

**Treasury Markets Association**  
**Surveillance and Governance Committee Meeting**  
(10:30 a.m., Thursday, 7 July 2022)

**Minutes of Meeting**

Location	Virtual meeting
Members	Mr Peter Li, PricewaterhouseCoopers (Convenor) Ms Kimberly Cheng, Hong Kong Monetary Authority Mr Andrew Malcolm, Linklaters, Hong Kong Mr David Pang, MTR Corporation Limited
In attendance	Mr Jack Cheung, TMA Mr David Tsang, TMA
Secretary	Mr Andy Ng, TMA
Apologies	Mr Francis Ho, CLP Holdings Limited Ms Caris Wan, Hong Kong Association of Banks (HKAB)'s representative (Observer)

**Preliminaries**

The Convenor welcomed Members to the 28th 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 22/07)**

2. Members had no new conflicts of interest to declare. Members noted that the (CNH HIBOR, HONIA and TMA's Spot Rates)

Calculation Agent's annual attestation arrangements for Code of Conduct had been completed by April 2022.

**Agenda item 2 – Confirmation of minutes of last meeting (paper TMA SGC 22/08)**

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

**Agenda item 3 –Review of the quality of rate submissions (paper TMA SGC 22/09)**

4. The Secretary presented the item. Members discussed the CNH HIBOR incident in February 2022 and HKD HIBOR incident in May 2022 respectively, which had been documented in the SGC monthly reports circulated to Members. Members queried if similar incidents happen to other benchmark administrators. Members also suggested to label repeated incidents to the SGC.

*Post-meeting note: It is confirmed that other benchmark administrators such as LIBOR and TIBOR also encounter incidents from the panel banks. Also, the date of previous incident from the same panel bank will be provided in the SGC monthly report going forward.*

5. 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 TMA. Members 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 4 – Review of surveillance framework – price tolerance check on FX Spot Rates (paper TMA SGC 22/09)**

6. The Secretary presented the item. Members considered the existing practices are effective in detecting anomalies and agreed on keeping the current levels of thresholds for price tolerance check for TMA Spot Rates. Members further agreed to review the levels of thresholds on an annual basis.

**Agenda item 5 – Update on international and local developments (paper TMA SGC 22/09)**

7. Members were updated on the notice of cessation in mid-2024 of the Canadian Dollar Offered Rate (CDOR), passage of US federal LIBOR transition legislation, accelerated use of SOFR across cash and derivatives markets, UK Financial Conduct Authority (FCA)'s published consultation on winding down synthetic GBP LIBOR and the need for synthetic USD LIBOR as well as request from the US Securities and Exchange Commission (SEC) for information and comment on the Advisors Act regulatory status of index providers, model portfolio providers and pricing services. Members discussed and agreed that the multiple-rate approach is appropriate in Hong Kong.

**Agenda item 6 – Feedback to consultation issued by European Commission on the regime applicable to the use of benchmarks administered in a third country (paper TMA SGC 22/10)**

8. The Secretary presented the item. Members noted that the TMA is providing feedback highlighting that only third country benchmarks of systemic importance (such as usage) in the European Union should be captured under the regime. Members also discussed the preparation of applying for EUBMR should the regime remains unchanged.

**Agenda item 7 – Any other business**

9. With no other business, the meeting adjourned at 11:20 a.m.

**Treasury Markets Association**  
**11 July 2022**