

## Tri-Party Repo Infrastructure Reform Task Force

### PRESS RELEASE

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### **Tri-party Repo Infrastructure Reform Task Force Offers New Proposals on 3-Way Confirmation and Standardized Settlement Times for Public Comment**

Today, the Tri-Party Repo Infrastructure Reform Task Force (“the Task Force”), under the auspices of the Payments Risk Committee (PRC), offered a set of new proposals for public comment to address recommendations made in a recent report which addressed weaknesses of the U.S. tri-party repo market. Today’s proposals set forth a three-way trade confirmation process and establish standardized settlement times. Noteworthy details of the proposal are the following:

- Three distinct confirmation workflows for implementing a three-way trade confirmation; varying from limited technology requirements to more sophisticated messaging technology. A set of minimum parameters have also been proposed by the Task Force to facilitate tri-party repo deal matching. All market participants must conform to the process by August 2011 in order to be a participant in the tri-party repo market;
- A standard late-day settlement window for the unwinding of maturing deals, beginning at 3:30 p.m., and the settlement of new deals. The transition to the new settlement window will be implemented in phases starting in July 2011;
- An implementation schedule which details the various required activities from all market participants to achieve the practical elimination of intra-day credit provided by the clearing banks and corresponding roll out periods.

“These proposals represent a major step forward in helping the industry achieve the objective of the ‘practical elimination’ of intraday credit provided by the clearing banks” said Darryll Hendricks, Chairman of the Tri-Party Repo Infrastructure Reform Task Force. “I am very encouraged by the amount of work done by our Operational Arrangements working group. The depth and detail of the attached proposals provide convincing evidence that market participants are fully committed to addressing the Task Force recommendations as rapidly as possible and well before the end of next year.”

Public comments are welcome on these proposals by emailing: [tpr.reform@ny.frb.org](mailto:tpr.reform@ny.frb.org), no later than January 14, 2011.

For the complete proposal, visit: <http://www.newyorkfed.org/tripartyrepo>

#### *About the Task Force*

The Tri-Party Repo Infrastructure Reform Task Force was formed in September 2009 under the auspices of the Payments Risk Committee, a private sector body sponsored by the Federal Reserve Bank of New York. The Task Force was formed at the request of the New York Fed to address weaknesses that became visible over the course of the recent financial crisis. Mr. Darryll Hendricks, of UBS AG, is

chairman of the Task Force. On May 17, 2010, the Task Force published a report with recommendations for improving the infrastructure of the U.S. tri-party repo market. The full report is also available on the Task Force website.

The work of the Task Force is developed through the joint efforts of a large number of market participants. Task Force membership includes representatives from multiple types of market participants in the tri-party repo market and relevant industry associations. Federal Reserve and SEC staff participated in meetings of the Task Force as observers and technical advisors.

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