



EUROPEAN CENTRAL BANK

OPERATIONS MANAGERS GROUP

28 August 2007
DGM/BAO/2007/102

SUMMARY OF THE OPERATIONS MANAGERS GROUP MEETING

12 JUNE 2007

1 Introduction from the Chairman

The Chairman welcomed the participants and introduced the new commercial bank members, namely: Ronald Vergeer (ABN Amro); Antti Tainio (Nordea); Jose Munoz Perez (Santander Central Hispano); and the three new Central Bank members, namely: Simone Maskens (BE), Pedro Tajeda (ES) and Aldo Maranozzi (IT). The latter have replaced the three former Central Bank members following implementation of a rotation in line with the OMG mandate. The Chairman also informed the Group that for the next meeting, some further changes in participation are expected following expressions of interest from other banks after the Global Operations Managers Conference. In this regard the Chairman highlighted the fact that a group such as the OMG can only be successful when the members take an active role in the discussions and other aspects of the Group's work. He went on to inform the Group about the apologies received and the alternates present, concluding that due to a variety of circumstances the meeting participation rate was rather disappointing on this occasion.

2 Approval of the agenda

The members approved the agenda of the meeting.

3 Global Conference 2007

The Chairman briefed the Group on the feedback received on the Global Conference and opened the floor for a discussion based on members impressions of/reactions to the Conference and the background documents for the current agenda item, namely the draft summary of the conference, the feedback and follow-up note and the OMG work programme for 2007. In particular, members were invited to provide comments on the draft summary after which it was agreed to circulate it to the moderators and speakers for validation before publication on the Group's website.

The feedback received from the participants to the Global Conference had been aggregated and incorporated in a note that addressed in the first part, the more general feedback on the conference

programme and the individual sessions, and in the second part, the topics proposed for further cooperation among the international sister committees. The latter list was extensively discussed with a view to identifying specific topics for further elaboration by the OMG in its work programme as well as how such topics could be handled with the international sister committees. An interesting discussion ensued during which it became clear that the work on contingency planning from an operations managers perspective has achieved a more or less a mature state. At the other hand there was still appetite to further explore issues related to concentration risk/ critical players and market-wide testing initiatives. In addition, a number of members expressed an interest in having the possibility for increased sharing of knowledge and experiences within the Group, for example as had been done by ABN during the conference with its presentation on its approach to off-shoring. Members were encouraged to provide further ideas during the upcoming weeks with the aim to reflect these in a revised version of the work programme. Furthermore, members were keen to ensure that the work of the OMG resulted in tangible output that could be shared with a wider audience and that would ultimately have an impact in terms of procedures/practices applied in the market. In this context reference was made to the possibility of the Group issuing recommendations and the ECB member agreed to investigate possible options as to whether and how this could be achieved.

4 Contingency Planning

Following the discussions during the last OMG meeting concerning a local unavailability of SWIFT and existing contingency arrangements, a note was prepared to summarise the results of the SWIFT questionnaire and was introduced by the Secretary of the Group. Along the same lines, the Chair of the OMG Task Force on Contingency Planning (Sven Gajski) presented some ideas concerning an alternative in case of a local SWIFT unavailability. During the following discussion it became clear that the members of the Group were satisfied with the conclusions in the summary note. In this regard it was generally agreed that the local SWIFT infrastructures are already set up in a very resilient way and in case of unforeseen failures in these infrastructures, bilateral contingency solutions were deemed to be adequate and capable of functioning properly. Moreover, a common view emerged that the development and implementation of a standardised contingency solution that could be used in cases of a local SWIFT unavailability would become rather costly. Consequently, it was concluded that the Group did not see the need to further elaborate on such a solution. Finally, it was agreed to publish the summary results on the Group's website.

5 Any other business

- *Update from the last meetings of the FXCG (23/5) & MMCG (31/5).*

The Secretaries of the FXCG and the MMCG briefly reported on the last meetings of their respective groups. The members are invited to read the full summaries on the website of the contact groups:

www.ecb.europa.eu/paym/groups

- **EFMLG & MiFID**

The ECB's legal representative, Otto Heinz, informed the members on the EFMLG discussion on the implementation of the MiFID. He explained that the EFMLG is considering the possibility of preparing a letter to the Commission regarding the diverging interpretations across Member States of the MiFID with respect to forward foreign exchange agreements. The question to be clarified concerns whether or not an FX forward contract is a "financial instrument" as defined in Section C(4) of Annex 1 to MiFID

- **CLS protocol update**

The Group was informed about the going live of the CLS FX Protocol on 01 June 2007. The FX Protocol documentation is now publicly available from <<http://www.cls-group.com/CLSBankProtocols>>.

- **Teleconference arrangements and the Contact Groups webpage**

The Secretary of the Group recalled the purpose of the teleconference arrangements and the restricted access website. Concerning the teleconference arrangements, it was explained that the OMG has currently two different arrangements in place, one via Deutsche Telekom and a second using the ECB teleconference systems. The latter, allows for an automatic dialling of a second number in line with a request but forward earlier by the FXCG/MMCG. The fact that this teleconference system would potentially be unavailable during a major disaster impacting the ECB was not seen as a major concern by the members of the OMG. Consequently, it was agreed to continue the use of the ECB teleconference arrangement and to put Deutsche Telekom service on hold.

- **Chairmanship OMG**

The Chairman reminded the Group that his term will end later this year and that it was hoped to have a new Chairman by the time of the next meeting. He encouraged members to consider their interest in taking over the chairmanship of the Group for the coming two years and to advise the ECB accordingly.

6 Next meetings

The next meeting of the OMG is scheduled for Tuesday 16 October 2007.

LIST OF PARTICIPANTS – OMG Meeting 12 June 2007 in CIH

<u>Participant's organisation</u>	<u>Name of participant</u>
AIB Global Treasury	Mr Paul Dillon (Chairman)
ABN Amro Bank	Mr Ronald Vergeer (new member)
BNP Paribas	Absent
Calyon Bank	Mr Laurent Côte
Commerzbank AG	Mr Swen Gajski (alternate)
Deutsche Bank AG	Mr Ottmar Ackermann
DEXIA-BIL	Absent
Dresdner Bank AG	Absent
Fortis Bank	Absent
HSBC Bank	Absent
Intesa Sanpaolo	Mr Francesco Manuele
Nordea Bank	Mr Antti Tainio (new member)
Rabobank	Mr René Steenhardt
Santander Central Hispano	Mr Angel del Amo Arcones
Santander Central Hispano	Mr Jose Muñoz Perez (new member)
UBS	Absent
Banque Nationale de Belgique	Ms Simone Maskens (new member)
Banco de España	Mr Pedro Tejado (new member)
Banca d'Italia	Mr Aldo Marinozzi (new member)
European Central Bank	Ms Annemieke Bax (Secretary)
	Mr Eric Vermeir
	Ms Fiona van Echelpoel
	Mr Otto Heinz
	Mr Markus Mayers
	Mr Ralph Weidenfeller
	Mr Etienne Port