

Post-Trade Task Force

Minutes

26 April 2021

Present David Hudson (Chair), JP Morgan
Chris Bush, Bank of America
Gerson Riddy, Barclays
Robert Lamb, Blackrock
Jeremy Lewis, Credit Suisse
Andrew Douglas, DTCC
Gareth Jones, Euroclear
Risa Lederhandler, Goldman Sachs
Sanjay Dhir, JP Morgan
Marcus Robinson, LCH
Siobhan Clarke, M&G Investments
Sigal Zarmi, Morgan Stanley
Akbar Sheriff, State Street
Michael Irwin, XTX Markets

Apologies

In attendance James Tulloch, Bank of England
Ify Ezike, Blackrock
Michael Kent, Linklaters
Pan Papakyrianiou, Linklaters
Aamanveer Binning, M&G Investments
Clair Grayston, Morgan Stanley

Time 12:00

Location via VC

Minutes

1 **Opening Remarks**

The Chair welcomed those who had joined the meeting of the Post Trade Task Force (the “**Task Force**”) and thanked the participants and their respective institutions for their engagement since the previous meeting.

Ahead of the Working Group (“**WG**”) updates, the Chair introduced the questions of timing and of what the final work product should look like. The Chair further flagged that Sigal Zarmi (“**SZ**”) would be stepping down from the Task Force and as chair of the Uncleared Margin WG.

2 **WG updates**

The Chair of each WG gave an update on progress.

Non-economic Trade Data

Robert Lamb ("**RL**") gave an update in respect of the Non-economic Trade Data WG. RL noted that the WG had been meeting every four to six weeks, as well as having one-on-one sessions between members. RL explained that the WG's work was split into three phases:

- 1) agreeing the scope and vision of their report;
- 2) a deep dive into specific use cases; and
- 3) completing their proposals.

RL noted that the second phase was due to be completed by the end of this quarter, and the WG was on track to complete the third phase (and produce a report to the Task Force) by July 2021.

RL explained that the WG focused on two use cases for its deep-dive: legal entity identifiers ("**LEIs**") and standard settlement instructions ("**SSIs**"). These two use cases represented areas all WG members agreed were the most relevant, with high complexity and associated costs, and where existing industry solutions were not fully effective at remedying issues.

The Task Force discussed existing industry solutions for SSIs and where their take-up was not currently at a sufficient level to overcome the challenges faced in this area. It was noted that, whilst DTCC were a participant in the working group (and a provider of an existing industry solution), care had been taken to ensure that that interest and potential conflict had been declared, and that any potential solutions the WG and Task Force ultimately proposed would be agnostic as to the supplier of any potential market solutions.

Further to a query from the Chair, RL confirmed that the WG's report would, in addition to focusing on LEIs and SSIs, contain high-level considerations on other use cases.

Uncleared Margin

Sigal Zarmi ("**SZ**") gave an update in respect of the Uncleared Margin WG. SZ noted that the WG had been focusing on identifying the "pain points" for uncleared margins and collateral. SZ explained that the WG had been liaising with utilities in this area to discuss how issues such as barriers to entry or low uptake could be explained, as well as the future state of the uncleared margin process. SZ added that key emerging themes were interoperability, scalability, and integration into the ecosystem, and that the WG would be considering which processes would be the most efficient and effective.

SZ noted that at least another month would be needed to further research recommendations on the future state of uncleared margin and how to creatively leverage technology. SZ added that the WG's report would include recommendations on better leveraging existing market solutions and utilities, as well as strategic and technological recommendations.

It was reported that Philip Glackin would take over leadership of the Uncleared Margin WG from its next meeting due to SZ stepping down from the Task Force from that time.

Client Onboarding

Siobhan Clarke ("**SC**") gave an update in respect of the Client Onboarding WG. SC explained that the WG had compared on-boarding requirements for institutional clients across all firms involved in the Task Force, with the aim of producing an industry standard list of requirements. SC added that the WG had also considered existing software solutions in the market. SC noted

that the WG concluded that their focus should be on data collection rather than the know-your-client process itself, given the multitude of types and sources of data, as well as complexities around precise documentary requirements.

SC highlighted that solutions should focus on interoperability, such that data can be exchanged between counterparties using different systems. SC also stressed regulators' role in setting requirements, and the WG had therefore engaged with the FCA, PRA, and Bank of England,

SC noted that the WG could produce a paper on client onboarding alongside an example data standard, and that it would be achievable to do so by July 2021.

3 Closing remarks

The Task Force agreed to meet again in late June 2021 when it was expected that the WGs would have substantially progressed their reports.