

TMPG Meeting Minutes

December 4, 2018

TMPG attendees

Alberto Antonini (Tudor)	Edward McLaren (Bank of America)	Ryan Sheftel (GTS)
Dan Dufresne (Citadel)	Sandie O'Connor (JP Morgan Chase)	James Slater (BNY Mellon)
Deirdre Dunn (Citigroup)	Murray Pozmater (DTCC)	Stu Wexler (NEX Group)
Beth Hammack (Goldman Sachs)	Jerry Pucci (BlackRock)	Thomas Wipf (Morgan Stanley)
Gary Kain (AGNC Investment Corp)	Marc Seidner (PIMCO)	

FRBNY attendees

Frank Keane	Michael Nelson	Monica Scheid
Lorie Logan	Rania Perry	Carolyn Windover
Radhika Mithal	Brett Rose	Nate Wuerffel

U.S. Department of Treasury attendees

Fred Pietrangeli

- The meeting commenced with the Chair thanking departing members Dan Dufresne from Citadel and Lisa Black from TIAA for their participation on the TMPG. Federal Reserve Bank of New York staff introduced Rania Perry, a new ex-officio member to the TMPG. Members also confirmed the 2019 TMPG [meeting schedule](#).
- The co-chairs of the clearing and settlement working group provided a debrief on the clearing and settlement panel discussion at the [Evolving Structure of the U.S. Treasury Market](#) conference. TMPG members then discussed some draft best practice recommendations developed by the working group. In particular, members focused on recommendations for the timing of trade matching and final allocation of block trades as well as on guidance for managing counterparty credit risk, particularly as it relates to credit enhancement arrangements. The co-chairs agreed to incorporate the feedback and modify the draft best practice recommendations for discussion at the next meeting. Members briefly reviewed potential areas of future clearing and settlement work by the TMPG based on comments received on the [White Paper](#) during the consultation period and agreed to discuss these in conjunction with 2019 work priorities at the January meeting.¹
- The members discussed the TMPG's information handling best practices recommendation and the approaching year-end 2018 recommended timeline for implementing the practices. The group discussed ways to continue to encourage broad adoption of the recommendations by other market participants. Some suggestions included issuing a TMPG [press release](#), publishing a blog post, or conducting a workshop or roundtable on the topic. It was noted that a key

¹ A summary of feedback received via written comment letters and bilateral discussions on the *Consultative White Paper on Clearing and Settlement in the Secondary Market for U.S. Treasury Securities* is available [here](#).

element of implementing the recommended best practices will be for market participants to engage with their counterparties so as to be aware of their practices for handling confidential information.

- Staff from the New York Fed discussed a draft public statement that summarizes practices for identifying and handling confidential trading information that New York Fed staff may come to possess while conducting market operations or gathering market intelligence to support policy or operational objectives.² Members welcomed the New York Fed’s action to signal its adoption of the TMPG best practice recommendations on information handling.
- TMPG members briefly discussed some proposed future priorities for 2019; however, given time constraints, they agreed to review them further at the January meeting.
- The TMPG then reviewed summary statistics related to its agency [MBS margining recommendation](#). It was noted that as of September 15, 2018 TMPG member firms had, on average, executed margining agreements with about 65 percent of their counterparties. These agreements covered approximately 87 percent of notional trading volume of forward settling MBS transactions (excluding those centrally cleared) and margin exchange was operationalized for roughly 92 percent of these executed agreements. Members were informed that these statistics were generally in line with recent averages.
- Given time constraints, there was a brief discussion on recent market developments, including expectations for year-end conditions in money markets, market expectations for the path of future policy, and likely drivers of recent moves in Treasury yields.
- The next TMPG meeting is scheduled to take place on January 15, 2019 from 3:00-5:00 PM.

² The New York Fed subsequently [published](#) its statement on January 8, 2019.