



Minutes of the Operations Managers Working Group (“OMWG”) Meeting, September 12, 2019

Host: Federal Reserve Bank of New York (“FRBNY”)

OMWG Attendees:

James Paviolitis	Barclays
Mark Cox	Blackrock
Kelly Roberts	Board of Governors
Alfred Pollock	Citigroup
Daniel Lennon (Chair)	CLS
Aaron Ayusa	Credit Suisse
Christy Grant	Credit Suisse
Brittany Panzino	Eaton Vance
Juna Nashi	Goldman Sachs & Co.
Nicholas Picini	HSBC
Matthew Smith	JP Morgan Chase
Brian Derby	Morgan Stanley
Tom Wipf	Morgan Stanley
Marcellus Fisher	PIMCO
Anthony Ghibesi	Standard Chartered
Claudia Cassinari	SWIFT

Federal Reserve Bank of New York

Robert Impalli
Thomas Noone
Sanja Peros
Kathy Ramirez
Geza Sardi (Secretary)
Ralph Ventresco

FMLG Update

Thomas Noone provided the OMWG with the Financial Markets Lawyers Group (“FMLG”) update which included discussions of the annual Quadrilateral meeting held in July, Oral argument in the *United States v. Johnson*, currency controls in Argentina; FX Global Code three-year review.



In addition to the above, the FMLG also discussed a recent article from Reuters which identified sudden movements between the close-of-business in New York and the beginning of the trading day in Tokyo. The article posited that these “FX Flash Crashes” and the subsequent frequency and severity of price moves were the result of automated or algorithmic trading. Similarly, a 2016 report from the Bank of International Settlements and a 2019 report from the Reserve Bank of Australia, which assessed “flash crashes” in sterling and yen, respectively were also discussed. The FMLG members were interested in the most effective stabilizers—factors that cause prices to move back to normal levels; whether the benefits of a daily market close for major currencies would outweigh potential costs; “off-market” trading venue policies and contractual terms (which provide frameworks for resolving disputes over aberrant prices); and the role for central banks and monetary authorities going forward.

FXC Update

Chris Vogel, Chair of the Foreign Exchange Committee (“FXC”), joined the meeting via teleconference and delivered FXC updates from their previous meeting which included the results from the BIS Triennial Survey, discussions about the FX Global Code three-year review, the Bank of England’s FX Global Code survey, and intermeeting calls that the FXC intends to test by year end.

SWIFT Update

Claudia Cassinari from SWIFT updated the group on the SWIFT Standards Release that is scheduled for November 2019, the status of ISO 20022 migration efforts as well as SWIFT Customer Security Programme (“CSP”) developments.

CLS Update

Daniel Lennon, the CLS representative, indicated that volumes for 2019 to date have been consistent. Mr. Lennon also highlighted that Member weekend technology changes remain the primary driver for Member incidents.

Alternative Reference Rates Committee (“ARRC”) Update

Thomas Wipf, Chair of the Alternative Reference Rates Committee provided an update on ARRC efforts to replace LIBOR. Mr. Wipf discussed the background of the work to replace LIBOR as well as the path forward to implementing risk free rates in the US.

Protracted Outage

Robert Impalli and Ralph Ventresco from the Federal Reserve Bank of New York advised on the Fedwire Protracted Outage and CLS contingency exercises conducted in 2019. Mr. Impalli provided a high level process overview on how nostro banks would be able to settle USD pay-ins in the event Fedwire is down. Similarly, Mr. Ventresco presented on how a small group of



depository institutions would be able to settle prioritized payments should an outage in Fedwire occur.

Joint Foreign Exchange Joint Standing Committee (“FX JSC”) and OMWG Session

Daniel Lennon welcomed the group’s feedback for a joint FX JSC Operations Sub-Committee and OMWG session in 2020. Mr. Lennon invited the group to send proposed topics and any member interest in attending sessions at the Bank of England in person.

2020 Meeting Schedule

Mr. Lennon proposed an increase in meeting frequency from four times a year to six. The increase in frequency was generally accepted by members who were in attendance. Mr. Lennon requested members to send any additional feedback via email.

Administrative Matters

The next OMWG meeting will be on November 21, 2019.