TMPG WORKPRODUCT

Treasury Market Practices Group

2023 Priorities

Below are 2023 Priorities for consideration by the Treasury Market Practices Group (TMPG). They reflect the TMPG's efforts to continue supporting the integrity and efficiency of the Treasury, agency debt, and agency mortgage-backed securities markets.

TMPG Objectives

Working Groups

- Data and Transparency:
  - Standing topic of discussion.
- SFT Clearing and Settlement:
  - Integrate feedback and finalize the recently published consultative white paper on risks and resiliency issues related to clearing and settlement activities in Treasury market secured financing transactions. (1Q2023)
  - NEW: Establish a working group to further study risk management practices related to non-centrally cleared bilateral repo transactions as identified in the white paper, including risks and mitigants. (1Q2023)
  - Consider potential additions or revisions to TMPG best practice recommendations. (4Q2023)
- Early Funding Market Trading: Reconvene previous working group to review repo transactions executed before 7am and identify opportunities for increased transparency and adherence to TMPG best practices. (2Q2023)
- Agency Mortgage-Backed Securities: NEW: Establish a working group to review and potentially issue a white paper on the current agency MBS market landscape. (3Q2023)

Outreach and Engagement

- Engage with SIFMA on US Treasury Market Post-Trade Resilience Planning (1Q2023)
- Discuss proposed and finalized regulation with relevant regulatory authorities (throughout 2023)
- Communicate where applicable through public engagements and conduct outreach (throughout 2023)

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Topics Proposed by TMPG Members

Below is the aggregated list of proposed potential priorities shared by TMPG members.

Transparency	• On-the-run transparency, including pre- and post-trade sizes • Framework for how to add off-the-run transparency • Pre-FICC open transactions executed before 7am that get flashed at 7am and not at execution • Impact of TRACE data availability on 1) Treasury market liquidity and resilience 2) trading practices
Market Structure	• All-to-all: Potential minimum standards for all parties in an all to all platform • Increased concentration of market participants • Dealers leaving market (fewer dealers for buy side; more fragmented market) • Review the MBS market (TBAs vs futures market) • Changing structure of Treasury demand (analyzing the different roles that Treasuries play for an investor and their importance and evolution, esp. foreign demand) • Tokenization and distributed ledger technology • Intermediation capacity / constraints • Automated and electronic trading • Cybersecurity
Clearing and Settlement	• Inconsistency of repo haircuts (bilateral vs sponsored transactions) • Clearing bank outage
Regulatory Landscape	• Impact of current/proposed policy (and potential impact on market structure)
Other Items	• Existing dealer strategy of buying the back month and selling the front month • ETFs • Buybacks