

Treasury Markets Association
Surveillance and Governance Committee Meeting
(4:30 p.m., Monday, 12 August 2019)

Minutes of Meeting

Location	Room 5510, 55/F, Two International Finance Centre 8 Finance Street, Central, Hong Kong
Members	Mr Peter Li, PricewaterhouseCoopers (Convenor) Mr David Pang, MTR Corporation Limited Mr Francis Ho, CLP Holdings Limited Mr Andrew Malcolm, Linklaters, Hong Kong
In attendance	Mr Jack Cheung, TMA Mr Kim Hung Li, HKMA Ms Jess Lee, HKMA Ms Boey Wong, Hong Kong Association of Banks (HKAB)'s representative (Observer)
Secretary	Mr Andy Ng, TMA
Apologies	Mr Barry Yip, HKMA

Preliminaries

The Convenor welcomed Members and Observer to the nineteenth meeting of the Surveillance and Governance Committee (SGC).

Agenda item 1 – Declaration of any conflicts of interest and discussion of declared interest (if any)

2. The Convenor reported that a separate team in his firm had submitted a proposal on an independent assurance review of TMA's compliance with the IOSCO Principles for financial benchmarks. The Convenor skipped the discussion on agenda item 7.

Agenda item 2 – Confirmation of minutes of last meeting (paper TMA SGC 19/08)

3. Members had no comments on the minutes of the last meeting. The minutes were confirmed.

Agenda item 3 – Feedback from HONIA consultation (paper TMA SGC 19/10)

4. The Secretary presented the item. Members noted the feedback from the consultation on data source, publication time and reporting window. Members also discussed the relevant settings of other alternative reference rates such as ESTER and SONIA.

Agenda item 4 – Review of special weather arrangements for TMA's administrated benchmarks (paper TMA SGC 19/11)

5. The Secretary presented the item. Members noted the background and relevant arrangements upon potential announcement of "extreme conditions" post super typhoon by the Government. Members discussed the assessment of the existing special weather arrangements on HIBOR, HONIA and Spot Rates. Members agreed to adopt a "wait and see" approach in order to observe the actual situation. Members also agreed to the consultation with HKAB and TMA Market Practices Committee (MPC) for feedback.

Agenda item 5 – Incident of TMA Spot Rates (paper TMA SGC 19/12)

6. The Secretary presented the item. Members noted that the incident was caused by the contributing broker's system limitation and latency respectively. Members agreed that there was no sign of anomaly in the benchmark determination. After deliberation, Members agreed to maintain status quo that transactions received via auto-feed from the contributing broker are still deemed to be correct. The TMA Office should continue to monitor the TMA Spot Rates and escalate to the SGC immediately if there is any material impact to the benchmark.

Agenda item 7 – Proposals for Independent Assurance Review on IOSCO Principles (paper TMA SGC 19/09)

7. The Convenor had left the meeting room and did not participate in the discussion. The Secretary presented the item. Members reviewed the received proposals in terms of assurance option, relevant experience, proposed timeline and fee. Members suggested the TMA Office to prepare a set of selection criteria and agreed to the consultation with other committees such as TMA MPC for any further feedback.

Agenda item 8 – Any other business

8. With no other business, the meeting adjourned at 5:30 pm.

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