

Minutes of the regular meeting of the Payments Risk Committee

3:30 p.m. - 5:00 p.m., Thursday, September 13, 2012

Federal Reserve Bank of New York

33 Liberty St., New York, NY

Present:

Paul Galant, Chair, Citi
Bill Pappas, Bank of America*
Kurt Woetzel, Bank of New York Mellon
Masaru Hiraki, Bank of Tokyo-Mitsubishi UFJ
Gregory Fell, Citi
Artemis Yu, Citi
Russ Fitzgibbons, Deutsche Bank*
Christine Cumming, FRBNY
Diane Reyes, HSBC*
David Weisbrod, JPMorgan Chase
David Russo, Morgan Stanley
Darryll Hendricks, UBS*
Steve Ellis, Wells Fargo
Robin Vince, Goldman Sachs*
Barry, Tebbutt, UBS

Michele Braun (Secretary), FRBNY
Kimberly Corcoran, FRBNY
Jeanmarie Davis, FRBNY
Sandy Krieger, FRBNY
Tyisha Rivas, FRBNY
Marsha Takagi, FRBNY
David Sewell, FRBNY*
Staff at Board of Governors*

** Participated by phone or video*

1. PRC Administration

- Minutes for the June 13 meeting were approved.
- The Chairman welcomed the new representative from UBS, Mr. Hendricks.

2. Tour de table/open discussion on topics of current interest

Committee members discussed various matters associated with risk in payments, clearing, and settlement systems.

3. Update and next steps on continuing strategic agenda workstreams

a. Intraday liquidity topics

The committee reviewed a draft letter responding to the Basel Committee on Banking Supervision (BCBS) consultative document, *Monitoring indicators for intraday liquidity management*. Members suggested revisions, and an updated draft was distributed to the committee that evening. All PRC firms endorsed the letter, as revised, to be submitted to the BCBS. (See http://www.newyorkfed.org/prc/2012/comment_BCBS_092012.pdf.)

b. Central counterparty topics

The **central counterparty (CCP) workstream** is completing draft templates that could be used to standardize disclosures of information on governance, collateral structures, and the composition and value of CCP initial margin and guaranty funds. Upcoming topics for discussion include CCP investment balances and policies, policies for evaluating and monitoring clearing members, initial margin/guaranty fund methodologies, default procedures, and sharing of legal opinions.

c. Business continuity planning

The **business continuity planning (BCP) workstream** will execute its planned exercise in mid October. This exercise focuses on intra- and inter-firm communications and intraday liquidity. The exercise will include an in-person dress rehearsal in mid September, followed by finalization of the exercise script and facilitation outline. As part of the exercise, PRC members are expected to participate in an hour long call on October 11, the second day of the exercise.

4. Other business

a. Tri-party repo market practices

The Treasury Market Practices Group will be considering activities to examine the factors impeding broader timely matching of trades in the tri-party repo market, following up on earlier work hosted by the Payments Risk Committee. (http://www.newyorkfed.org/tmpg/meeting_0920_2012.pdf)

b. Refresh of PRC emergency conference call arrangement

The standing arrangement was successfully tested in July. Lessons learned included the importance of circulating the documentation and running a test more than once a year.

c. Meeting Schedule for 2012

- December 13

The meeting adjourned at approximately 5:00 p.m.