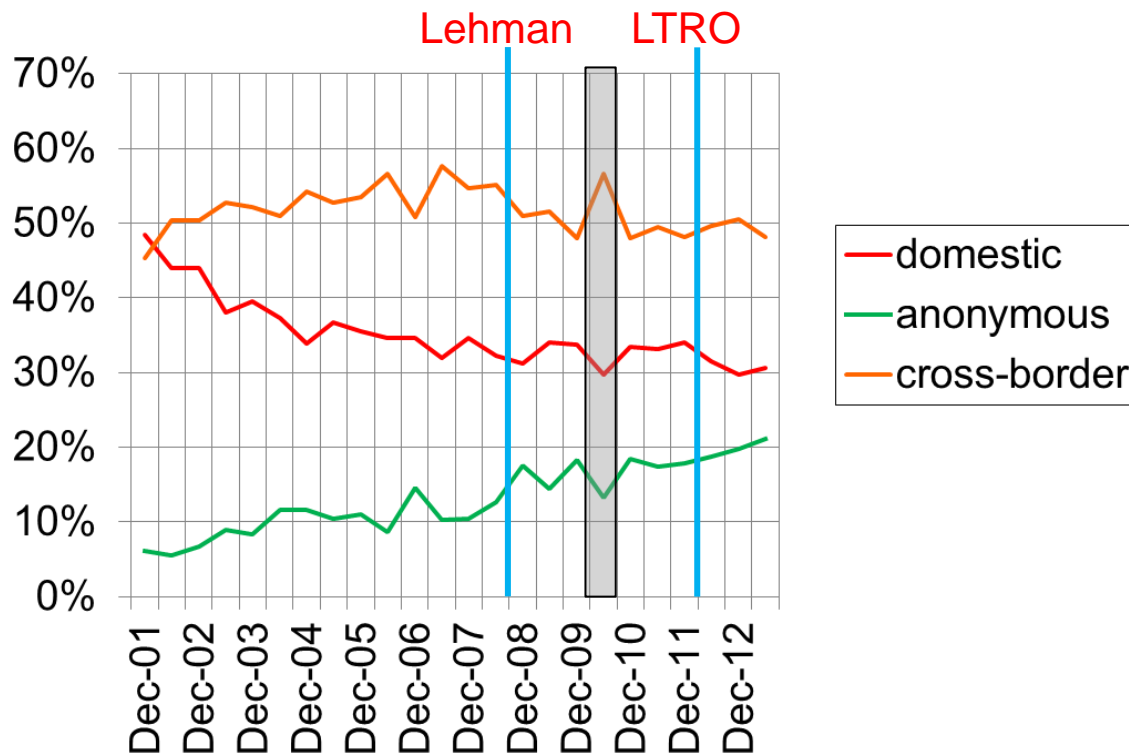


Geographical analysis

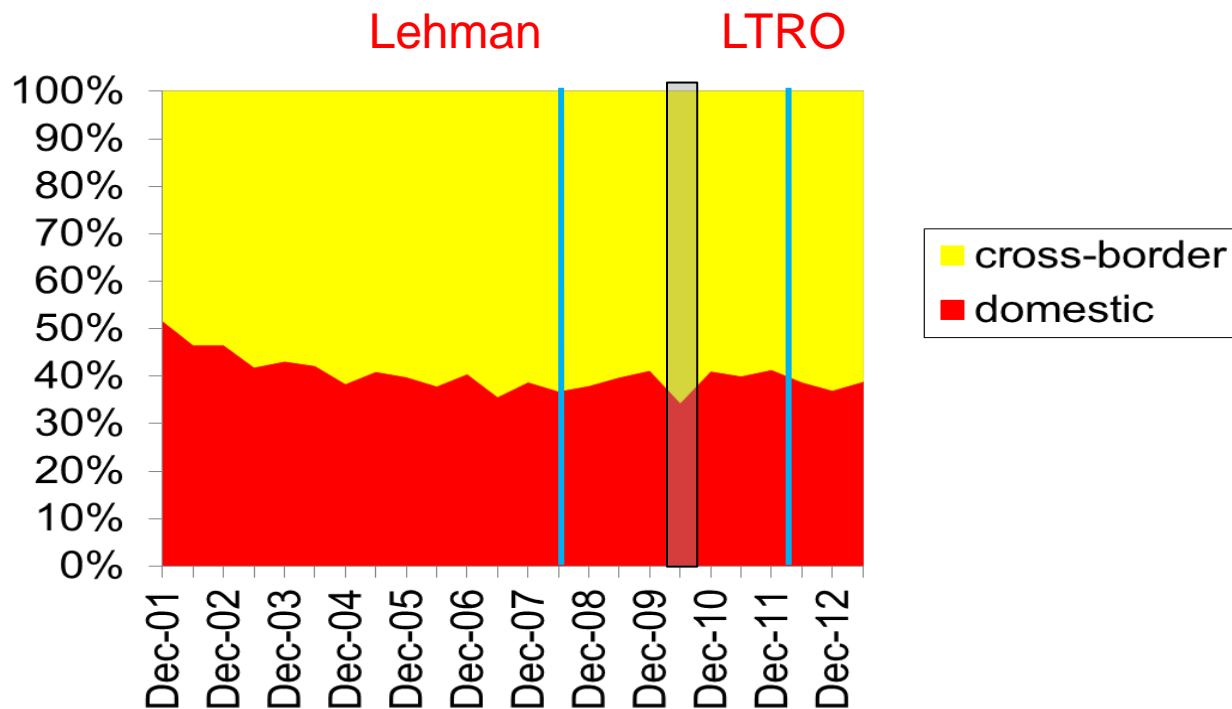
ATS via CCP



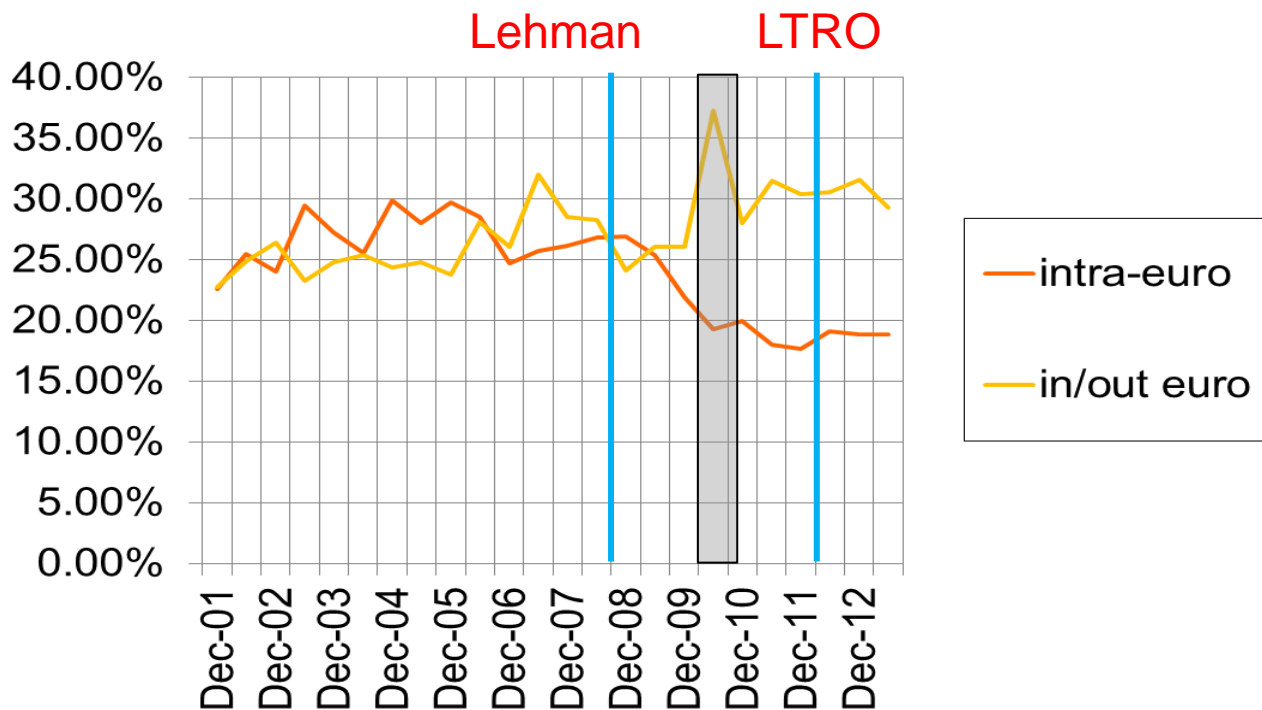
Geographical analysis



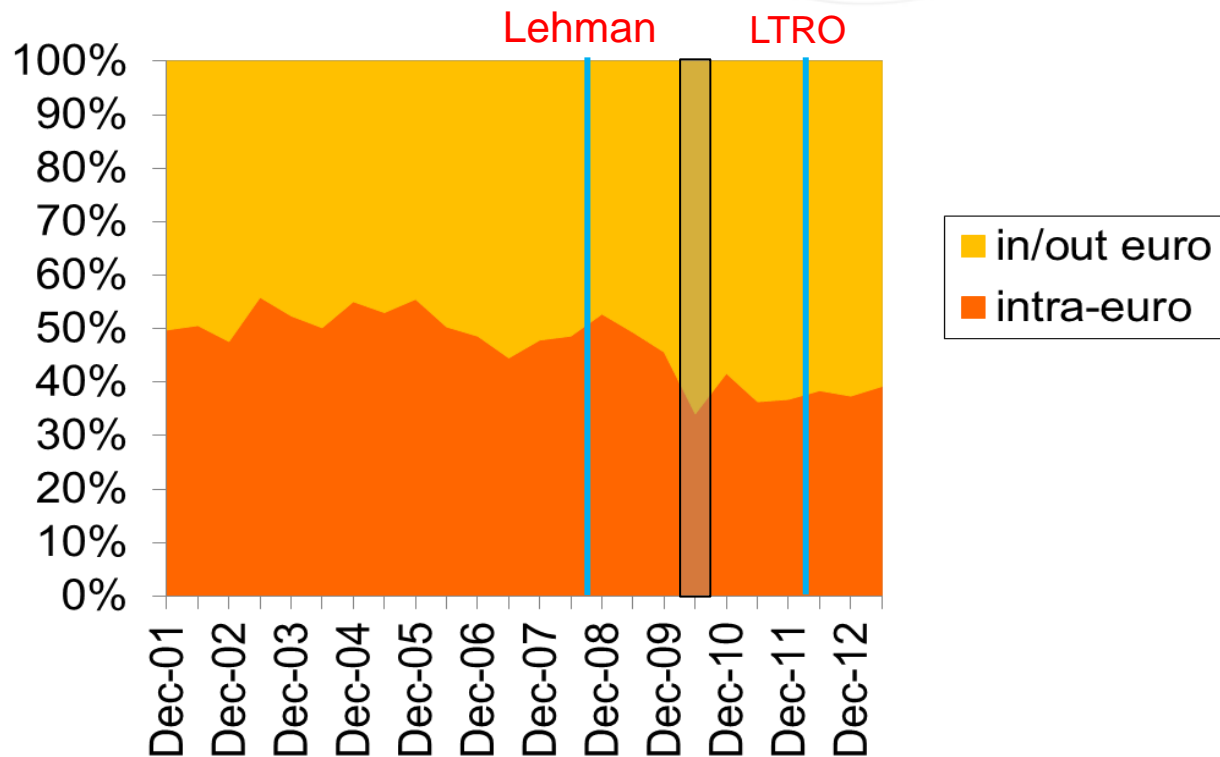
Geographical analysis



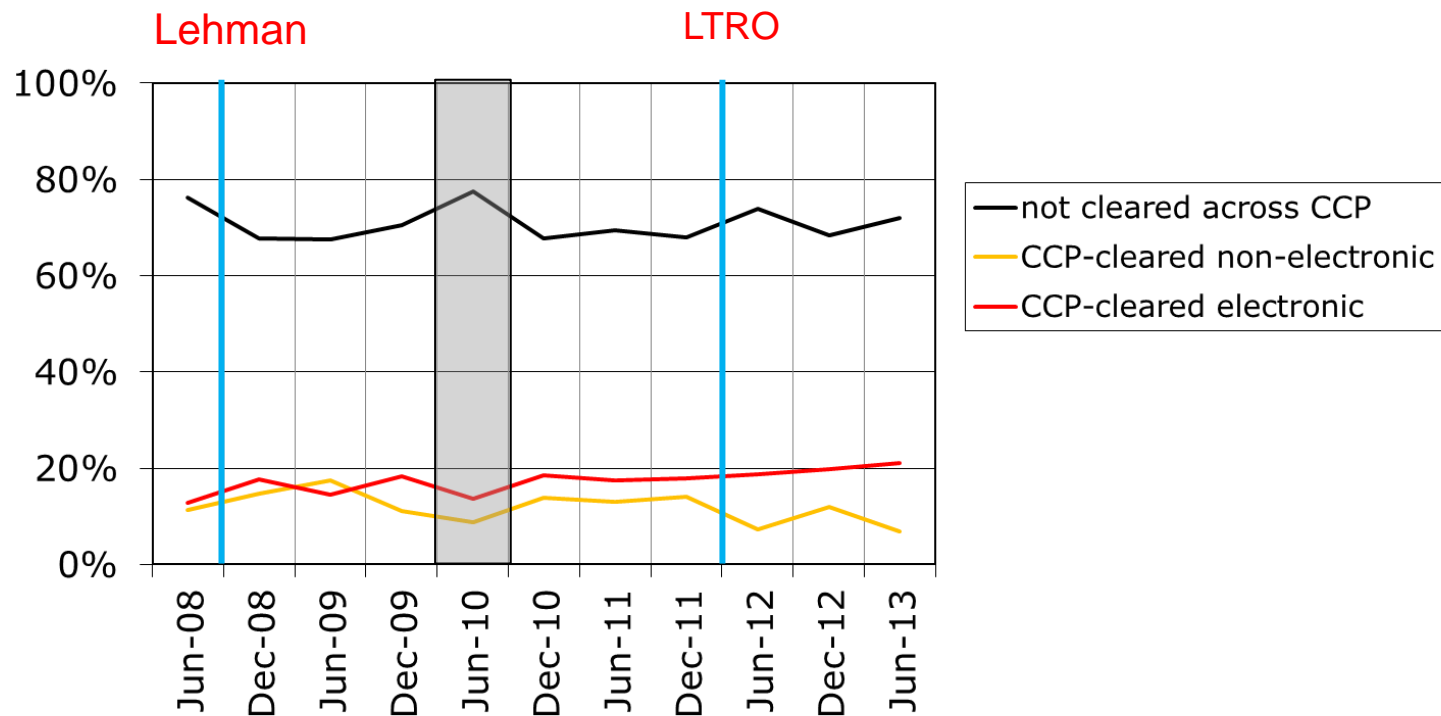
Geographical analysis



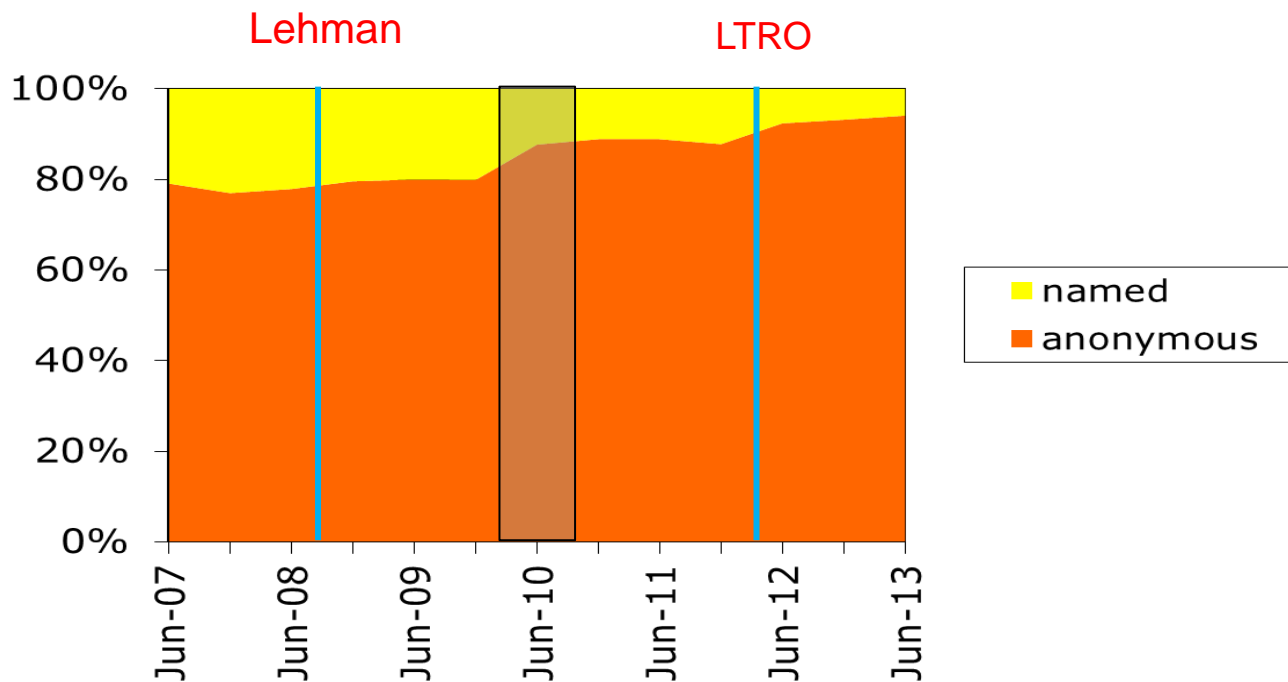
Geographical analysis



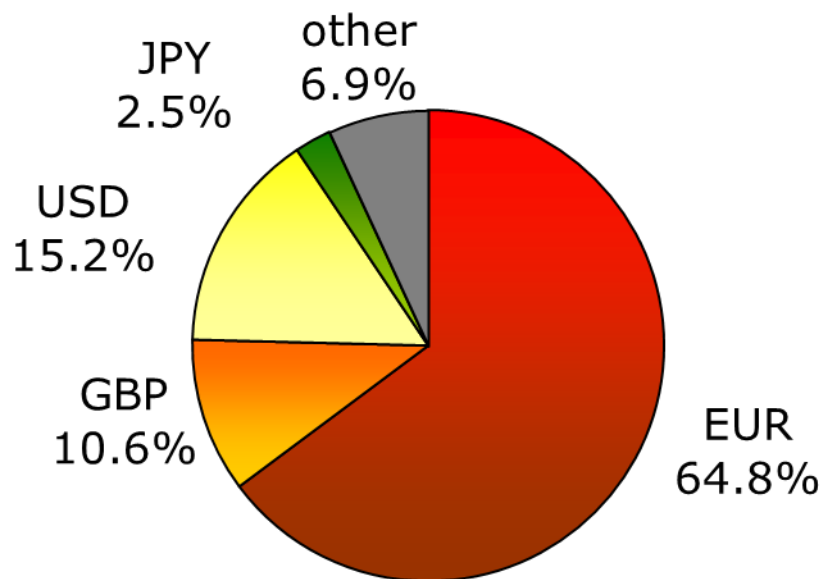
Business cleared across CCP



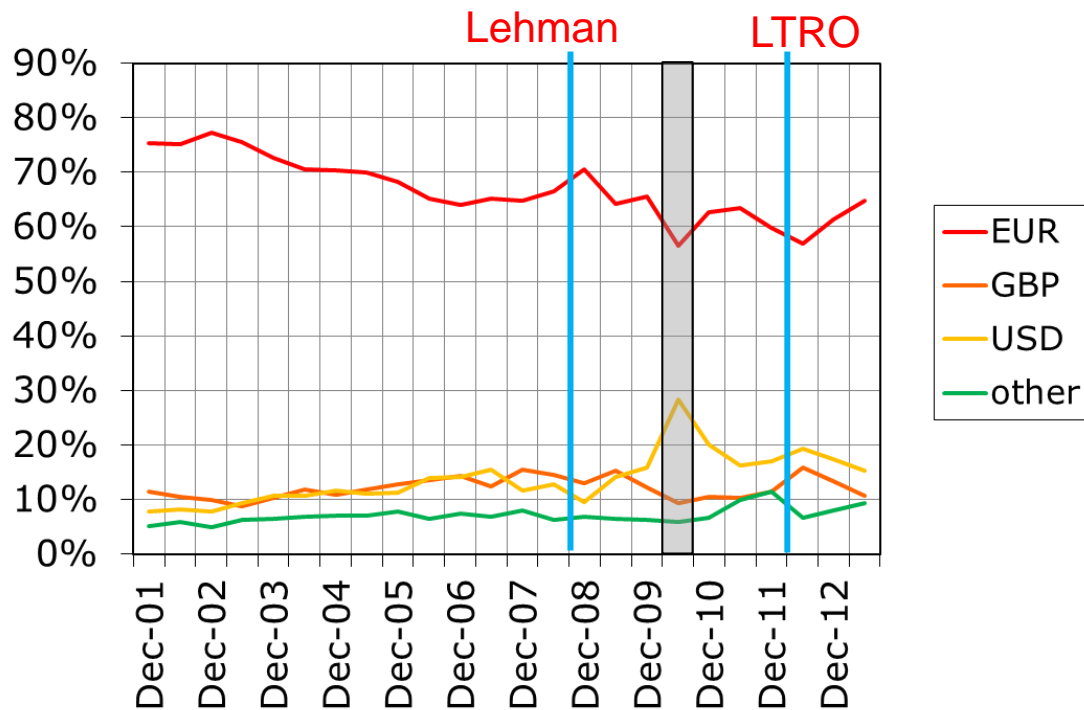
Anonymous ATS business



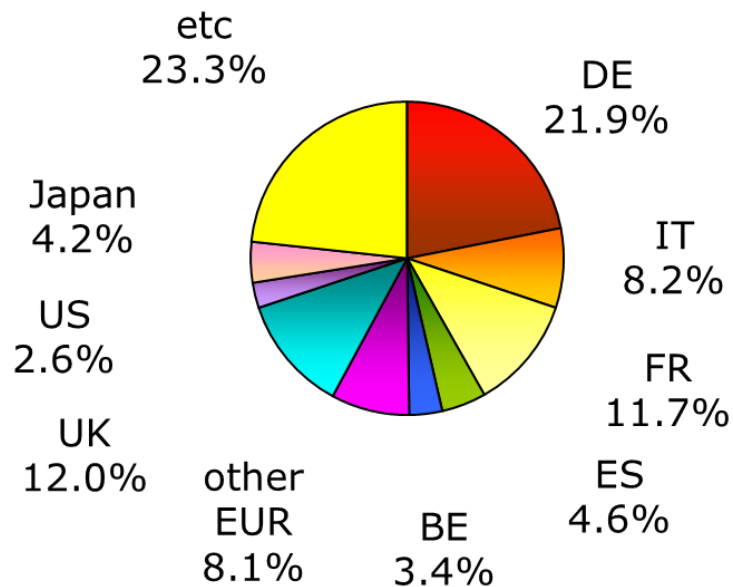
Currency analysis



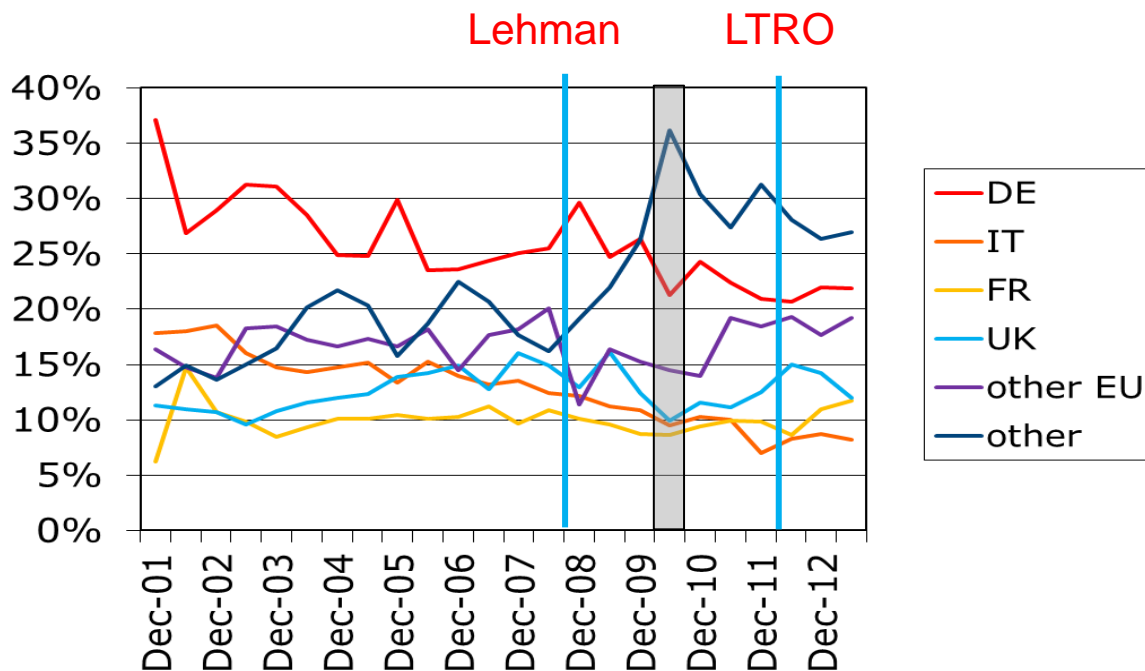
Currency analysis



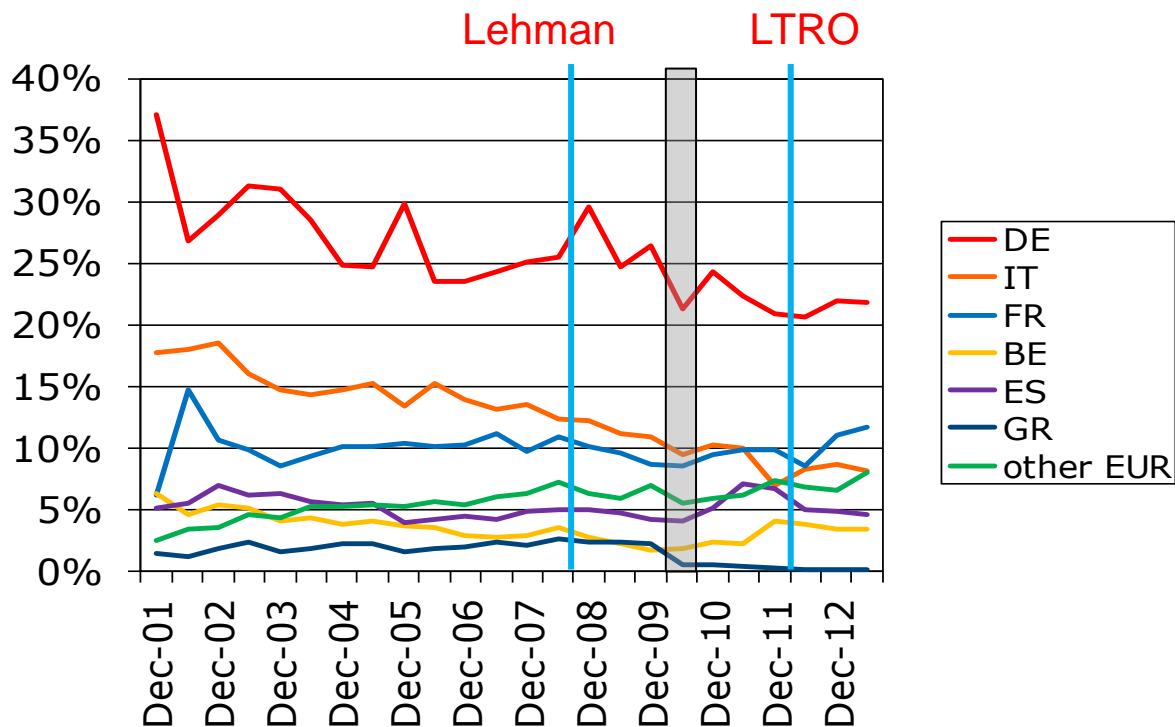
Collateral analysis



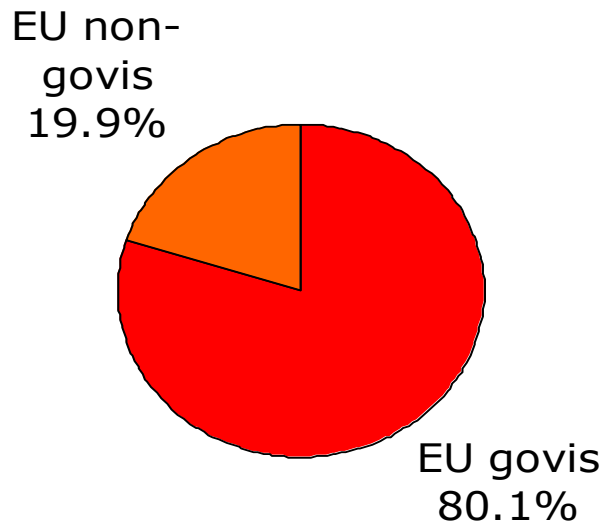
Collateral analysis



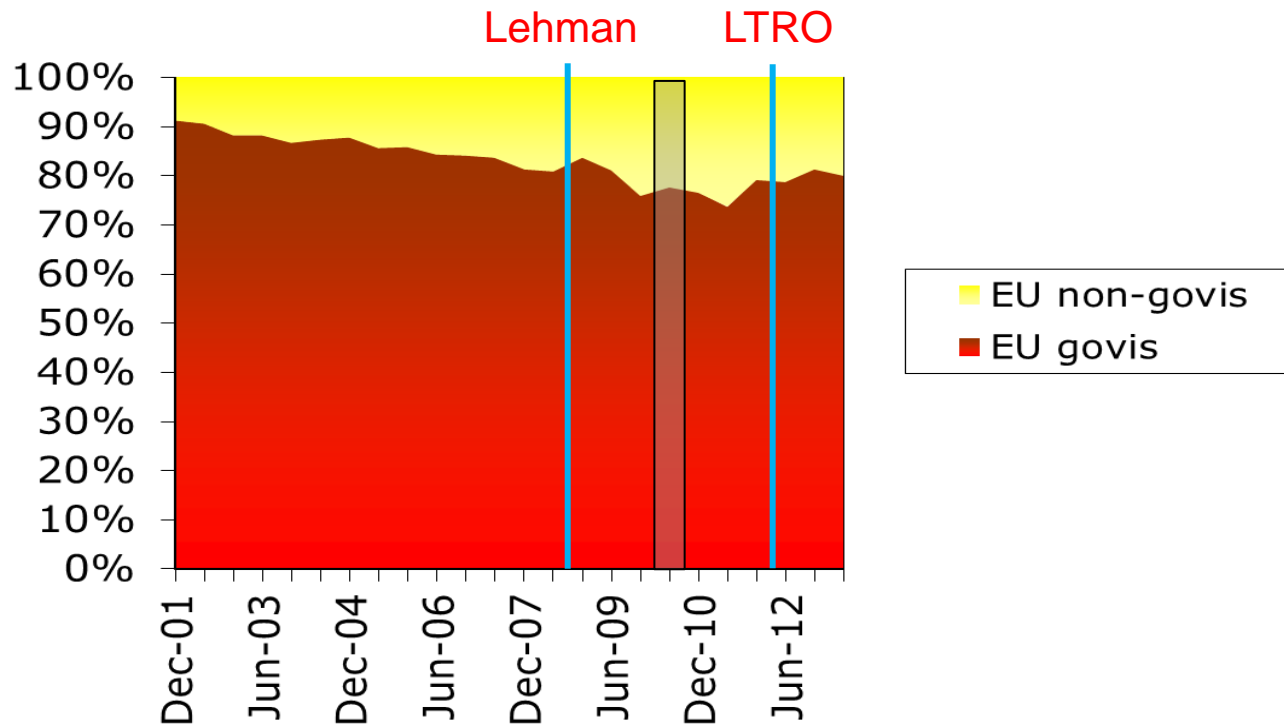
Collateral analysis



Collateral analysis

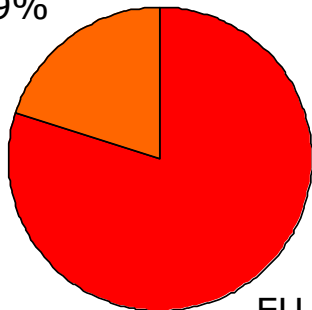


Collateral analysis



Collateral comparison

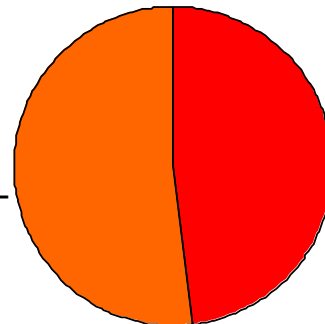
EU non-
govis
19.9%



EU govis
80.1%

banks

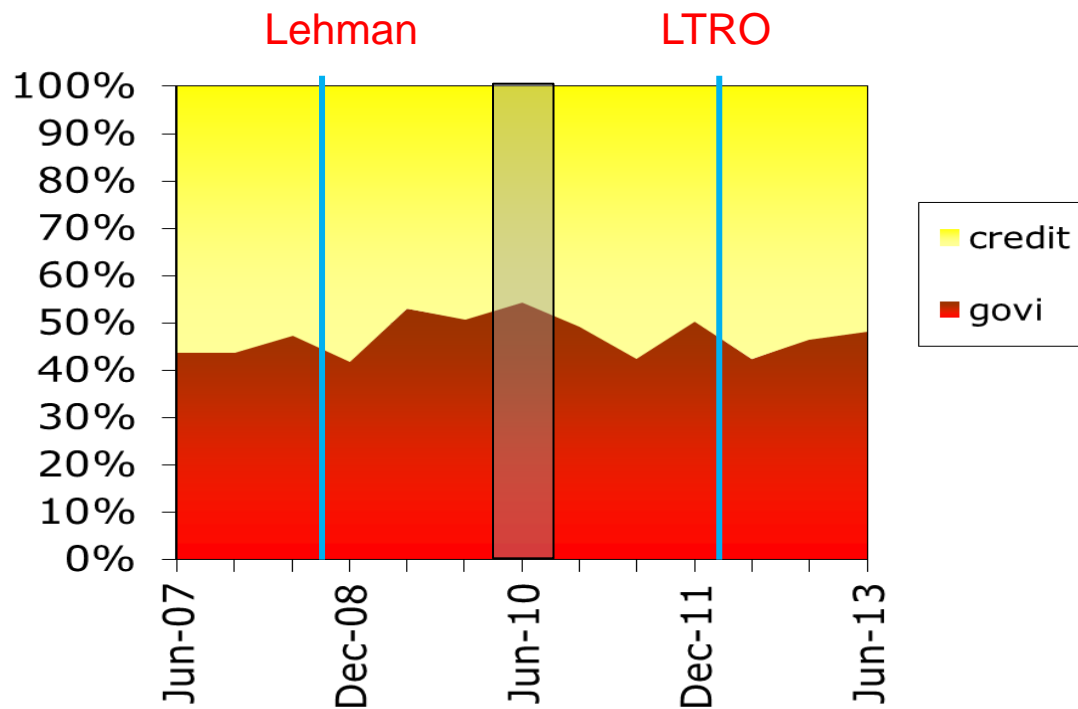
EU non-
govis
51.9%



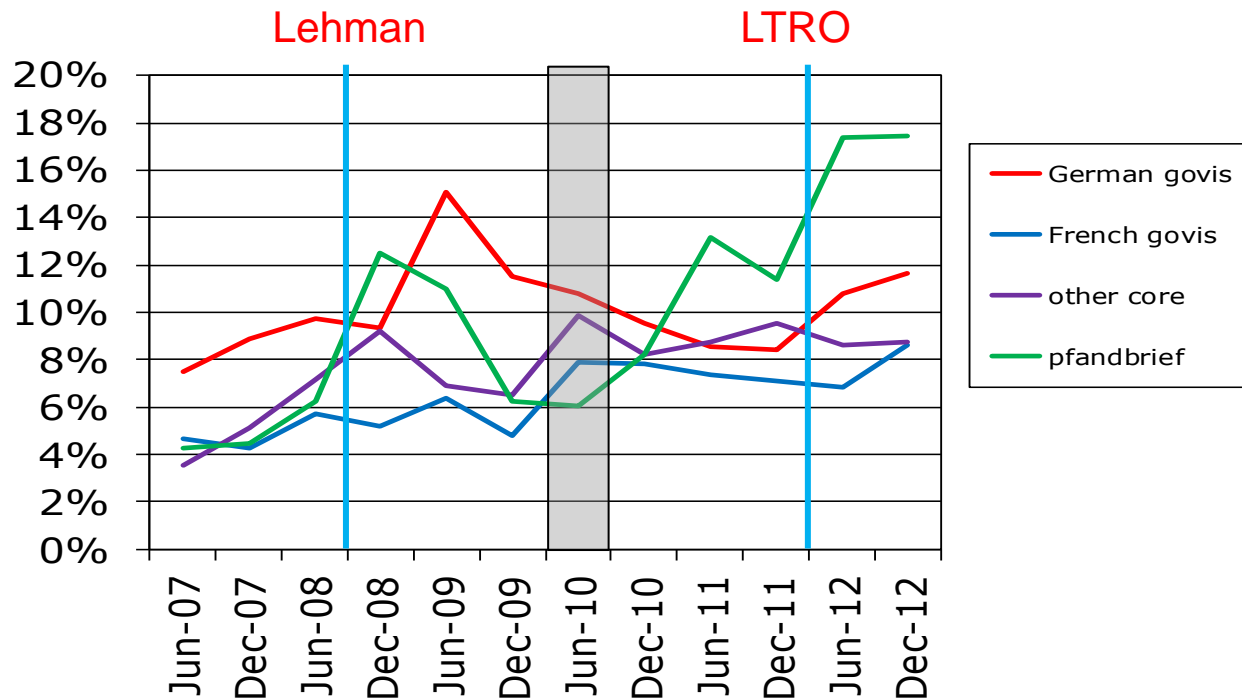
EU govis
48.1%

tri-party

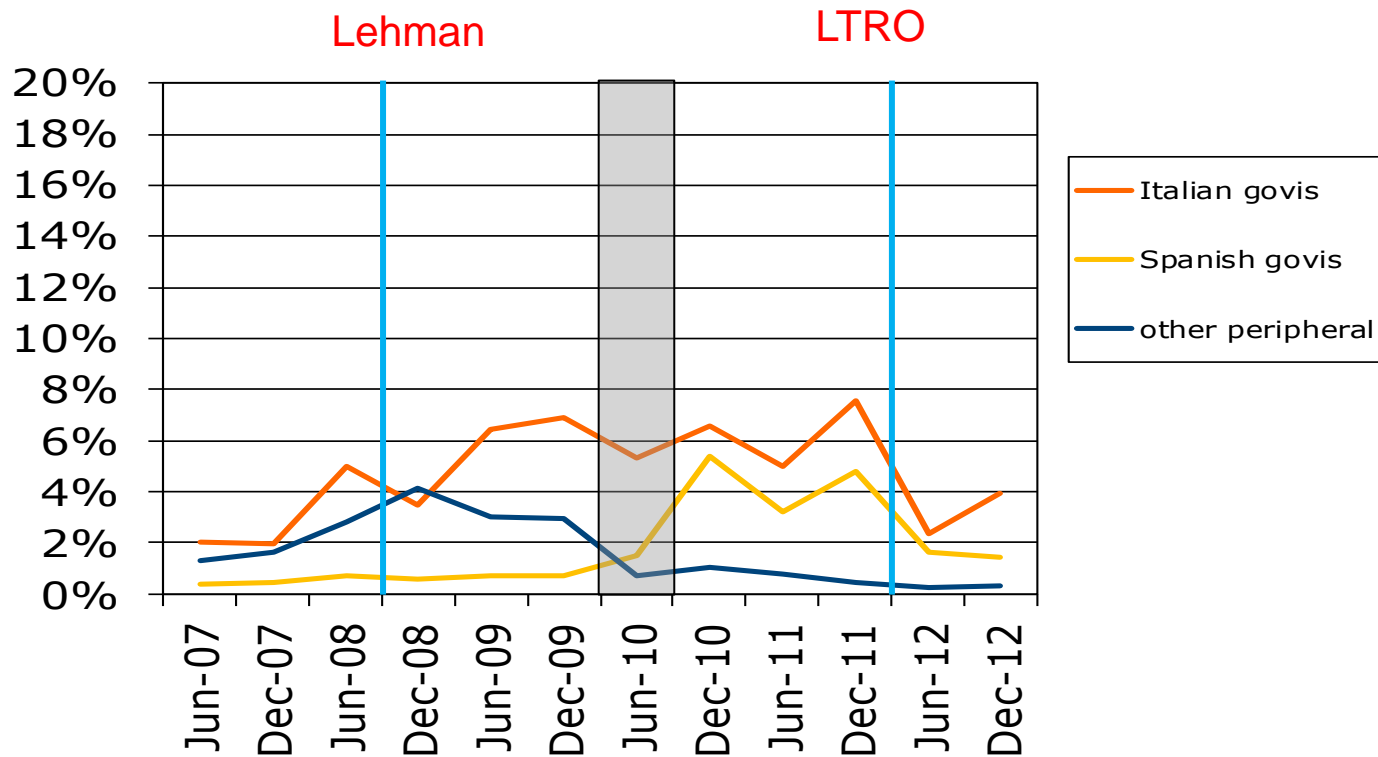
Collateral analysis (tri-party)



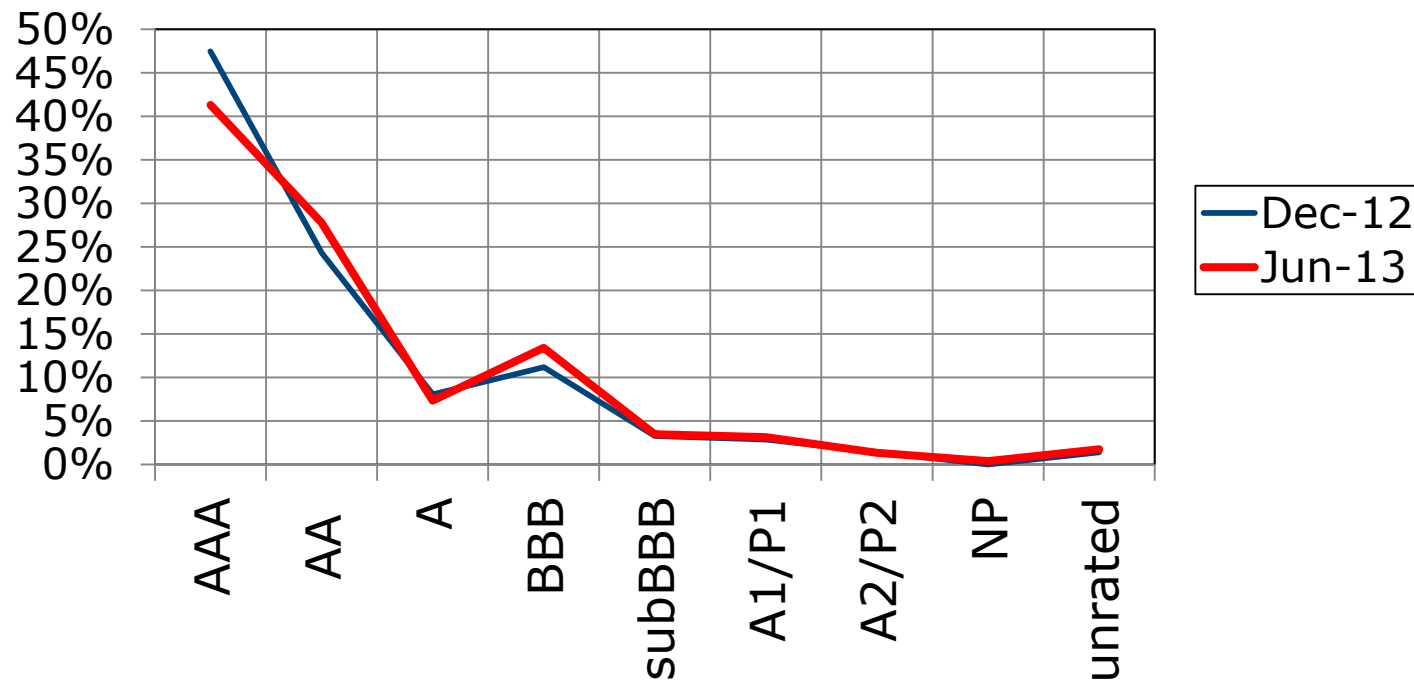
Collateral analysis (tri-party)



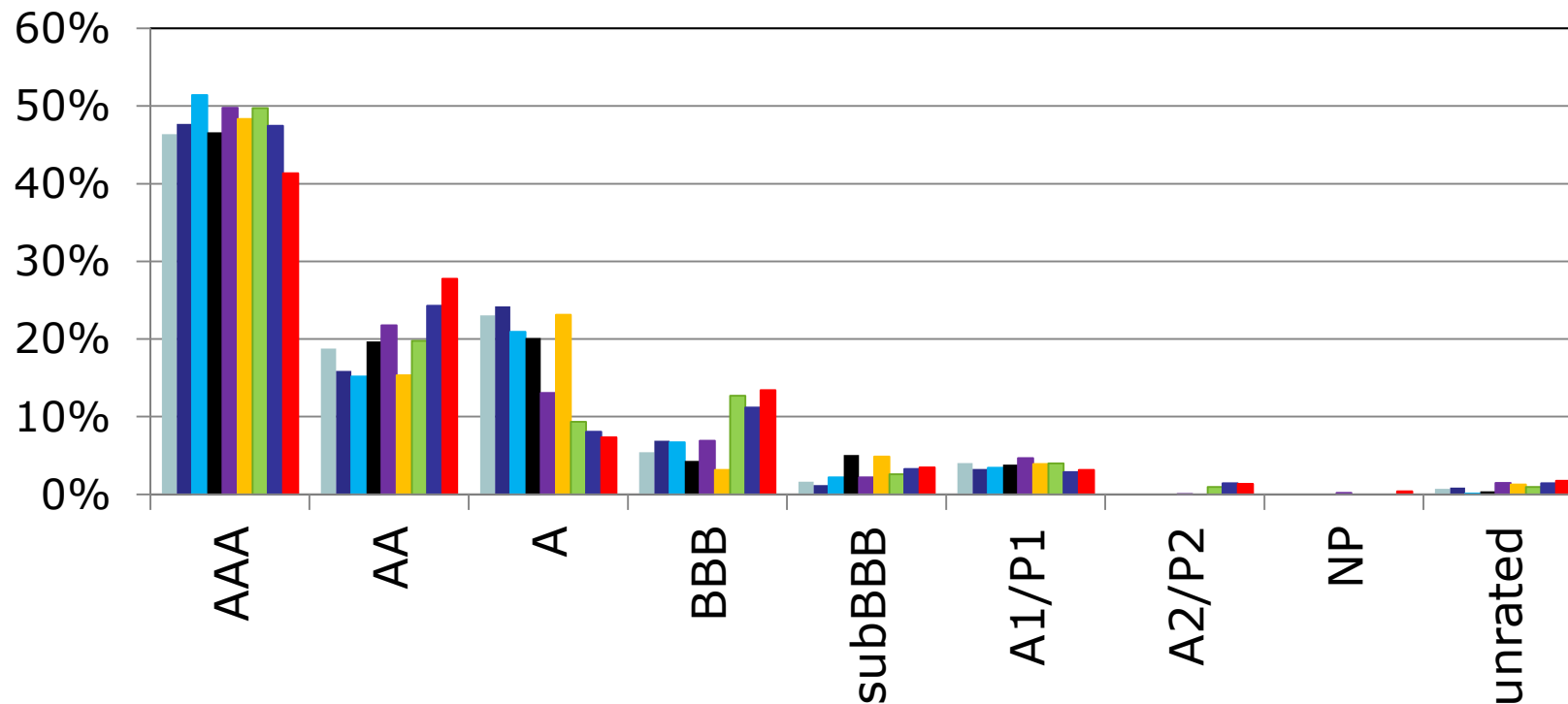
Collateral analysis (tri-party)



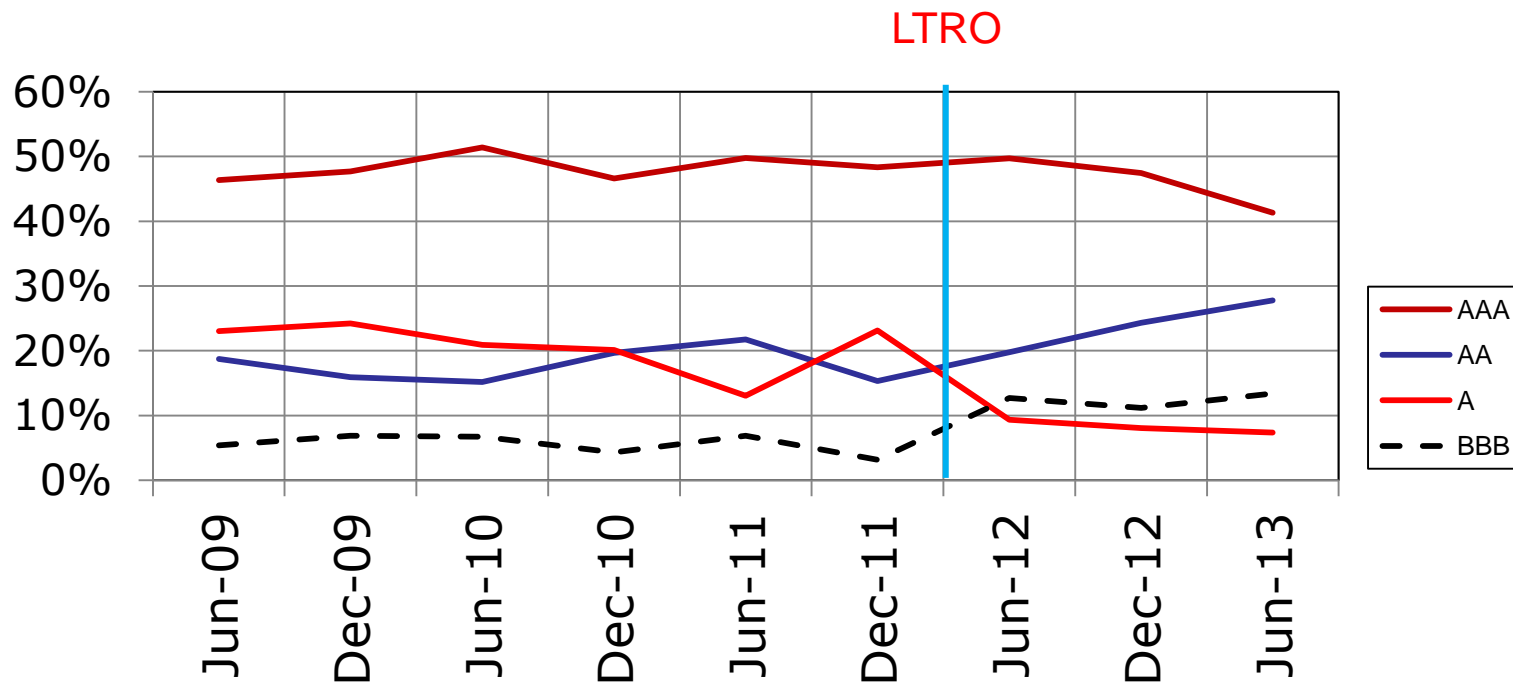
Collateral analysis (tri-party)



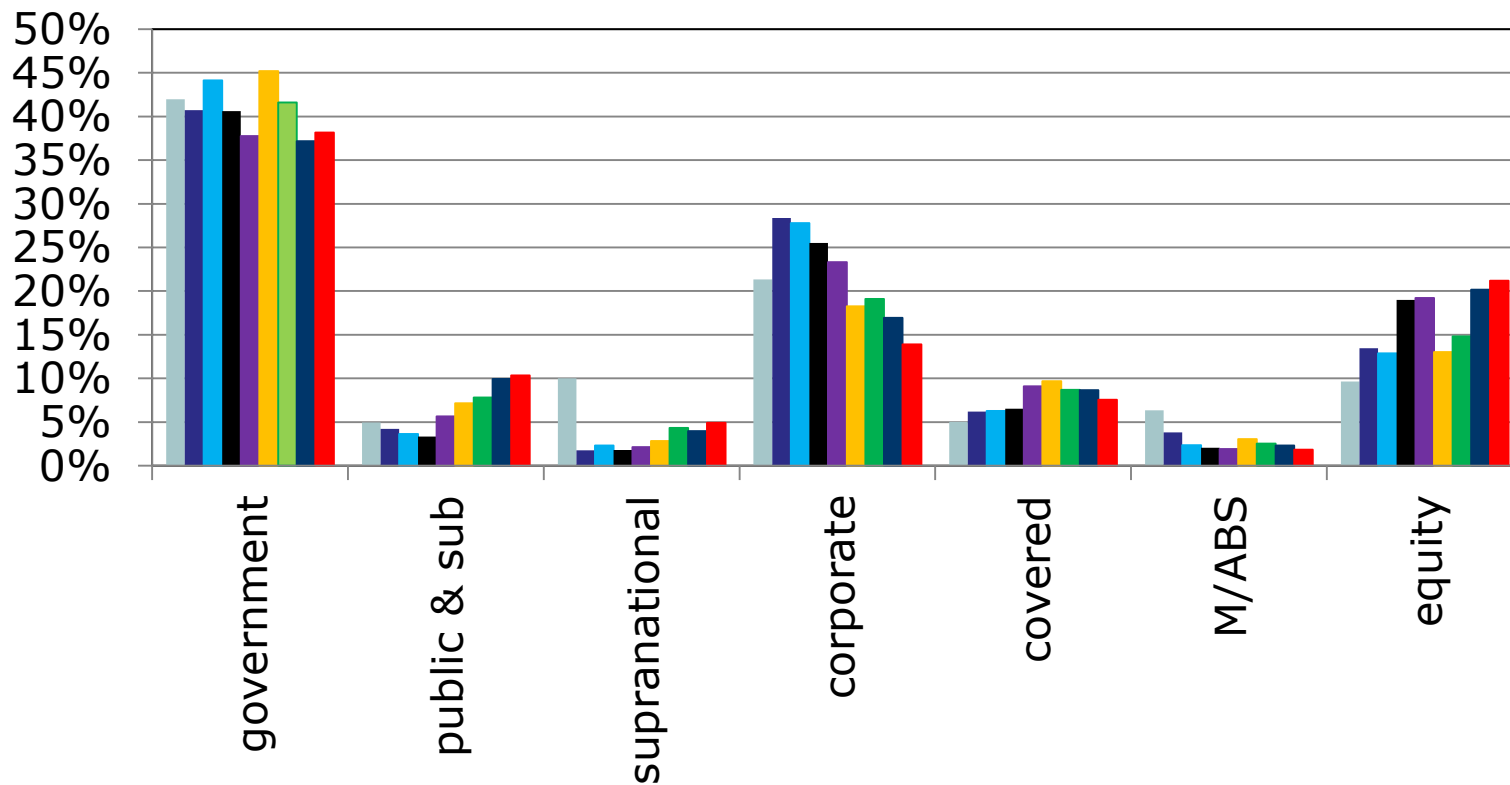
Collateral analysis (tri-party Dec-09 to Jun-13)



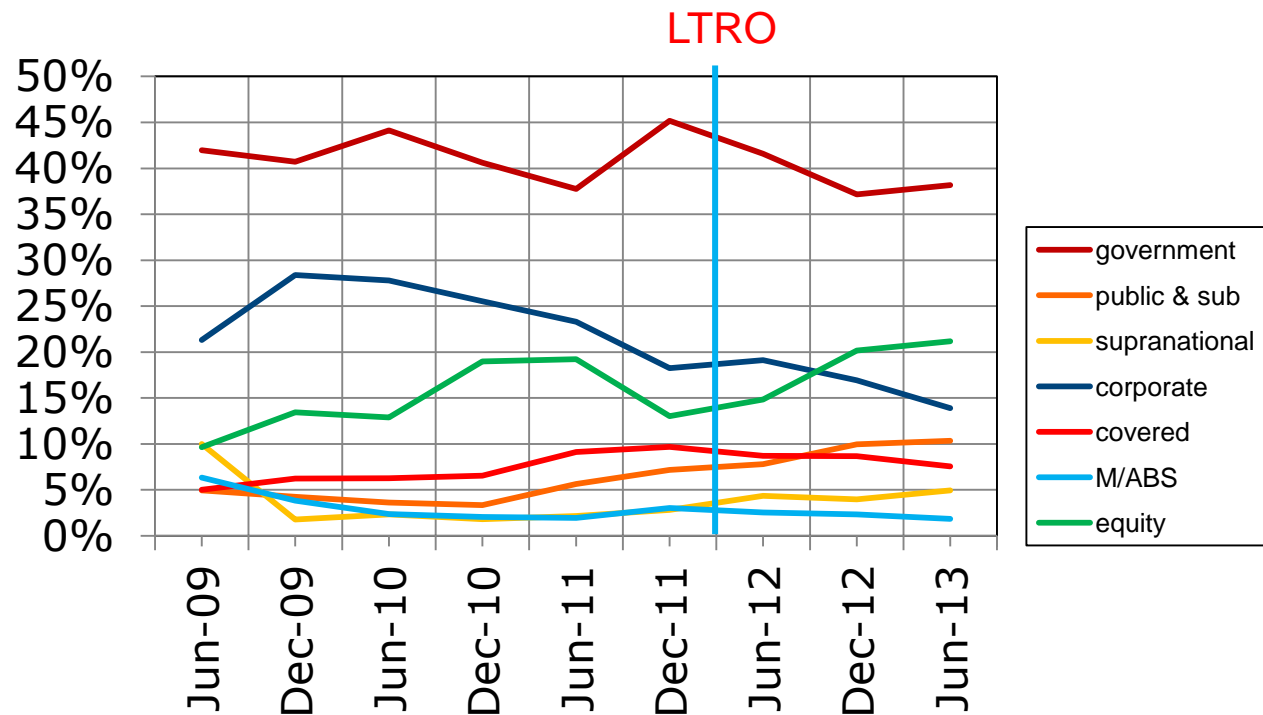
Collateral analysis (tri-party Dec-09 to Jun-13)



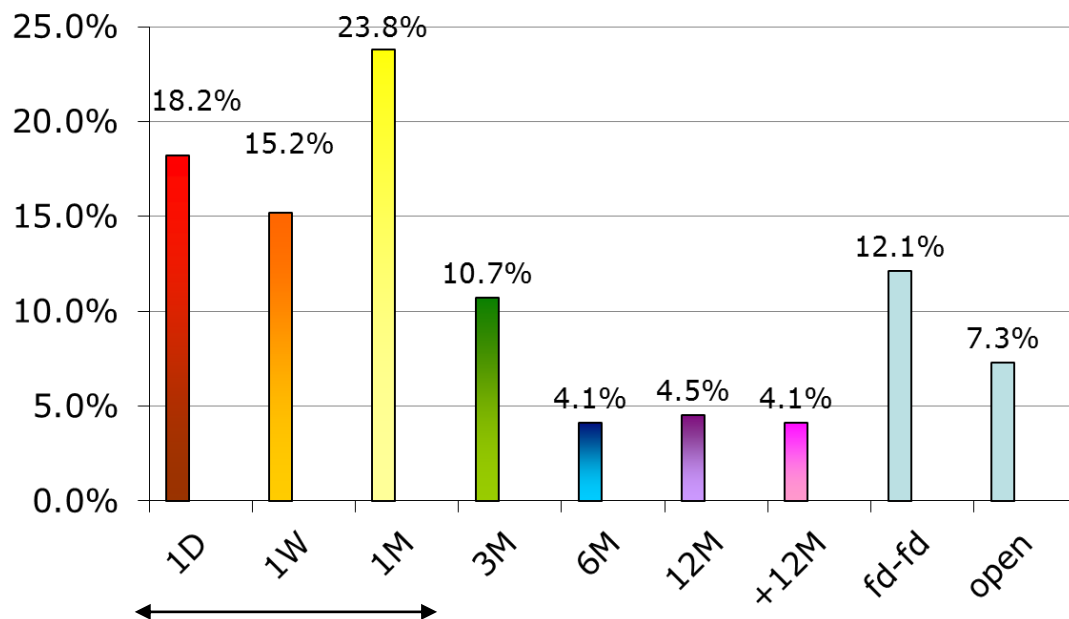
Collateral analysis (tri-party Dec-09 to Jun-13)



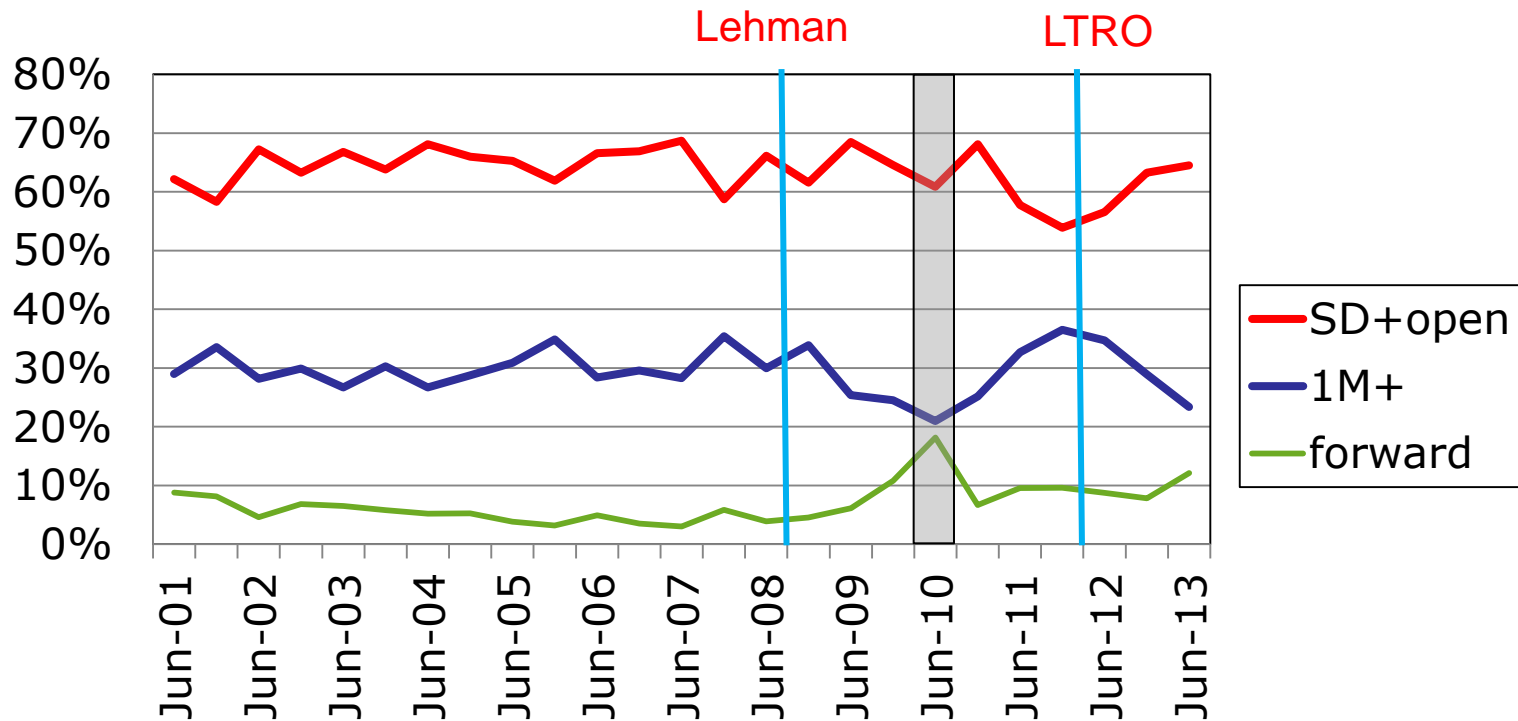
Collateral analysis (tri-party Dec-09 to Jun-13)



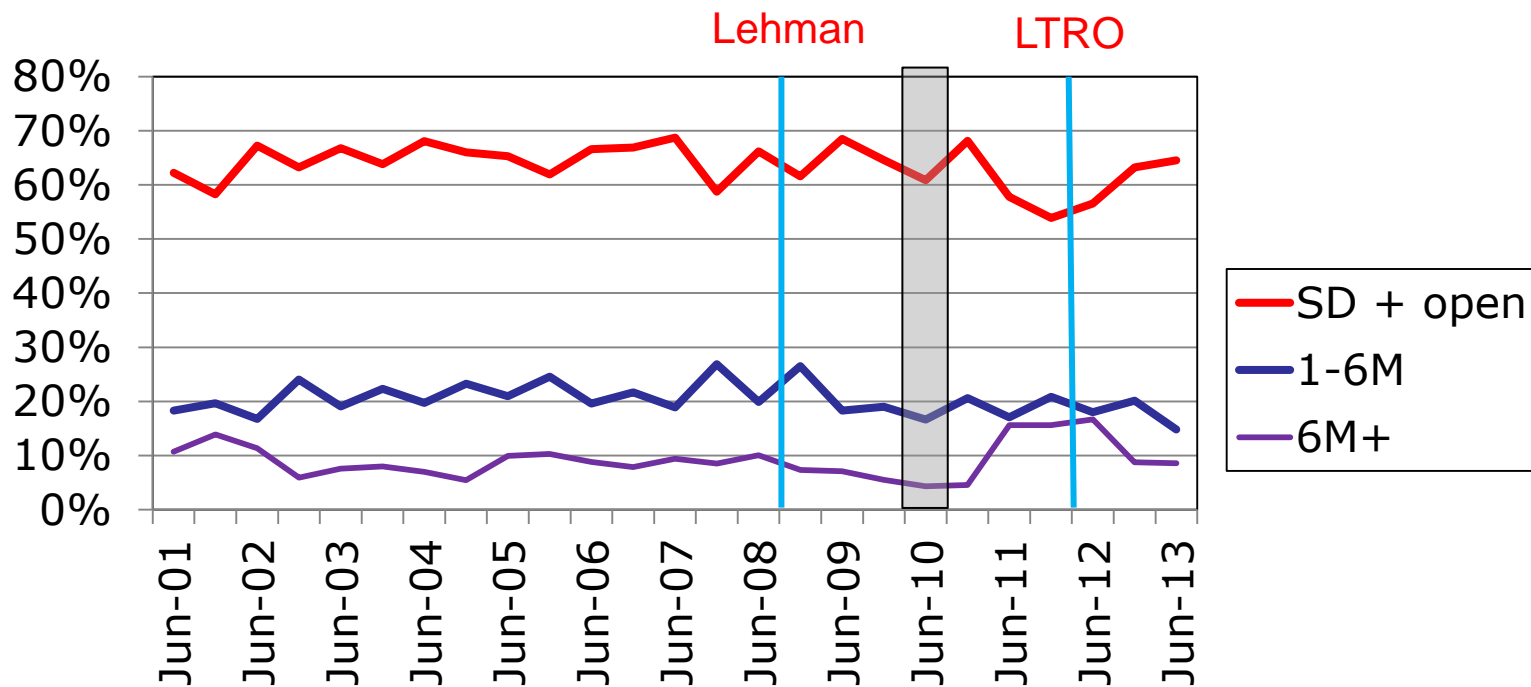
Maturity analysis



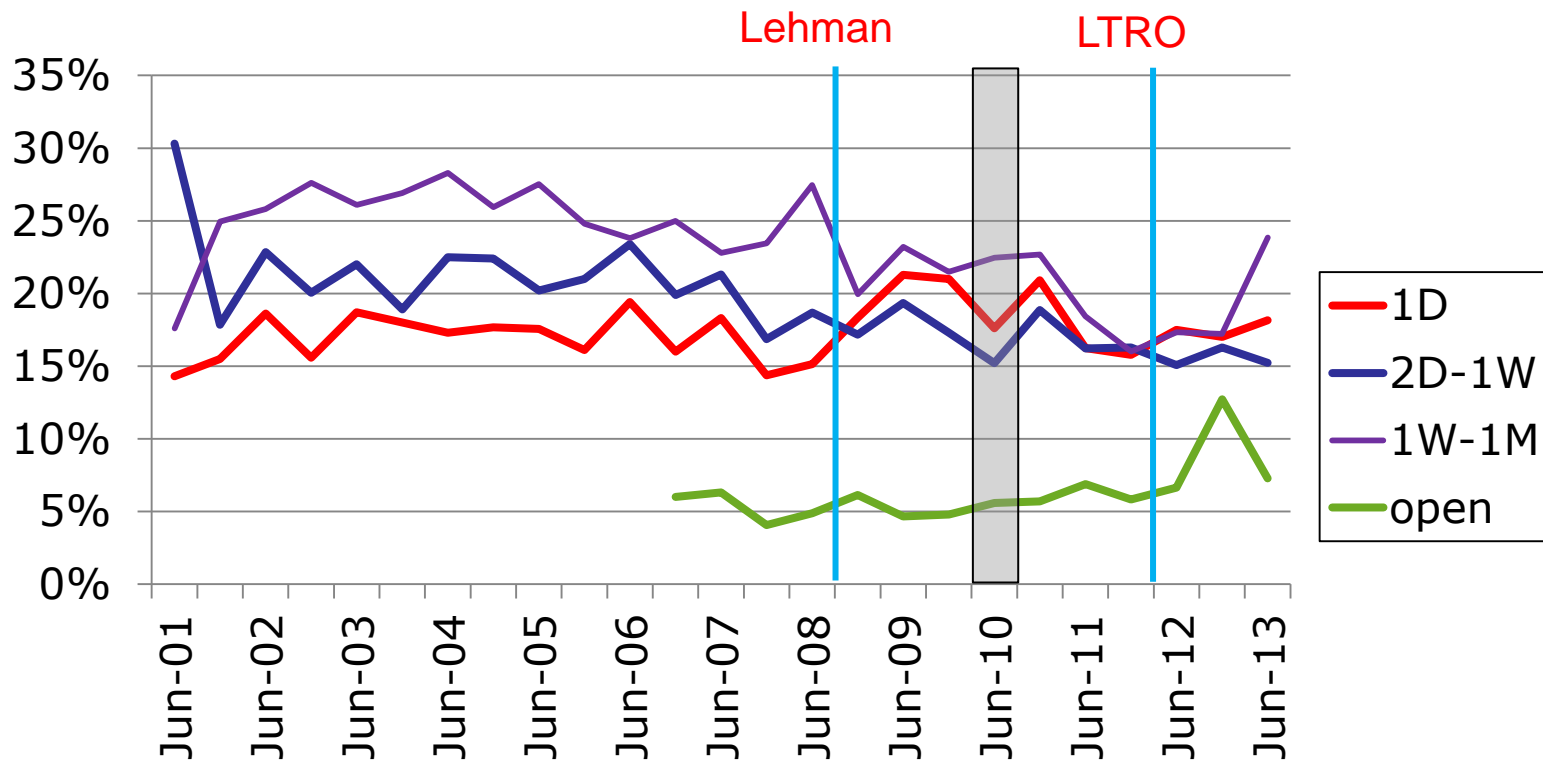
Maturity analysis



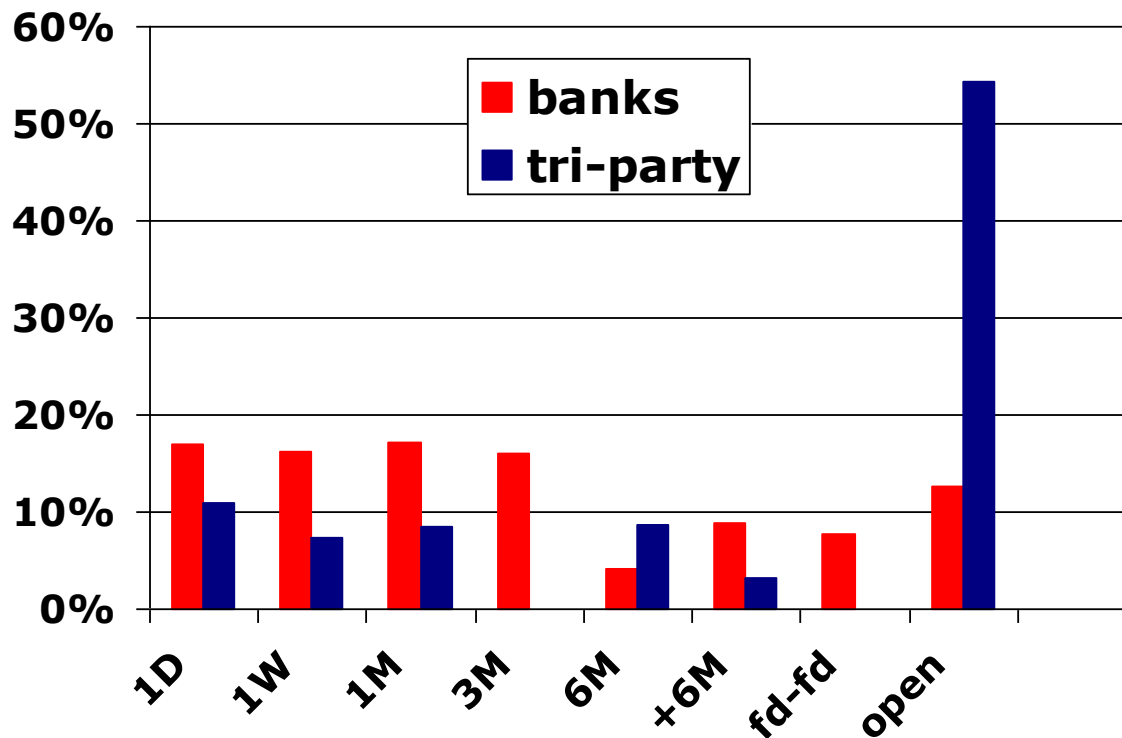
Maturity analysis



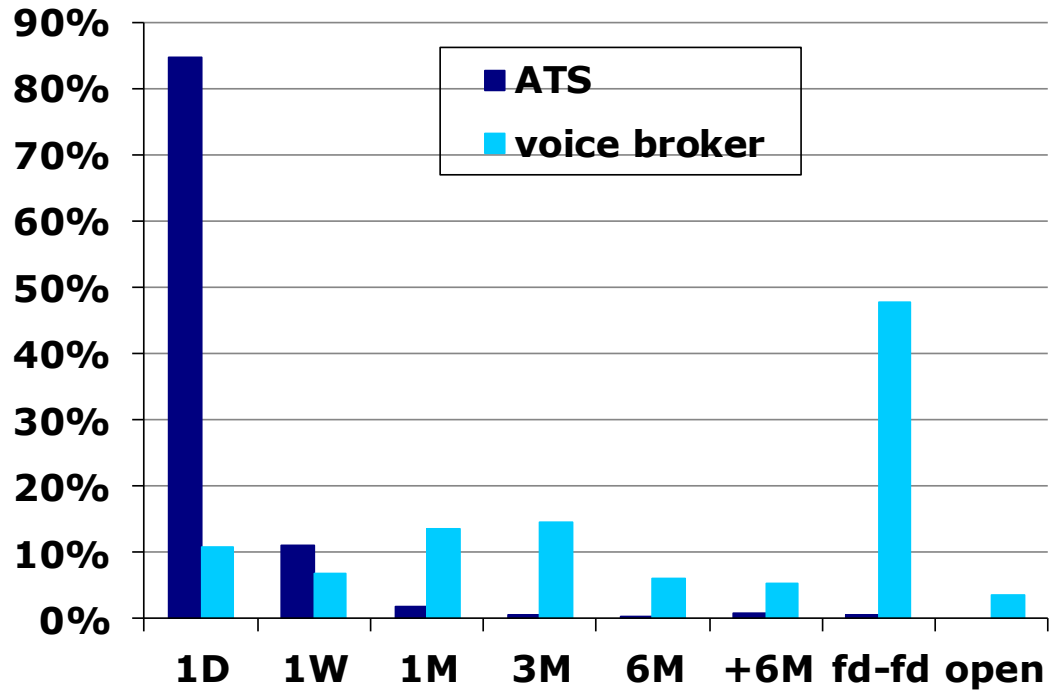
Maturity analysis



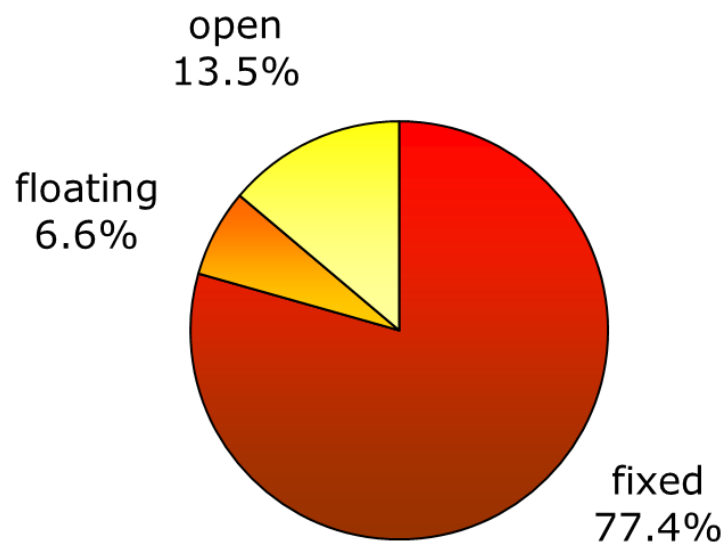
Maturity comparison



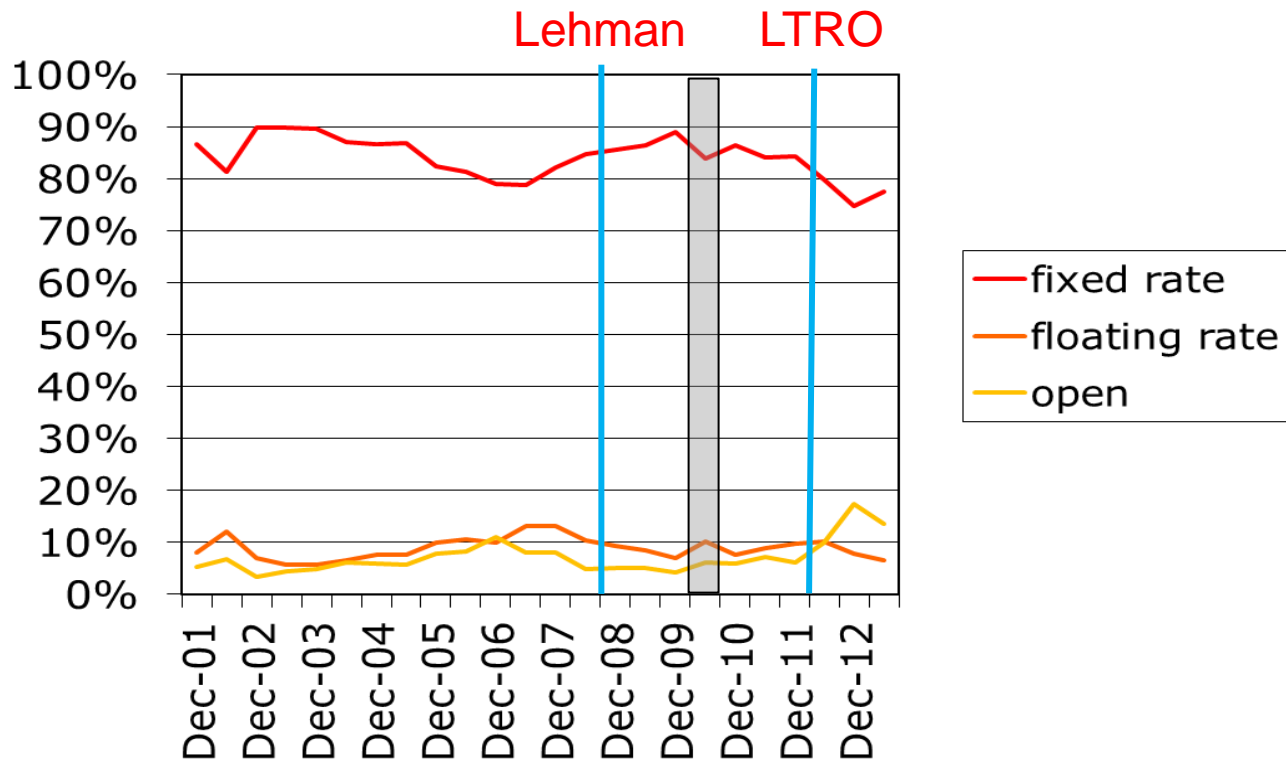
Maturity comparison



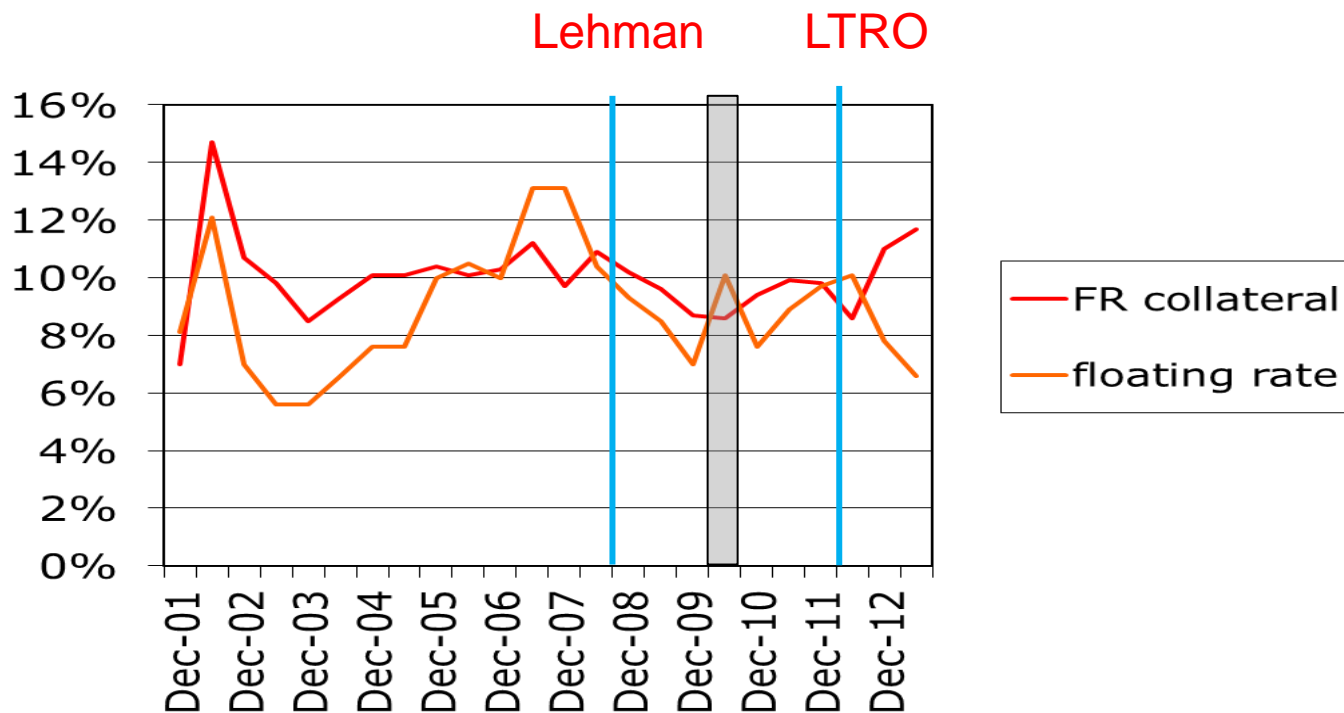
Rate analysis



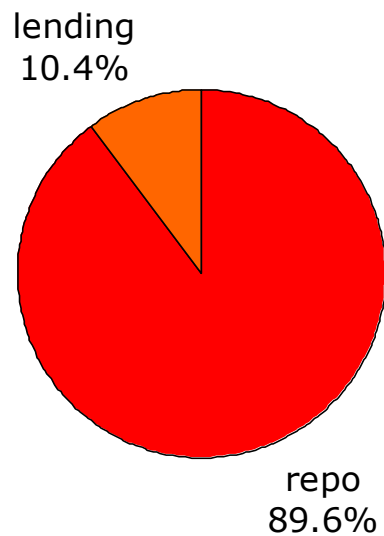
Rate analysis



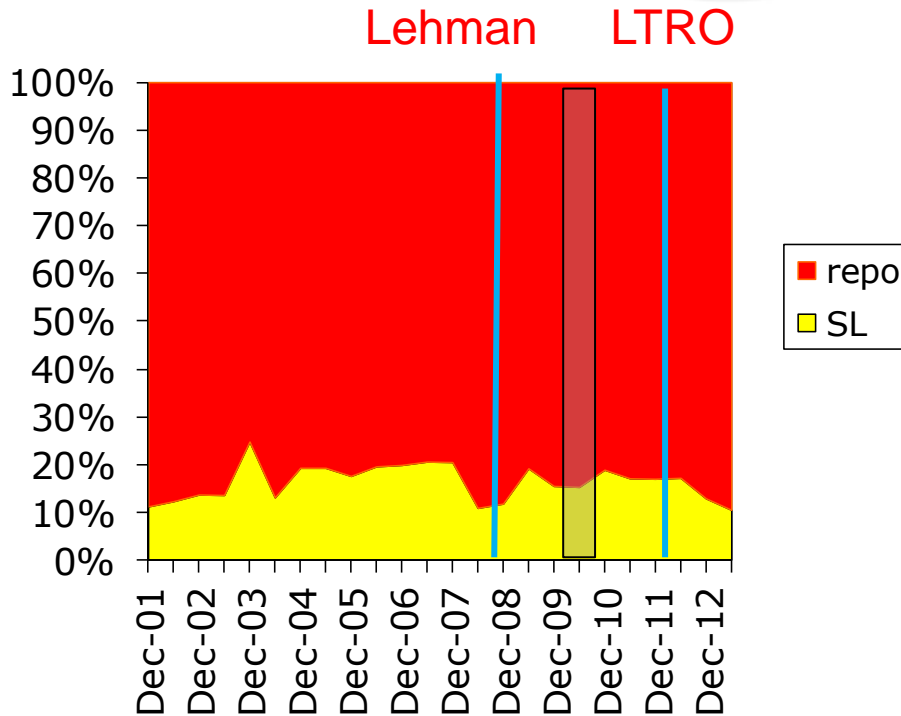
Rate analysis



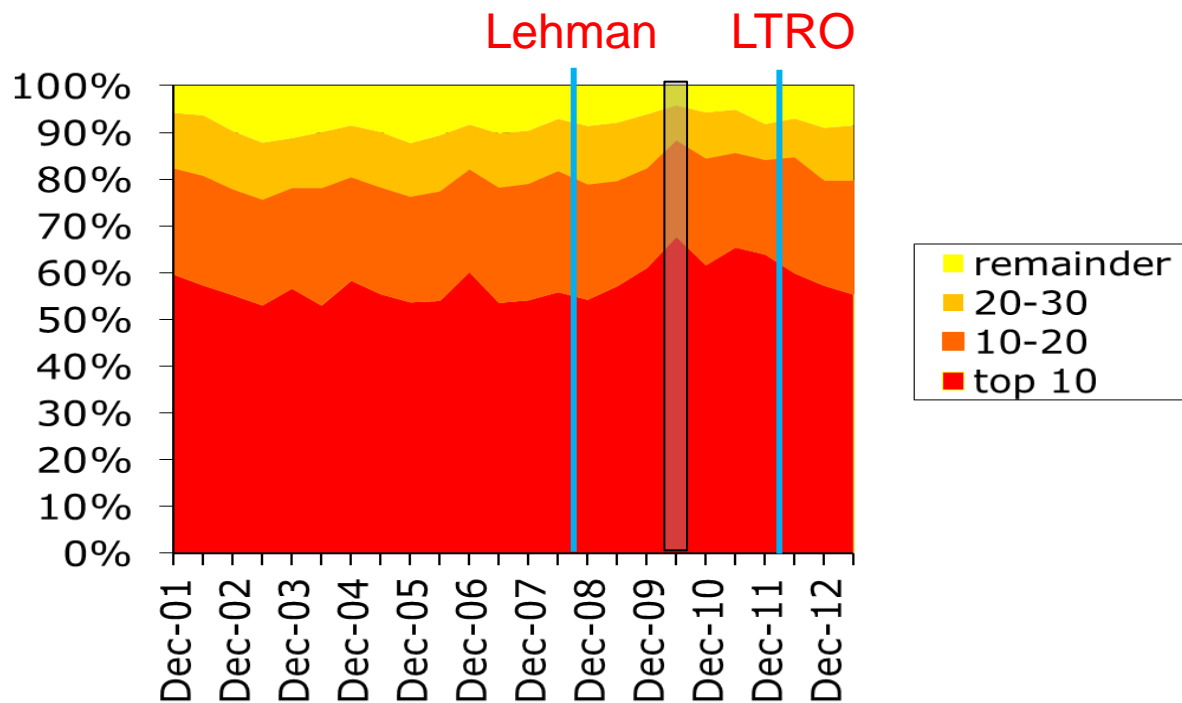
Product analysis



Product analysis



Concentration analysis



Next survey

» Wednesday, 11th December 2013



ICMA

International
Capital
Market
Association

European Repo Council Guide to Best Practice in the International Repo Market

Richard Comotto, Senior Visiting Fellow, ICMA Centre

Purpose

- » To promote an orderly, safer & efficient market, by harmonising practice at the highest standard & reducing scope for uncertainty or disagreement
- » To provide guidance on specific issues beyond the scope of the GMRA
- » To provide a focus for future discussion on best practice
- » To consolidate disparate pieces of ICMA/ERC guidance & incorporate updates
- » It will change over time --- check date of version

Purpose

- » Guide is not a Code of Conduct but should complement Codes
- » Parties free to agree other terms but need to recognise risks to which they may expose themselves as a result
- » Market focus is trading & post-trade conventions in the international (cross-border) repo market
- » Primary geographical focus is Europe but should be applicable globally
- » Primary counterparty focus is ICMA members but others are encouraged to apply the Guide

Existing guidance

ICMA/ERC

- » Recommended Repo Trading Guidelines (October 2003)
- » Best Practice Guide to Repo Margining (2012)
- » Various ICMA Recommendations
 - Negative interest rate transactions (2004)
 - Confirmation of second leg of buy/sell-back transactions (2004)
 - Calculation of interest in floating rate repos based on EONIA (2006)
 - Harmonisation of GMRA mini close-out provisions & ICMA buy-in rules (2007)
 - Repo matching as q driver for risk reduction (2011)
 - Floating-rate repo conventions (2012)
- » Other guidance
 - Gilt Repo Code of Guidance (May 2008)
 - Equity Repo Code of Guidance

Recent publications

- » Repo Margining Best Practice (2012) --- an Annex to Guide
- » Repo FAQs (February 2013)

2 Best practice in initiating a repo transaction

- » Be certain of the identity of your counterparty
- » The need for clear communication
- » How to quote the price of a repo
- » How to quote the Purchase Price
- » Fixing the Purchase & Repurchase Dates
- » Allocation of collateral in a general collateral (GC) repo
- » Valuation of collateral
- » Fixing an initial margin or haircut
- » Agreeing rights of substitution
- » Agreeing interest rates for late payments
- » Verifying the terms of transactions
- » Recommended delivery size
- » Avoiding naked short-selling & unintentional failures to deliver collateral
- » Anticipating problems that may be caused by low or negative repo rates
- » Calculating floating-rate repo interest payments
- » Calculating open repo interest payments

3 Best practice in managing the life cycle of a repo

- » What happens if there is a failure to deliver on the Purchase Date?
- » What happens if there is a failure to deliver on the Repurchase Date?
- » Margin maintenance
- » Coupon, dividend & other income payments on collateral
- » Exercising agreed rights of substitution
- » The issuance of notices to counterparties
- » Confirmation & affirmation of post-trade amendments & updates to the terms of a repo

Anticipated annexes

- » Annex I understanding repo and the repo market
- » Annex II repo margining best practices
- » Annex III glossary of repo terminology
- » Annex IV example of a mini close-out notice

Looking ahead

- » Will be available for download from www.icmagroup.org/
- » ERC depends on members to suggest improvements & highlight new issues
- » Contact ICMA Legal & Regulatory Help Desk
- » Course, exam/certificate?



ICMA

International
Capital
Market
Association

Key Note Speech

David Rule, Chair of the FSB's shadow banking work stream on repo and securities lending

FSB Shadow Banking Task Force

Regulation of securities lending/repo

16 October 2013

FSB (WS5) work on securities financing markets

Sep. 2011	Establishment of Workstream on Securities Lending and Repos (WS5) <ul style="list-style-type: none"> – To assess financial stability risks and develop policy recommendations, where necessary, by the end of 2012 to strengthen regulation of securities lending and repos.
March 2012	Publication of the Interim Report “Securities Lending and Repos: Market Overview and Financial Stability Issues” for consultation <ul style="list-style-type: none"> – Provided an overview of the securities lending and repos markets; – Described their location in the shadow banking system; and – Discussed the financial stability issues arising from practices in these markets.
Nov. 2012	Publication of the Consultative Document “A Policy Framework for Addressing Shadow Banking Risks in Securities Lending and Repos”
April – June 2013	1 st stage of WS5 quantitative impact assessment (WS5 QIS1)
June 2013	Launch of the new data initiative led by ECB/FRB (to be continued beyond 2013)
July 2013	Submission of the draft policy recommendations to the SRC/Plenary for review
Aug 2013	Publication of the revised policy recommendations (including specific proposals on minimum haircut standards for consultation)
Autumn 2013	2 nd stage of WS5 quantitative impact assessment (WS5 QIS2)
April 2014	Submission of the final recommendations on minimum haircut standards to SRC/Plenary

WS5 Policy Recommendations in the Aug 2013 Consultative Document

(1) Improvement in transparency

- Authorities should collect more granular data on securities lending and repo exposures amongst large international financial institutions (Rec.1)
- Authorities should collect comprehensive data on repos (flow and stock) and securities lending (stock and potentially flows) (Rec.2)
- The FSB should aggregate total national/regional data and set standards and processes at the global level (Rec.3)
- Improvement in corporate disclosures (Rec.4)
- Improvement in reporting by fund managers to end-investors (Rec.5)

(2) Regulation of securities lending and repos

- Minimum standards for cash collateral reinvestment by securities lenders (Rec.6)
- Principles for the regulation governing re-hypothecation of client assets (Rec.7)
- An appropriate expert group on client asset protection to examine possible harmonisation of client asset rules (Rec.8)
- Minimum regulatory standards for collateral valuation and management (Rec.9)

(3) Structural aspects of the securities financing market

- Evaluation of costs and benefits of introducing CCPs (Rec.10)
- Changes to bankruptcy law treatment and development of Repo Resolution Authorities (RRAs) (Rec 11)

Minimum haircuts – for public consultation

- Minimum standards for methodologies used by market participants to calculate haircuts
- Additional guidance for methodologies used by market participants to calculate margins on a portfolio basis
- Numerical floors on haircuts
 - Scope: the proposal would initially apply to non-centrally-cleared transactions where non-banks receive financing from banks* against non-government collateral
 - Levels:

Residual maturity of collateral	Haircut level	
	Corporate and other issuers	Securitised products
≤ 1 year debt securities, and FRNs	0.5%	1%
> 1 year, ≤ 5 years debt securities	1%	2%
> 5 years debt securities	2%	4%
Main index equities	4%	
Other assets within the scope of the framework	7.5%	

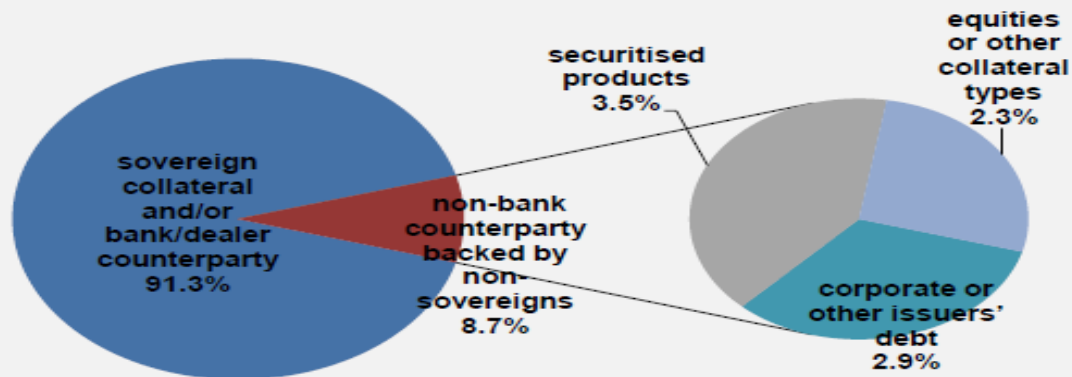
- Cash-collateralised securities lending transactions will be exempt if the cash collateral is reinvested according to the minimum standards set out in Recommendation 6
- “Collateral upgrade” transactions will not be exempt unless the receiver of the “upgrade” is unable to re-use the collateral
- Implementation: the framework should initially be implemented through regulation of regulated financial intermediaries (e.g. BCBS capital regulation on banks)

* “Banks” refer to financial entities subject to regulation of capital and liquidity/maturity transformation.

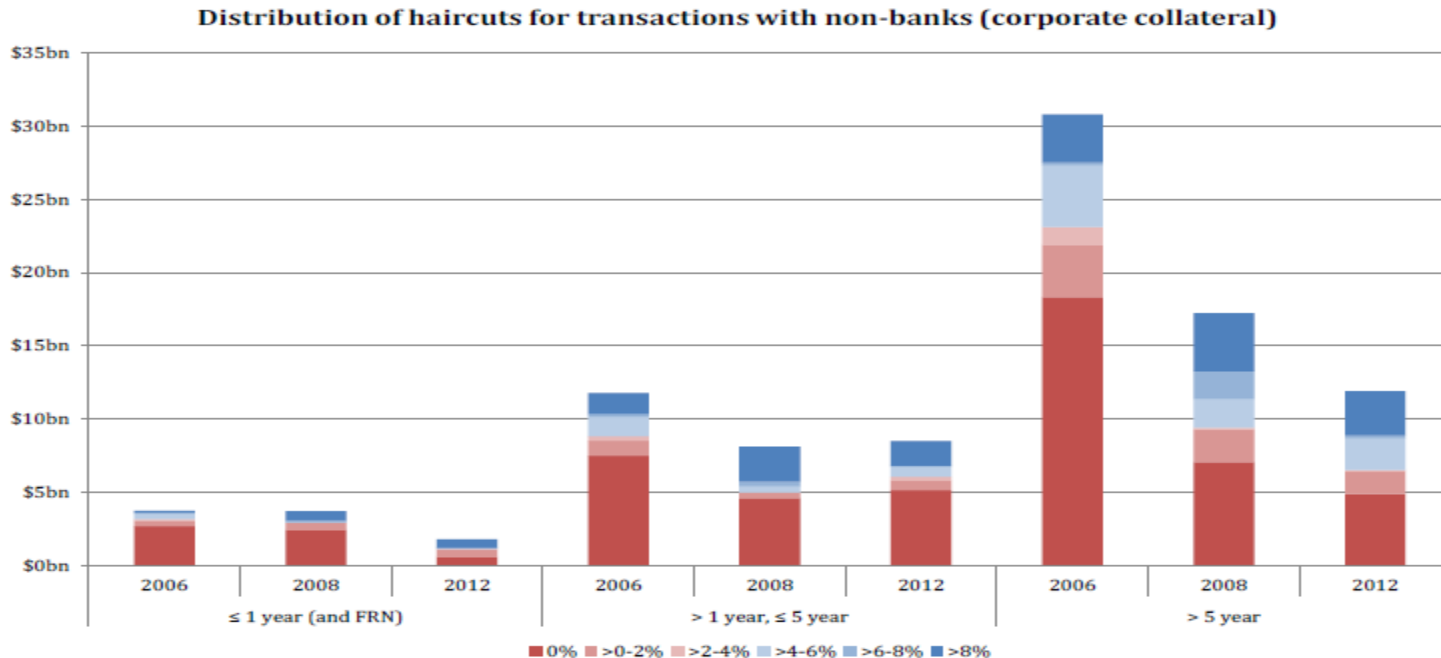
- The first phase (QIS1) consisted of a data request to 17 large financial intermediaries in 12 FSB member jurisdictions
 - the collection of data on the distribution of collateral haircuts at three historical periods (pre-crisis, post-crisis and current)
 - a set of qualitative questions asking firms to provide a general description of the factors they take in to account and the approach they follow when setting haircuts
- Summary of results
 - The total outstanding volume of reverse repos conducted by these 17 intermediaries amounts to USD 1.1 trillion in 2012
 - Less than 10% of the total transactions reported as of the 2012 period were backed by non-sovereign debt collateral and conducted with counterparties that are not banks or broker-dealers
 - Haircuts generally increased for all collateral types since 2006
 - The greatest increase was seen in securitised products, followed by equities and corporate debt
 - Over half of all reported transactions were undertaken with zero haircuts as of the 2012 period; of those, nearly 85% were backed by sovereign debt collateral
 - Potential mis-reporting of securities borrowing transactions

Transactions subject to proposed floors in 2012

Transactions subject to proposed floors in 2012

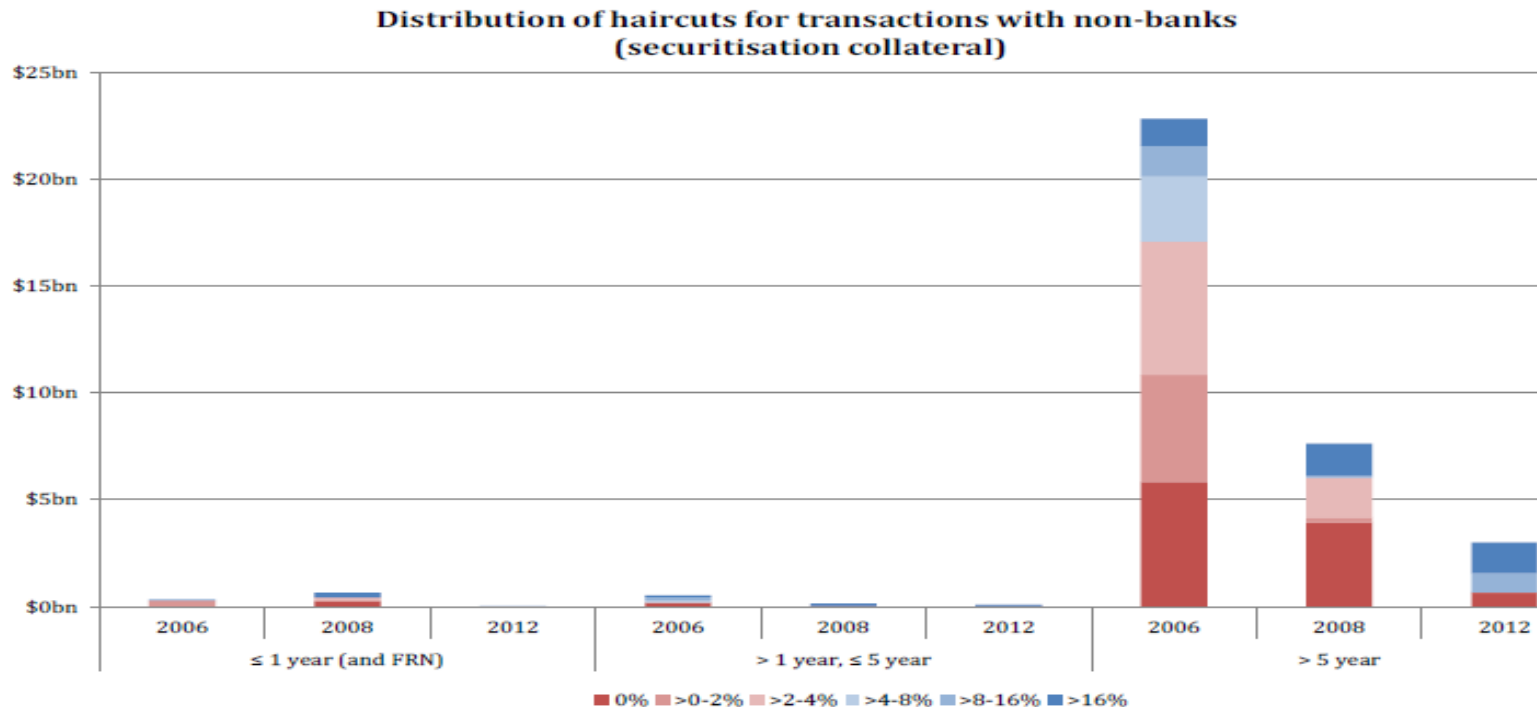


Distribution of haircuts for transactions with non-banks (corporate collateral)



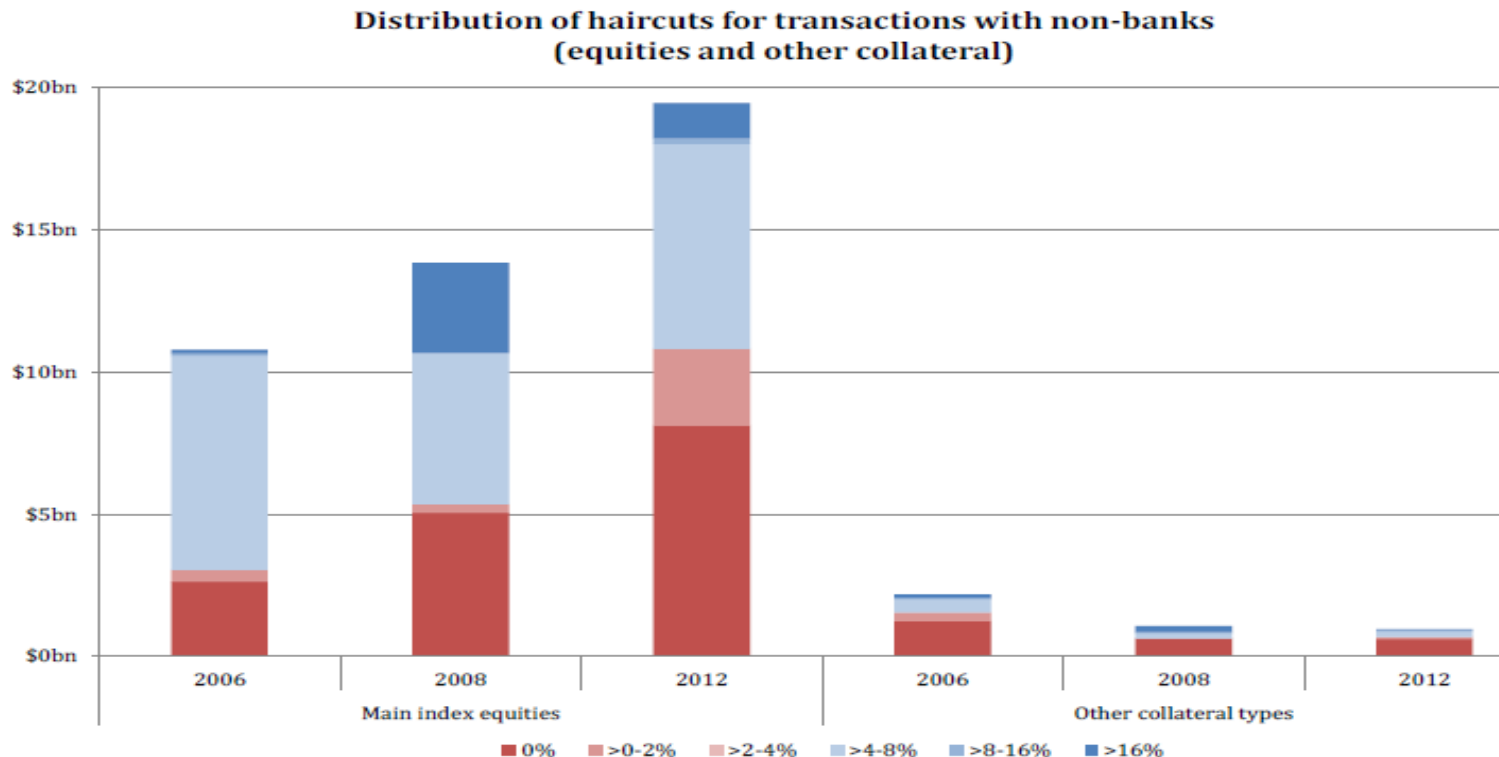
Note: Based on a fixed sub-sample of firms across three periods.

Distribution of haircuts for transactions with non-banks (securitisation collateral)



Note: Based on a fixed sub-sample of firms across three periods. Government-sponsored securitisation is excluded.

Distribution of haircuts for transactions with non-banks (equities and other collateral)



Note: Based on a fixed sub-sample of firms across three periods.

- The second phase of the quantitative impact study (QIS2) will be conducted in the autumn with a broader sample of participating institutions, covering banks, agent lenders and non-banks
 - The collection of data on transactions with zero haircuts and additional collateral required under proposed numerical haircut floors
 - a set of qualitative questions on the potential impact of proposed numerical haircut floors



ICMA

International
Capital
Market
Association

Legal Update

Lisa Cleary, Director, Associate Counsel, ICMA

GMRA Legal issues

- » GMRA 2011 Protocol
- » GMRA FATCA language
- » GMRA legal opinion update exercise
- » GMRA legal opinion interim updates



ICMA

International
Capital
Market
Association

European Repo Council Operations Group Update

Nicholas Hamilton, Chairman, ERC Operations

ERC Operations – matching and affirmation working group

Overview

- » 9 ICMA firms form part of the working group
- » Review of best practice documents in relation to confirmation, affirmation and matching
- » Promoting best practice for trade date affirmation
- » Defining requirements to the vendor community

Group objectives

- » Promote Repo affirmation and matching on trade date
- » Be proactive to potential regulatory change in the industry

Areas of current focus

Develop Best practice

- » Industry alignment to best practice documents and terminology
- » Encourage the industry to T0 affirm and match

Partner with vendor community

- » Work closely with vendors
- » Define industry requirements

Next steps

- » Issue survey to vendors to understand current offerings
- » Continue to meet regularly to review landscape

ERC Operations – matching and affirmation working group

Affirmation / Confirmation / Matching terminology

Affirmation

A process in which (1) one party contacts the other by telephone or e-mail or (2) both parties contact a third-party automatic affirmation service, in order to secure immediate verification from the other party of the key economic terms of a transaction and settlement instructions. The function of an affirmation overlaps that of a *confirmation* but is less comprehensive.

Confirmation

A confirmation is a written record (paper or electronic) recording: the unique economic terms of a transaction (price, term, amount, etc); any ad hoc terms (not already included in or different from those in the *master agreement* between the parties); and settlement instructions (the accounts to which payments and deliveries should be made). A confirmation should be sent as soon as possible after a transaction has been agreed. It should be sent by one party to another or by each party to the other. A confirmation plays a key role in the legal construction of the transaction. For transactions executed over an automatic repo trading system, traditional confirmations tend to be substituted by the notifications generated by the trading system.

Matching

The comparison of settlement instructions from two parties to a transaction by a custodian bank acting as securities settlement agent for one or both in order to ensure that the settlement of that transaction across a securities settlement system (SSS) at a CSD or ICSD will not fail because of errors in the instructions.

ERC Operations - market data repository working group

Overview

- » Working group formed of ERC banks with a significant interest in Repo market regulation to focus on the potential development of Market Data Repository for Repo products

Group Objectives

- » Identify potential requirements (explicit and implicit) collated based upon published papers
- » Identify Hopes, Fears & Unknowns – Need for a thorough specification including product scope & standardization of terms
- » Review readily available data, potential application to meet majority of micro and macro prudential regulatory requirements without building a full Trade Repository at this Time
- » Publish ERC paper on “Enhancing the Transparency of the European Repo Market.” Putting forward proposals to offer a rapid expansion in Repo market transparency leveraging existing data sources

ERC Ops – Target 2 Securities & margins focus groups

- » T2S Presentation event held to headline key timelines, collateral and bond management opportunities (earmarking, blocking and tagging)
- » Firm wide reviews underway on entry point decisions (direct / indirect / sponsored access channels) and agent / CSD road shows on process & product offering
- » Margins market recommendations & conventions now published within the new Repo Best Practice Guide (including updated methodologies and practitioner feedback)

ERC Ops – looking forward!

- » Joint venture with EBF & ECB to review Treasury and commercial banking operations cut offs to establish parameters for cash management and end of day processing in Target 2 Securities
- » CSDR Article 7 review and industry discussions to highlight liquidity impacts of mandatory buy-in's across market participants
- » Engagement with infrastructure groups to develop the mechanics of the tri-party interoperability product post MOU in May.
- » Further partnership & collaboration with AFME & industry groups on Capital Markets developments and regulatory responses & reviews



ICMA

International
Capital
Market
Association

Update on Regulatory Issues

David Hiscock, Senior Director, ICMA

Repos – an aspect of so-called “shadow banking”

- » FSB shadow banking workstream related to securities lending/repos (WS5)
 - 29 August release of 11 final policy recommendations on securities lending/repos
 - Improvements in the areas of transparency; regulation; and structural aspects
 - Consultation re two further recommendations concerning haircuts
 - » ERC to respond jointly with ISLA by 28 November deadline
 - » QIS2 being prepared by FSB in conjunction with the consultation
 - FSB technical data experts group to develop proposed standards and processes by end 2014
- » Parallel European Commission project continues)
 - 4 September shadow banking roadmap communication published
 - Commission proposal for an EU Money Market Funds Regulation
- » Active and on-going ERC engagement in efforts at both international and EU levels

BCBS leverage – treatment of SFTs

- » 26 June BCBS consultation launched on revised Basel III leverage ratio framework
 - Leverage rule intended to back stop (somewhat inconsistent) risk-based capital requirements
 - Assumption is for a minimum 3% leverage ratio requirement, based on Tier 1 capital
 - Focus on calculation of exposure measure in context of derivatives and securities financing transaction (SFT) exposures
 - Proposal based on gross SFT assets (with no accounting netting)
- » 20 September ERC response submission
 - Strong concern regarding use of a gross measure for SFTs, supported by ISLA and others
 - Risks precipitating a rapid and significant contraction in these important markets
 - Propose inclusion of legally enforceable netting in both bilateral and CCP contexts
- » Next steps
 - BCBS to determine and publish finalised leverage ratio framework
 - New EU Capital Requirements Regulation currently allows netting of SFT exposures – revision?

Financial transaction tax (FTT)

- » 14 February Commission proposal for FTT under enhanced cooperation
 - 11 EU Member States participating
 - ERC papers authored by Mr Richard Comotto, ICMA Centre
 - 8 April – Collateral damage: the impact of the Financial Transaction Tax on the European repo market and its consequences for the financial markets and the real economy
 - » Call for exemption of repo type transactions
 - 7 May – A supplementary note on the systemic importance of collateral and the role of the repo market
- » Developments and current state of play
 - Chorus of concerns
 - Legal challenges: UK and now European Council's own legal services
 - The proposal is currently “down, but not yet out”
 - Alternative proposals likely to emerge – keep up the pressure

Asset encumbrance

- » Official interest in encumbrance is an inevitable reaction to increased secured funding usage
 - 26 March, EBA: Consultation on draft Implementing Technical Standards (ITS) on Asset Encumbrance Reporting
 - 27 May, CGFS: “Asset encumbrance, financial reform and the demand for collateral assets”
 - Greater collateral use and asset encumbrance may impact the financial system’s functioning
 - The ERC has been discussing encumbrance in the context of repos
 - Repos, as a form of secured funding, are very widely seen as a form of encumbrance
 - In itself, exchange of assets under a repo does little to change unsecured creditor risks
- » IMF’s October 2013 Global Financial Stability Review reports on changing bank funding patterns
 - Policymakers will want to monitor the increased demand for collateral to ensure that there are enough unencumbered assets
 - Going forward, limits on asset encumbrance or minimum proportions of bail-in debt relative to assets may be required
 - Thus far, the EU is pursuing the latter approach



ICMA

International
Capital
Market
Association

MiFID II Package and CSD Regulation

John Serocold, Senior Director, ICMA

Outline

- » MiFID II package – objectives and content
- » MiFID II - timeline and next steps
- » Introduction and timetable for CSD Regulation

What are the objectives and content of the MiFID II package?

- » The MiFID review clauses in the 2004 legislation brought forward MiFID II in the form of
 - A recast MiFID, amending and updating a number of aspects; and
 - A regulation, MiFIR, dealing with a broad range of issues in relation to which a single European legislative text is desirable
- » MiFID II improves European markets and enhances investor protection
- » It vows to deliver certain G20 commitments entered into by the larger member states
- » MiFID II content
 - How markets function: Pre and post trade transparency; market automation; HFT; access to markets including links and access between infrastructures
 - Interaction between market participants: Investor protection; best execution; conduct of business rules
 - Internal organisation: Governance and conflicts of interest
 - Authorised activities: custody services not only ancillary
- » MiFID II Principal concerns for repo:
 - Transparency obligations: A framework for fixed income in European legislation for the first time – no explicit exemption for repo leading to possible requirements for pre and post trade repo reporting; trading under OTFs, MTFs, SIs, BCNs and HFT platforms may be affected
 - The 'Single Rule Book': ESMA to provide advice, develop proposals or create binding regulatory standards – impact of calibration to repo with respect to volume waivers

Timetable and next steps

- » MiFID II is competing alongside other complex files
 - (Banking Union, CSDR, Benchmark Regulation, Shadow Banking etc.)
- » Trilogues began this summer between European Parliament, Council & Commission
 - Differences will be resolved (expected Q1 2014) and then fed back to E.P and Council for approval and translation before being published in the Official Journal (between June and August 2014)
 - Note: Uncertainty due to E.P elections and rotating Presidency
 - When the text is published in the Official Journal, the Regulation is applicable. The Directive stipulates implementation by Member States (24 months until 'Entry into force')
- » ICMA is particularly concerned with Market structure and Third Country regime
- » ICMA support: Open access between market infrastructure systems; choice for non-equity markets; calibration in post trade transparency for fixed income; appropriate use of own capital
- » ESMA level 2 work will be very demanding. A discussion paper will be published after the text is agreed, followed by tight deadlines for consultations on 'Delegated acts'
- » ESMA must develop the Single Rule Book and Binding Regulatory Standards

Central Securities Depositories Regulation (CSDR)

- » CSD Regulation was proposed to harmonise post trade infrastructure in the single market and ensure safety of CSDs in periods of financial instability, producing a more competitive, streamlined and integrated CSD network in Europe
- » Content of the Regulation (announced 7 March 2012)
 - T+2 settlement cycle as of 2015 (exemption for repo in Parliament text)
 - CSD authorisation process
 - Prudential rules, capital requirements
 - Competition for core & ancillary services (implications for repo from ICSDs)
 - Access provisions between vertically linked CCPs and trading venues
 - New requirements for settlement fails and settlement discipline (affecting repo)
- The ECON Committee finalised its position on 13th February 2013 (Swinburne Report)
- The Council agreed their 'general approach' on 25th September 2013
- Trialogues expected soon. Indicative plenary sitting, first reading currently scheduled for 10th December
- Unresolved issues affecting repo include:
 - Authorisation of ancillary services affecting ICSDs ability to settle in commercial bank money, implications for inefficiencies in DVP
 - Mandatory buy-in still causes a threat to repo. Important to keep the exemption

Contacts & information

» Thank you, Ladies and Gentlemen

» Contacts and information:

- David Hiscock: Senior Director – Market Practice and Regulatory Policy
 - David.Hiscock@icmagroup.org
 - Tel: +44 (0)20 7213 0321 (Direct Line) / +44 (0)7827 891909 (Mobile)
- John Serocold: Senior Director – Market Practice and Regulatory Policy
 - John.Serocold@icmagroup.org
 - Tel: +44 (0)20 7213 0313 (Direct Line) / +44 (0)7585 302427 (Mobile)
 - ICMA Ltd, 23 College Hill, London EC4R 2RP
www.icmagroup.org
- ICMA quarterly report provides detailed updates on these matters and ICMA's broader work
<http://www.icmagroup.org/Regulatory-Policy-and-Market-Practice/Regulatory-Policy-Newsletter>



ICMA

International
Capital
Market
Association

Any Other Business

Next meeting

- » 22nd January 2014
- » 18th Global Securities Financing Summit in the Hémicycle in Luxembourg
- » Hosted by Clearstream