



EUROPEAN CENTRAL BANK

EUROSYSTEM

OPERATIONS MANAGERS GROUP

12 March 2009

## **SUMMARY OF THE MEETING OF THE ECB OPERATIONS MANAGERS GROUP (OMG) FRANKFURT - 12 FEBRUARY 2009**

### **1 Welcome remarks by the ECB Director-General Market Operations**

*Francesco Papadia (Director-General Market Operations at the ECB and Chairman of the ECB's FXCG and MMCG Groups) greeted the OMG members. After describing the efforts by the central bank authorities in countering the effects of the turmoil on financial markets, he stressed the importance of continued co-operation between market participants and monetary authorities and urged the OMG to continue its efforts in liaising with the FXCG and the MMCG.*

### **2 Approval of the agenda**

*The Chairman welcomed the participants and asked them to approve the agenda. Banca Intesa announced its intention to host an OMG meeting in 2009.*

### **3 Update on turbulence in the financial markets and operational impact**

*Ivan Frechard (ECB Front Office / Secretary of the FXCG) made a presentation on recent key financial markets developments and the Eurosystem's response to the turmoil. The general picture is one of a fragile stabilisation in financial markets since the last November OMG meeting. There has been some stabilisation of stock markets, credit concerns have somewhat eased, volatility has declined on FX markets, and money markets have witnessed a continuous reduction in short term rates premia. The number of banks participating in Eurosystem refinancing operations has also declined after the peak recorded following the September 2008 turmoil.*

### **4 CLS and the current fx markets**

*Phil Kenworthy (CLS) gave a presentation on CLS. After giving a brief overview of recent CLS activity, he discussed CLS action amid recent market developments and gave an outline of the initiatives in conjunction with market-related initiatives. He also touched upon the initiatives currently being pursued by CLS, among others on I/O swaps, same-day settlement and locally settled currencies.*

## **5 Impact of market turmoil on bank operations**

*Following a request by the FXCG (OMG's parent group) in December 2008 to give some thought on the impact and the operational implications triggered by the problems experienced in credit institutions in the euro area and abroad during the market turmoil, the OMG discussed a short report prepared by some of its members on the operational lessons learned from the demise of a big player on the US market in Autumn 2008. The report concentrates mainly on the operational aspects relating to the FX Market and puts forward some recommendations on an adequate response of the operational areas of commercial banks including indications on what improvements could be made to operational procedures in order to prevent any future problems.*

## **6 ACI education and training**

*Andreas Gaus (Credit Suisse) made a presentation on the ACI educational program on financial markets.*

## **7 Work of the OMG Task Forces on SSIs & Trade Confirmations**

*Annti Taino (Nordea) updated the members on work done in the Task Force on Standard Settlement Instructions.*

## **8 Other business**

*The next OMG meeting will take place on 6 May 2009. The OMG Secretary and Andreas Gaus (Credit Suisse) debriefed the members on the activity of the FXJSC.*