

## Money Market Contact Group

### WORK PROGRAMME FOR 2016

The document defines a work programme for Money Market Contact Group (MMCG) meetings in 2016. The work programme may be adjusted to address unforeseen events and topics of interest. The MMCG will hold four regular meetings in 2016, of which three will take place at the ECB premises. Dates of the MMCG meetings are published on the [MMCG website](#).

#### 1. Recurrent items

A member of the MMCG, on a rotational basis, will present a ***round-up of the most recent market developments*** in every meeting. This will be followed by a general discussion, which will touch upon a number of topical issues, distributed ahead of the meeting, and will also provide a forum for MMCG members to provide direct feedback on the ECB's operations and its liquidity management.

***An update on regulatory developments and their impact on the money market*** will be maintained as a recurrent item. The update could be provided either by a MMCG member or a relevant expert from the ECB. The MMCG will assess the impact of regulations on banks' participation in Eurosystem operations; on banks' and other institutions' money market activity; on the development of new money market products, new market entrants outside of the banking sector and on the overall functioning of the euro money market.

Another recurring issue will continue to be the assessment of the findings of the quarterly MMCG Money Market survey and the evaluation of structural developments of the euro area money markets, also in comparison with the findings of the ERCC/ICMA European Repo Market Survey.

#### 2. Specific items for 2016

##### ***a. The impact of Eurosystem measures on the functioning of the euro money market***

The MMCG will be invited to reflect upon the impact of the Eurosystem monetary policy measures as regards the functioning of the euro money market and the level of market fragmentation. In particular, the MMCG will discuss the impact of Eurosystem asset purchase programmes on the repo market and composition of banks' portfolios of high-quality liquid assets. The MMCG will also have an in-depth look at market dynamics in a negative rate environment, with a particular emphasis on the pass-through of negative rates to the real economy; implications for both market functioning and bank strategies.

**b. *Management of intraday liquidity***

The Group intends to discuss issues regarding intraday liquidity management, including measures to mitigate the intra-day liquidity risk and relevant regulatory framework.

**c. *MMCG Survey on internal organisation of liquidity management***

After the survey on banks' internal organisation of liquidity management conducted in 2014, the MMCG envisages a follow up in 2016 in order to gauge internal organisational changes over time. A special emphasis will be given to the governance and management of HQLA portfolios, i.e. who manages these portfolios and where are they located in the organisational structure of a bank (Treasury, AM, Global Markets). Furthermore, the MMCG will also look into principles applied to the management of the liquidity reserves including central bank deposits.

**d. *Distribution and circulation of excess liquidity in the euro area***

The MMCG will be invited to discuss developments in the distribution of excess liquidity, generated by the ECB Asset Purchase Programme as well as the driving forces underlying the concentration on excess liquidity, in particular stemming from business models and regulation.

**e. *Provide a forum for discussions on Eonia® / Euribor® issues***

The MMCG will continue to provide a forum to discuss issues related to the systemically relevant money market reference rates, in particular in view of the ongoing reform process and their relevance for the monetary policy implementation. The MMCG will also discuss developments in the secured money market benchmarks.

**f. *Update on the Eurosystem money market data collection***

The MMCG will be informed about the progress made by the Eurosystem on the money market data collection under the Money Market Statistical Regulation (MMSR), which was published in the Official Journal of the European Union on 16 December 2014.

**g. *Review of structural developments and market functioning of selected money market segments***

The MMCG will be invited to look in more depth into structural developments in some specific money market segments, such as the market for short-term paper (including an update on the STEP market), the Overnight Index Swap (OIS), the FX swap and forward market and the repo market (in particular, Tri-party repo market), also in light of the regulatory impact in a particular market segment. The MMCG may also discuss market initiatives aimed at improving market functioning in specific money market segments.

**h. *Market infrastructure issues***

In cooperation with the ECB Directorate General Payment Systems and Market Infrastructure, the ECB will continue to update the MMCG on the on-going developments in market infrastructure, such as the TARGET2-Securities (T2S) project and the interoperability between the Central Clearing Counterparties (CCPs).

***i. Cooperation with other ECB market contact groups in the area of market operations and the Contact Group on Euro Securities Infrastructures (COGESI)***

The Chairs and/or the Secretaries of the ECB contact groups in the area of market operations (Operations Managers, Foreign Exchange and Bond Market Contact Groups) will continue to be reciprocally informed about the on-going work in the areas of mutual interest.

The MMCG will continue a close working relationship with the COGESI and its subgroups. The reciprocal invitations of the Secretaries of the two groups will be continued.