

Treasury Markets Association
Surveillance and Governance Committee Meeting
(4:00 p.m., Wednesday, 27 March 2024)

Minutes of Meeting

Location	Conference Room PB2206, 22/F, Prince's Building, Central, Hong Kong
Members	Mr Peter Li, PricewaterhouseCoopers (Convenor) Mr Francis Ho, CLP Holdings Limited Ms Kimberly Cheng, Hong Kong Monetary Authority
In attendance	Mr Andy Ng, TMA Mr Chordio Chan, TMA Ms Max Kwok, Hong Kong Monetary Authority
Secretary	Mr David Tsang, TMA
Apologies	Mr Andrew Malcolm, Linklaters, Hong Kong Mr David Pang, MTR Corporation Limited

Preliminaries

The Convenor welcomed Members to the 33rd 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 24/04)

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 new conflicts of interest to report. Members further noted that the HKD and CNH HIBOR Calculation Agents' annual attestation arrangements for Code of Conducts were completed by February 2024.

Agenda item 2 – Confirmation of minutes of last meeting (paper TMA SGC 23/16)

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 24/06)

4. The Secretary presented the item. Members were briefed on the HKD & CNH HIBOR incidents on 21 November 2023 and 22 January 2024, as well as the HONIA incident on 19 March 2024. The Secretary supplemented that all 3 incidents were identified by TMA which was not considered ideal. The Secretary reported that TMA had paid visits to the contributing banks involved in the cases relating to HKD & CNH HIBOR due to the occurrence of repeated error incidents. The contributing bank has since informed TMA that they have taken remedial actions to enhance internal controls for HIBOR submission. No incidents were reported by these banks since then, members agreed that the strengthened incident remediation measures appear to be effective. The Secretary also reported that the HONIA incident was caused by an input error by a broker.

**Agenda item 4 – Update on international and local developments
(paper TMA SGC 23/14)**

5. Members were updated on several international developments. These include updates regarding cessation of the Euroyen TIBOR and the remaining synthetic LIBORs, cessation and the publication of the closing report by the US Alternative Reference Rates Committee (ARRC), and the cessation and release of Final Statement by the Euro Risk-Free Rates Working Group. Members were also updated on a couple of local developments. These include the recommended convention templates referenced to HONIA published by TMA, confirmation of compliance with the HKMA SPM CG-7 by all HIBOR contributing banks in the annual recertification exercise for 2022 – 2023 and progress of the Data Licensing Regime of TMA’s financial benchmarks.

Agenda item 5 – Any other business

6. An attendee updated members that in light of the European Commission’s consultation on narrowing the scope of the EU BMR to cover only “significant” benchmarks, TMA is collecting data from the European Securities and Markets Authority, a CNH CB, Refinitiv and London Clearing House to assess whether the usage of TMA’s administered benchmarks in the EU would meet the EUR 50 billion threshold that will result in the TMA’s benchmarks being regarded as “significant”. Members were also updated on the progress of Independent Assurance Review on IOSCO Compliance and discussed the succession plan of a member in SGC.

7. The meeting was adjourned at 5:15 p.m.

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3 April 2024