SUMMARY OF THE MEETING
OPERATION MANAGERS CONTACT GROUP (OMCG)
FRANKFURT – 6 MARCH 2013

1. Update on regulatory developments

S. Bening (ECB) informed the OMCG on the latest regulatory developments in the EU and in the US. She mentioned that final delegated Regulations (regulatory and implementing technical standards) had been published by ESMA relating to EMIR and described the key dates for implementation and reporting and briefly mentioned equivalence assessments. She then gave some indications about the US Treasury’s final determination on FX swaps and derivatives in the context of DFA. After updating the Group on margin requirements for non-cleared derivatives, she finally gave some indications about the Financial Transactions Tax, whose implementation is currently being discussed in 11 EU Member States.

2. Recent financial markets developments

G Della Valle (ECB) reviewed recent developments in financial markets since the last OMCG meeting in euro area bond markets, money markets, FX markets and bank bond issuance markets. Further stabilisation was taking place in the bond market. Yield differentials stabilised but the uncertain outcome of the Italian elections appeared to be a source of uncertainty for market participants.

3. Activities of international working groups

D Haid (UBS) updated the OMCG about the activities of some other international working groups and the topics discussed there.

4. Update on key regulatory measures - financial industry point of view

J Kemp (GFMA) presented some recent initiatives in the FX space to coordinate and support the regulatory reform implementation across borders. He mentioned such initiatives as the Options clearing project, BSBC/IOSCO work on non-cleared derivatives margins, Dodd-Frank and MIFID update and China FX overview and challenges. He finally mentioned the initiative by the EU Commission on the Financial Transaction Tax, and in particular the strong taxation effects that would take place in certain tenors and instruments.
5. Update by SWIFT on recent developments

J Halberstadt (SWIFT) updated the Group on recent regulatory initiatives and their impact on SWIFT. He first described the standards updates that would be implemented in SWIFT, the OTC derivatives infrastructure connectivity (e.g. to Trade Repositories), LEIs (Legal Entity Identifiers) and finally described possible ways of increasing confirmation rates.

6. Work strand on market feedback on regulation

Following up on its teleconference on 1 February 2013, the OMCG discussed how the Group could provide market feedback to the ECB on upcoming regulation impacting market players. The focus and the organisation of the work was agreed in more detail.

7. The establishment of a Global LEI System

C Tsiliberdis (ECB) presented the G-20 initiative for the implementation of a Global LEI System, a global standard for identifying entities in financial transactions. After describing the history of the LEI initiative, he briefly touched upon the governance of the system, Regulatory Oversight Committee, Central Operating Unit, Local Operating Units), described the main elements of a LEI and the current implementation process.

8. AOB

- The OMCG members agreed to change the November meeting date to 5th November instead of 21 November 2013.

- The next meeting will take place in Frankfurt on 12 June 2013. Teleconferences would be launched in-between if required.