

Treasury Markets Association
Surveillance and Governance Committee Meeting
(4:00 p.m., Thursday, 19 March 2020)

Minutes of Meeting

Location	Teleconference
Members	Mr Peter Li, PricewaterhouseCoopers (Convenor) Mr Barry Yip, HKMA Mr David Pang, MTR Corporation Limited Mr Andrew Malcolm, Linklaters, Hong Kong
In attendance	Mr Jack Cheung, TMA Mr Joe Cheung, Hong Kong Association of Banks (HKAB)'s representative (Observer)
Secretary	Mr Andy Ng, TMA
Apologies	Mr Francis Ho, CLP Holdings Limited

Preliminaries

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

Agenda item 1 – Declaration of any conflicts of interest and discussion of declared interest (if any) (paper TMA SGC 20/01)

2. Members had no new conflicts of interest to declare. Members also noted that the TMA staff related to benchmark administration had submitted the annual declaration form and had no

conflicts of interest to report. Members further noted that the Calculation Agents' annual attestation arrangements for Code of Conducts were completed by February 2020.

Agenda item 2 – Confirmation of minutes of last meeting (paper TMA SGC 20/02)

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

Agenda item 3 – Update of Periodic review by SGC (paper TMA SGC 20/03)

4. The TMA Office updated Members the progress of independent assurance review on IOSCO compliance. Members agreed the suggestion, based on the preliminary findings, to set the next independent assurance review in 2022, which aligns with the biennially audit requirement under the European Benchmarks Regulation.

Agenda item 4 – Review of the quality of rate submissions (paper TMA SGC 20/04)

5. The Secretary presented the item. Members noted the HONIA incident reported by a contributor on 31 January 2020, incidents from another contributor of TMA Spot Rates since 17 February 2020 and incidents from the Calculation Agent of CNH HIBOR and USD/CNH Spot Rate on 24 February 2020.

6. The Convenor queried the soundness of the existing surveillance tools under volatile market conditions. The Secretary explained that HONIA and the two TMA Spot Rates are transaction-based benchmarks. The calculation methodologies are consistent under high volume as well as low volume. For HIBOR, the relevant CNH and

HKD contributing banks were able to provide valid rationale under the Code of Conduct to explain the basis of their submissions when approached by TMA. Members noted that no anomalies were identified in the benchmark determination process of HIBORs. Members also noted that there were no anomalies in the determination of TMA Spot Rates and HONIA

7. The Secretary updated Members that the extension of HONIA's reporting window (from 9:00 am to 4:00 pm to 8:00 am to 4:00 pm) based on the consultation feedback last year will be implemented in early April.

Agenda item 7 – Any other business

8. Members endorsed the proposal to abandon the SGC quarterly report as the contents are already covered in the monthly reports and SGC meeting.

9. With no other business, the meeting adjourned at 4:30 pm.

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