

Minutes of the regular meeting of the Payments Risk Committee
2:00 p.m. - 3:30 p.m., Thursday, September 18, 2014
Federal Reserve Bank of New York
33 Liberty St., New York, NY

Present:

Kurt Woetzel, Chair, Bank of New York Mellon
Bill Pappas, Bank of America
Cynthia Boorman, Bank of America*
Janet Ou, Bank of America*
Jeff Kuhn, Bank of New York Mellon
Michael Gotimer, Bank of Tokyo-Mitsubishi UFJ*
Ebru Pakcan, Citi
Steve Weinstock, Deutsche Bank*
Christine Cumming, FRBNY
Vanessa Lin, HSBC*
Emma Loftus, JPMorgan Chase
David Russo, Morgan Stanley
Darryll Hendricks, UBS*
Steve Ellis, Wells Fargo*

Alan Basmajian, FRBNY
Jeanmarie Davis, FRBNY
Linda Fahy, FRBNY
Sandy Krieger, FRBNY
Catherine Kung, FRBNY
Tyisha Rivas, FRBNY
Lawrence Sweet, FRBNY

Staff at Board of Governors*

** Participated by phone*

1. PRC Administration

- Minutes for the June 19, 2014, meeting were approved.

2. Tour de Table

Committee members discussed various topics involving the payments, clearing, and settlement arena. The topics of discussion included:

- Russian sanctions and payments flows
- Industry trends ahead of the implementation of the Liquidity Coverage Ratio
- Industry discussions regarding recovery and resolution planning

3. Update and next steps on continuing strategic agenda topics

a. Central counterparty topics

The central counterparty (CCP) workstream lead briefed Committee members on work the group has completed to support the disclosure of information requested through the publication, *Recommendations for Supporting Clearing Member Due Diligence of Central Counterparties*. The group also provided an update on follow-on work focused on enhanced clearing member disclosure to CCPs.

b. PRC Emergency Conference Call Guide

The emergency call guide workstream lead briefed the Committee on the information session conducted in July and informed members that the Secretariat will test the arrangement in early October.

4. Potential Initiatives

a. The Committee expressed support for a proposal to explore industry-wide recovery solution(s) to mitigate the risks of disruptions to payment flows in the event a major financial institution participant in a large-value payments system experiences an operational outage and is unable to process payments for one or more days. The project sponsor will provide a progress report on this work during the Committee's December meeting.

b. A proposal to develop a framework for managing the third party relationship and risk management process in connection with financial market infrastructures (FMIs) was met with interest from the Committee; however, members expressed some concern regarding resource allocation to ongoing and new initiatives. The Chairman instructed the project lead to narrow the scope of the proposal for consideration during the Committee's December meeting.

c. The Committee expressed support for the re-refresh of the *Intraday Liquidity Flows* study that was conducted in 2011-2012. The intent of the re-refresh of the data collection and supporting analysis is to evaluate changes in payments flows since the initial study took place and assess how intraday liquidity needs have changed over the last few years. The project sponsor will provide a progress report on this work during the Committee's December meeting.

5. Other business

- a. Meeting schedule for 2014
 - December 18

The meeting adjourned at approximately 3:10 p.m.