

Alternative Reference Rates Committee (ARRC) Minutes for the September 29, 2015 Meeting

1. ARRC members approved minutes from the July 17, 2015 meeting.
2. Governor Powell and the Chair welcomed the ARRC's new non-voting members—Bank of New York Mellon, CME Group, DTCC, the International Swaps and Derivatives Association (ISDA), and LCH.Clearnet.
3. The Chair proposed the following timeline for the ARRC:
 - Publish an interim report in 2015 summarizing the ARRC's work to date and preliminary conclusions;
 - Gather public feedback on the interim report in early 2016; and
 - Publish a final report presenting the ARRC's recommendations in 2016.
4. Following the July ARRC meeting, four Working Groups (WGs) were formed to conduct analysis and develop a plan for marketplace adoption of an alternative (near) risk-free reference rate (referred to hereafter as a "new rate"). The work of the WGs will inform the ARRC's selection of a new rate (or rates). Two WGs are developing the implementation plans (WG1 and WG2) while the other two (WG3 and WG4) are gathering and analyzing data relevant to implementation. A team of subject matter experts from ARRC-member firms was also assembled to assist the WGs and ARRC-member firms in their own internal analysis. The ARRC received updates on the progress of the WGs and the group discussed plans for future work.
 - WG1 shared a plan for identifying the internal firm and external marketplace steps that would be required for replacing the effective federal funds rate (EFFR) as a reference rate in some contracts and securities going forward.
 - WG2 shared a plan for identifying the internal and external marketplace steps that would be required for replacing LIBOR as a reference rate in some interest-rate derivatives products.
 - WG3 presented two draft templates to collect data from ARRC members:
 1. A template for collecting data on the internal impact of adopting a new rate on a range of functions within a firm, such as compliance, legal, operations, and trading; and
 2. A template for collecting firms' risk exposures to the EFFR and LIBOR that will inform the ARRC's understanding of the economic impact on a firm from switching to a new rate.
 - WG4 presented results from a survey of existing research on the size, segmentation, and duration of the markets referencing benchmark interest rates in order to inform ARRC's work.
5. The group discussed the importance of coordination between the WGs in places where work overlapped. The WG Leads plan to have regular updates with each other in order to coordinate their work.
6. The Chair outlined the following next step:
 - WGs will provide updates at the next ARRC meeting.

Alternative Reference Rates Committee (ARRC) Attendance for the September 29, 2015 Meeting

ARRC Member Attendees:

Bank of America	Paul Scurfield
Barclays	Matt Besgen
Barclays	Brian Rozen
BNP	Adrian Averre
BNP	Virginie Delaunay
Credit Suisse	Shane O’Cuinn
Deutsche Bank	Thomas Hartnett
Goldman Sachs	Scott Rofey
HSBC	Pieter van Vredenburg
JP Morgan Chase	Vickie Alvo*
JP Morgan Chase	Terry Belton
JP Morgan Chase	Sandie O’Connor
JP Morgan Chase	Javier Sepulveda-Navarro*
JP Morgan Chase	Alice Wang
Morgan Stanley	Tom Wipf*
Nomura	Steve Licini
RBS	Graham Broyd
RBS	Mark Rose
Societe Generale	Sylvain Cartier
UBS	Dan Park
UBS	Kevin Arnold
Wells Fargo	Ben Bonner*

ARRC Non-Voting Member Attendees:

Bank of New York Mellon	Jim Wiener*
CME	Agha Mirza
DTCC	Dan Thieke
ISDA	Katherine Darras
LCH	Dan Maguire
LCH	Philip Whitehurst

Ex Officio Member Attendees:

Federal Reserve Board	David Bowman
Federal Reserve Board	Jerome Powell
Federal Reserve Board	Chris Clubb
Federal Reserve Bank of New York	Ray Check
Federal Reserve Bank of New York	Will Riordan
Federal Reserve Bank of New York	Kevin Stiroh
Federal Reserve Bank of New York	Jacqueline Yen
U.S. Treasury Department	Anna Boutov

* indicates participation by phone