



EUROPEAN CENTRAL BANK

EUROSYSTEM

OPERATIONS MANAGERS GROUP

28 February 2011

SUMMARY OF THE MEETING
ECB OPERATIONS MANAGERS GROUP (OMG)
FRANKFURT – 15 FEBRUARY 2011

1 Approval of the agenda

The Chairman (A Gaus, Credit Suisse) welcomed the participants and greeted two new members, Dan Chamberlain (JP Morgan) and Sandra Betocchi (Unicredit Group) as well as a new Alternate, Giovanni Sobrino (Banca Intesa), who briefly introduced themselves. The agenda was approved.

2 Recent financial market developments

Ivan Frechard (ECB) made a presentation on recent key financial market developments. In the period from the last OMG meeting, financial markets were characterised by a continued perceived uncertainty, which remained at moderate levels, while credit concerns resurfaced recently due to renewed concerns over sovereign debt and financial institutions. On the money markets the downward trend in EURIBOR halted and reversed while EONIA experienced increased volatility. The trend in lower levels of refinancing of bank counterparties at the ECB continued. ECB activity was marked by interventions in euro debt markets, the decision to extend fixed-rate allotment at least until April 2011 and some refinements to the collateral framework for the implementation of monetary policy.

3 Update - recent CLS initiatives

P Kenworthy (CLS) teleconferenced on the key actions taken by CLS in 2010, one of which was bringing all key players together at the CLS Ecosystem forum aiming at facilitating the development of industry best practices around capacity and performance with the market committees. Priorities for 2011 include enhancing CLS core application and hardware capacity to handle possible traffic peaks, as well as completing the industry best practices as referenced above. Continued work around currency onboarding, additional settlement sessions as well as performance and capacity management were indicated as priorities for the short to medium term.

4 Update - recent activities in SWIFT

J Halberstadt (SWIFT) made a status update on the work done by SWIFT on netting position confirmations and on SSI distribution messages. Concerning the former, bilateral netting is the most widely used form of FX settlement after CLS, but there is a desire to develop a new messaging standard to

allow counterparties to agree bilateral net positions with each other on a per-currency basis and for this purpose some possible messaging solutions have been identified. Concerning SSI distribution messages, existing solutions do not appear to fully satisfy user requirements, therefore new structured messages types have been developed and are expected for delivery in 2011. Finally, some other related initiatives were mentioned for the medium term, like FX trade repository, precious metals and consolidated reporting.

5 New developments in ACI education program

A Emser (ACI and Frankfurt School of Finance and Management) illustrated to the OMG the current education portfolio and certificates offered by ACI. He elaborated on the growing number of financial experts taking exams as well as on the governance and mission of the ACI educational programme.

6 Activities of a market association in the FX world

J Kemp (AFME, SIFMA, ASIFMA) illustrated the functions of the newly created Global FX Division within AFME and explained the areas of its activity, among others, providing a forum for discussions and presentations between market participants, promoting and implementing best practices, co-ordinating work on the most important issues facing the sector. He also explained membership and governance of the Association and indicated the priorities of the Association for 2011.

7 Operational experience from Nordic countries

A Tainio (Nordea) made a presentation on the capital markets and treasury operations of a big Nordic group that has witnessed a marked cross-border development in recent years. He also mentioned the continuing objectives of the Group i.e. ensuring efficient and stable daily processes, integrating the organisation following the incorporation of other banks, and continuing the successful expansion and integration process experienced so far.

8 Activities of the OMG working groups

A Gaus (Credit Suisse) first explained the recent progress made in the working group on best practices, where two new members external to the OMG had joined the work; he also explained the actions taken in the group and the state of implementation. He then mentioned the recent discussions had in the second working group on SSIs, in particular on accreditation, SWIFT/vendor standards and data quality.

9 Next OMG meetings

The next OMG meetings will be on 20 May 2011 (Zurich) and on 18 October 2011 (Frankfurt).