

**Minutes of the regular meeting of the Payments Risk Committee**

2:00 p.m. - 3:30 p.m., Thursday, September 12, 2013

Federal Reserve Bank of New York

33 Liberty St., New York, NY

**Present:**

Paul Galant, Chair, Citi

Bill Pappas, Bank of America\*

Kurt Woetzel, Bank of New York Mellon

Michael Gotimer, Bank of Tokyo-Mitsubishi UFJ

Greg Fell, Citi

Artemis Yu, Citi

Scott Simon, Deutsche Bank

Christine Cumming, FRBNY

Diane Reyes, HSBC

Paul Camp, JPMorgan Chase

David Russo, Morgan Stanley

Darryll Hendricks, UBS\*

Mike Kurlander, Goldman Sachs

David Crawford, State Street\*

Steve Ellis, Wells Fargo\*

Brian Begalle, FRBNY

Jeanmarie Davis, FRBNY

Linda Fahy, FRBNY

Sandy Krieger, FRBNY

Catherine Kung, FRBNY

Tyisha Rivas, FRBNY

Larry Sweet, FRBNY

Staff at Board of Governors\*

*\* Participated by phone*

**Part I**

**1. PRC Administration**

- Minutes for the June 13, 2013, meeting were approved.

**2. Update and next steps on continuing strategic agenda topics**

a. Central counterparty topics

The central counterparty (CCP) workstream briefed committee members on work the group has completed since the May 20 workshop on its publication, *Recommendations for Supporting Clearing Member Due Diligence of Central Counterparties*. The group has commenced follow-on work focused on enhanced clearing member disclosure to CCPs, as well as work to ensure the implementation of the recommendations included in the PRC report.

b. Cyber threat project

The cyber threat workstream briefed committee members on the proposed agenda for an executive seminar on cyber threats to payment, clearing, and settlement systems. Committee members expressed support for the agenda and agreed to contribute to the seminar's development by leveraging existing relationships with key industry contacts. The workstream will continue to develop the seminar and secure speakers, with the intention of conducting the event in the first quarter of 2014.

c. Intraday liquidity flows: USD collateral

The intraday liquidity flows workstream presented its proposal on a potential project that would require the collection of statistical information on intraday flows of securities. Committee members determined that the project was not feasible at this time given resource constraints of key contributors. Committee members instead expressed interest in possibly completing a follow-up study on the intraday liquidity flows report published 2012.

**3. Tour de table**

Committee members discussed potential areas of concern in payments, clearing, and settlement activity. The topics of discussion included:

- FMI recovery and resolution,
- international regulatory requirements and effects on payment flows,
- cyber security related to payments systems, and
- the future of payments systems.

**4. Other business**

- a. Update on CPSS collateral management work
- b. October 4 workshop on FRBNY paper, "The Risk of Fire Sales in the Tri-Party Repo Market"
- c. Meeting schedule for 2013
  - December 12

The meeting adjourned at approximately 3:30 p.m.