



PRESS RELEASE

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Tri-party Repurchase Agreement (Repo) Infrastructure Reform Task Force Releases Progress Report

The Payments Risk Committee (PRC) today announced the publication of a progress report on the work of the Tri-party Repurchase Agreement (Repo) Infrastructure Reform Task Force.

In the interest of transparency and to make the Task Force's ideas available to a broader audience, the progress report summarizes the Task Force's progress to date, including draft recommendations and proposals under consideration. The Task Force is continuing this work and plans to release additional proposals in 2010. The report includes the following draft recommendations:

- Implement multiple operational improvements,
- Strengthen collateral margining practices,
- Enhance liquidity risk management practices,
- Identify sound practices for contingency planning by tri-party repo cash investors for a possible dealer default,
- Improve the transparency of the tri-party repo market.

The objective of the Tri-party Repurchase Agreement Infrastructure Reform Task Force is to develop a set of recommendations for improving and mitigating risks related to the infrastructure supporting tri-party repo transactions, given the important role such transactions play in supporting the liquidity and efficiency of U.S. securities markets.

The Task Force continues to meet regularly, since its creation in September 2009 by the Payments Risk Committee (PRC), to discuss enhancements to the policies, procedures, and systems supporting the tri-party repo market. The Task Force includes major tri-party repo market participants, service providers, industry groups, and others. The Federal Reserve Bank of New York provides support and input on technical and policy issues, as appropriate.

For the complete report, visit: <http://www.newyorkfed.org/prc/>

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