

## **Minutes of the regular meeting of the Payments Risk Committee**

2:00 p.m. - 3:30 p.m., Thursday, December 18, 2014

Federal Reserve Bank of New York

33 Liberty St., New York, NY

### **Present:**

Kurt Woetzel, Chair, Bank of New York Mellon

Bill Pappas, Bank of America

Cynthia Boorman, Bank of America\*

Jeff Kuhn, Bank of New York Mellon

Michael Gotimer, Bank of Tokyo-Mitsubishi UFJ\*

Ebru Pakcan, Citi

Steve Weinstock, Deutsche Bank\*

Christine Cumming, FRBNY

Diane Reyes, HSBC\*

Emma Loftus, JPMorgan Chase

David Russo, Morgan Stanley\*

David Crawford, State Street\*

Darryll Hendricks, UBS\*

Steve Ellis, Wells Fargo

Alan Basmajian, FRBNY

Jeanmarie Davis, FRBNY

Linda Fahy, FRBNY

Sandy Krieger, FRBNY

Catherine Kung, FRBNY

Lawrence Sweet, FRBNY

Staff at Board of Governors\*

*\* Participated by phone*

### **1. PRC Administration**

- Minutes for the September 18, 2014, meeting were approved.

### **2. Tour de Table**

Committee members discussed various topics involving the payments, clearing, and settlement arena. The topics of discussion included:

- The Clearing House's resolution planning initiative and potential PRC participation
- Views on year-end liquidity

### **3. Update and next steps on continuing strategic agenda topics**

a. Central counterparty topics

The central counterparty (CCP) workstream lead briefed Committee members that the PRC's role in the implementation of the *Recommendations for Supporting Clearing Member Due*

*Diligence of Central Counterparties* is nearing conclusion. Committee members expressed support for the release of a public statement acknowledging the contributions of participants in this effort. The workstream lead also provided an update on follow-on work focused on enhanced clearing member disclosure to CCPs.

b. Intraday Liquidity Flows update

The Intraday Liquidity Flows (ILF) working group lead briefed Committee members on the status of the preparation that has taken place to repeat the ILF study that was conducted in 2011 and with the publishing of the report in 2012. The working group lead also provided Committee members with an overview of the project plan along with target deliverable dates.

c. Developing industry solutions for recovery of payments activity during an extended outage

The recovery of payments workstream lead briefed Committee members on the working group's progress in developing industry-wide recovery solution(s) to mitigate the risks of disruptions to payment flows in the event a major financial institution participant in a large-value payments system experiences an operational outage and is unable to process payments for one or more days.

**4. Potential Initiatives**

Committee members briefly discussed a potential strategic initiative to develop a framework for managing the third party relationship and risk management process in connection with financial market infrastructures. The Committee expressed some concern regarding resource allocation to ongoing and new initiatives and indicated the working group would need to narrow the scope of the proposal for consideration.

**5. Other business**

a. Self-assessment project

- Committee members supported an initiative proposed by the Chairman to complete a self-assessment of individual contributions, relevance of initiatives, and meeting format to foster the continued effectiveness of the Committee.

b. Meeting schedule for 2015

- March 19, June 18, September 17, December 17

The meeting adjourned at approximately 3:10 p.m.