

**SUMMARY OF THE MEETING OF THE
OPERATION MANAGERS CONTACT GROUP (OMCG)
FRANKFURT – 26 JUNE 2014**

1. Approval of the agenda

The Chairman, M Stubbe (ECB) welcomed the new members of the OMCG. The agenda of the meeting was approved.

2. Teleconference - RMB going Global - The rise of the redback

D Pavitt (HSBC) made a presentation on key developments in the CNH market (offshore Renmimbi). After clarifying the differences between the on-shore and off-shore Renmimbi markets and the convergence and internationalisation of the use of the Chinese currency for trade, corporate flows and financial flows, he mentioned the latest developments in the Renmimbi money and bond markets. Besides describing the Chinese regulatory structure for financial products, he mentioned possible RMB offshore clearing models in the making,

3. Confirmation practices in a major commercial bank

L Meyer (Citi) made a presentation on affirmations/confirmations and the practices in the FXLM space in his institution. The main objective is to mitigate the risk of market losses due to the incorrect booking or failure to book FX trades. This is achieved by ensuring that the financial details of all trading activity are validated with the counterparty and that any discrepancies are rectified as near to trade date as possible. This is achieved through various processes of confirmation, matching and affirmation following a trade. The 'issues resolution' process ensures that trades with discrepancies or not recognized are followed up and confirmed or cancelled in a timely fashion. The timeline of this process has been successfully reduced.

4. Guest Speaker – Best practices and culture change

M Bailey (President at ACI) focused on best practices, ethical behaviour, codes of conduct and the ACI Model Code. He mentioned how the institution he represents provides the industry with the opportunity of contributing to best practice on trading and market conduct, ethical behaviour and other regulatory issues. He stressed the importance of understanding and implementing globally accepted practices with respect to ethical

issues in the market, and suggested that further education through certification, exams and qualifications recognised in many global centres, are acquiring a growing importance.

5. Working Groups on Market Standards

The two OMCG Working Groups presented the progress made on specific topics among those identified during previous discussions in the respective working streams. The members discussed draft documents produced by the two working groups and agreed that these would be finalised by written procedure and/or teleconference before the next OMCG meeting.

6. Evidence value of confirmation

S Gebauer (ECB) presented a questionnaire relating to confirmation practices on securities, on which members were asked to comment. A discussion took place on the contents and the scope of the questionnaire where members also informed other members on their confirmations practices. Moreover, members suggested to add further aspects to the questionnaire and to differentiate between practices applied Interbank and practices towards Corporates. The ECB will finalise the securities-related questionnaire and launch a written procedure. The members also suggested launching a similar questionnaire for some FX and OTC derivatives products. It was concluded that this would be discussed further by telco.

7. International working groups

T Evans (HSBC) informed the members about the activities of selected international working groups.

8. AOB

The members discussed possible agenda items for the next meeting, which will take place in Frankfurt on 13 November 2014.