

**Treasury Markets Association**  
**Surveillance and Governance Committee Meeting**  
(10:30 a.m., Tuesday, 14 July 2020)

**Minutes of Meeting**

Location	Video conference
Members	Mr Peter Li, PricewaterhouseCoopers (Convenor) Mr Barry Yip, HKMA Mr David Pang, MTR Corporation Limited Mr Andrew Malcolm, Linklaters, Hong Kong Mr Francis Ho, CLP Holdings Limited
In attendance	Mr Jack Cheung, TMA
Secretary	Mr Andy Ng, TMA
Apologies	Nil

**Preliminaries**

The Convenor welcomed Members to the 22nd 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. Members had no new conflicts of interest to declare.

**Agenda item 2 – Confirmation of minutes of last meeting (paper TMA SGC 20/05)**

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

**Agenda item 3 – Revise Code of Conduct for TMA financial benchmarks based on transactions (paper TMA SGC 20/08)**

4. The Secretary presented the item. Members noted the proposed changes were based on auditor's findings and recommendations on IOSCO assurance review. Members suggested some further changes to the Code.

*Post-meeting note: The further changes proposed by Members were incorporated and the Secretary circulated the final draft to the SGC on 16 July 2020 for approval. Members approved the final revision.*

**Agenda item 4 – Policy on IOSCO independent assurance review (paper TMA SGC 20/09)**

5. The Secretary presented the item. Members noted the policy was based on auditor's findings and recommendations on IOSCO assurance review. Members approved the draft.

**Agenda item 5 – Strengthen Complaints and Whistleblowing policy (paper TMA SGC 20/10)**

6. The Secretary presented the item. Members noted the proposed changes were based on auditor's findings and recommendations on IOSCO assurance review. Members approved the revision.

**Agenda item 6 – Update Benchmark cessation and transition policy (paper TMA SGC 20/11)**

7. The Secretary presented the item. Members noted the policy was updated due to HONIA being identified as the alternative reference rate for HIBOR in 2019. Members approved the revision.

**Agenda item 7 – Document Selection criteria for HONIA and TMA Spot Rates (paper TMA SGC 20/12)**

8. The Secretary presented the item. Members noted the documentation was based on auditor's findings and recommendations on IOSCO assurance review. Members approved the draft.

**Agenda item 8 –Review of the quality of rate submissions (paper TMA SGC 20/13)**

9. The Secretary presented the item. Members noted the TMA Spot Rate incident from a contributor in May 2020, which had been respectively documented in the SGC monthly reports circulated to the Members.

10. Members noted that no anomalies were identified in the benchmark determination process of HIBORs. The relevant CNH and HKD HIBOR contributing banks were able to provide valid rationale to explain the basis of their submissions when approached by the TMA. Members discussed and generally agreed that the implied curves still acted as a reasonable proxy for the actual HIBOR curves insofar as surveillance was concerned. Members also noted that there were no anomalies in the determination of TMA's Spot Rates and HONIA.

**Agenda item 9 – Review of surveillance framework –price tolerance check on FX Spot Rates (paper TMA SGC 20/13)**

11.           The Secretary presented the item. Members considered the existing practices are effective in removing input errors such as fat finger error and agreed on keeping the current levels of thresholds for price tolerance check for TMA Spot Rates.

**Agenda item 10 – Update on international and local developments  
(paper TMA SGC 20/13)**

12.           Members were updated on the marginal increase of HONIA's volume post widening of the reporting window in April 2020. Members were further informed that the TMA started publishing compounding HONIA and index as supported by the TMA Working Group of Alternative Reference Rates.

**Agenda item 11 – Any other business**

13.           With no other business, the meeting adjourned at 11:15 am.

**Treasury Markets Association  
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