

**SUMMARY OF THE MEETING OF THE
OPERATION MANAGERS CONTACT GROUP (OMCG)
FRANKFURT – 5 NOVEMBER 2013**

1. Approval of the agenda

The Chairman, M Stubbe (ECB), reviewed the agenda of the meeting, which was approved by the OMCG.

2. Recent financial market developments

I. Mak (ECB) updated the Group on the latest events in the financial markets. In the last 5 months, central bank policy remained the key driver of asset price developments, although fundamentals have become more and more important. The strengthening expectations that the Fed would taper its asset purchases drove government bond yields higher in most developed countries. Non-core euro area bond and equity markets benefited from capital inflows. In the euro area money market, expectations on the future evolution of excess liquidity remain in focus.

3. Update on latest developments in FTT

S Huemer (ECB) presented an update of recent developments related to the Commission proposal that is currently under consideration in the framework of the enhanced cooperation procedure launched by 11 Member States. In July, the European Parliament, which plays a consultative role in this procedure, adopted a resolution which is supportive of the introduction of a FTT but at the same time suggests a number of amendments including on applicable tax rates, the extension of the issuance principle and ownership requirements. Huemer also reported on the recent opinion of the Legal Services of the EU Council which raised questions related to the so-called ‘counterparty criterion’.

4. Latest regulatory developments in OTC derivatives

F. Jaulin (ECB) provided an update on the latest regulatory developments in the US and the EU since the last OMCG meeting in June. The European Market Infrastructure Regulation (EMIR) entered into force on 16 August 2012 with the aim to create a new regulatory framework for counterparties to derivative contracts, central clearing counterparties (CCPs) and trade repositories, to manage counterparty credit risk more effectively and to increase transparency and stability of OTC derivative markets. Options, swaps, forwards and foreign exchange derivatives are covered within the Markets in Financial Instruments Directive (MiFID).

EMIR is imposing obligations on central clearing of OTC derivatives through CCP, on implementing risk mitigation techniques for un-cleared OTC trades, and reporting on all derivatives contracts to Trade Repositories. Members discussed operational details and the tight time line of implementation work.

5.CLS initiative

M Houseago (CLS) teleconferenced with the OMCG members about CLS communication protocols.

6.Working Groups on market feedback

J Munoz (Santander) and S Betocchi (Unicredit Group) guided the discussion in the two working groups (respectively on reporting and on eligibility and un-cleared trades). They raised conceptual issues and prioritised topics to be followed-up by the working groups beyond today's meeting.

7.Update on international working groups

D Haid (UBS) informed the group about the activities of international working groups working on topics of interest to the OMCG group.

8.AOB

- *The OMCG meeting dates for 2014 were approved. Some proposals for the next meeting's agenda were made.*
- *C Tsiliberdis (ECB) clarified some points on the LEI (Legal Entity Identifier) raised by the members.*
- *The next OMCG meeting will take place on 20 March 2014. Teleconferences may be held in-between, if needed.*