



Minutes

UK Money Markets Code Sub-Committee

13 October 2017

Location: Bank of England, 20 Moorgate

Attendees: **ACT:** Michelle Price

Aviva Investors: Mick Chadwick

BAML: Alessandro Cozzani

DMO (Observer): Jessica Pulay

FCA (Observer): Wladimir Kraus

Hoare & Co: Andy Green

HSBC: Glenn Handley

ICAP: Phil Chilvers

IMMFA: Jane Lowe

ISLA: Andy Dyson

LGIM: Jennifer Gillespie

Lloyds Bank: Jamie Smith

MTS Markets: Oliver Clark

Nationwide: Terry Barton

Standard Life: Gordon Lowson

Bank of England: Jon Pyzer (Senior Advisor), Iain Ramsay (Secretary)

Apologies:

Blackrock Tim McLeod

RBS Marc Thomasson

GLA Luke Webster

1. Presentation from the ACI

Brigid Taylor and David Woolcock from the ACI were present for the first item on the agenda only. The ACI presented to the Committee. They set out the role of the ACI, and their intention to facilitate awareness of and adherence to the UK Money Markets Code. They presented on the training tools that the ACI has developed, and how these tools could be adapted to enable training on the Code to be provided. They set out that provision of targeted training could be a way in which large financially regulated firms in particular might be able to evidence their efforts to ensure staff awareness of the contents of the Code. The Committee was also informed that Jon Pyzer would be invited to the next ACI UK committee meeting.

The ACI guests departed after presenting to the Committee in order that Committee members could discuss the proposition further. Members concerns were predominantly around the costs of this training to their own institutions, if used. They were however in broad agreement that the training that had been developed appeared to be thorough and would aid in ensuring awareness and adherence. Some were keen to engage bilaterally further with ACI.

Some potential issues about quality control highlighted, and it was felt that the ACI should not

be in a position to comment on how the Code should be interpreted.

2. Update on presentations and conferences since publication

Sarah John and Jon Pyzer from the Bank of England had presented at the Asset and Liability Management Association, ICMA and ISLA since the Committee's last meeting. They were due to present to the CIPFA (Local Authority) UK Treasury Management Network on 1st November. IMMFA were also presenting at that event.

3. Analysis of results from the UK Code survey

At the previous Committee meeting members had commissioned a cross-market survey to get a sense for awareness and implementation of the Code across UK Money Markets. Since the last meeting this survey had been circulated via trade associations, and their results processed by the Bank of England. The headline conclusion from this survey was that there was very high awareness of the Code, and intention to sign the statement of commitment was highest amongst large financially regulated firms.

Due to a limited number of responses to the survey, partly due to its circulation over the summer, it was hard for the Committee to gain a full sense of awareness and implementation of the Code amongst investment firms in particular.

The Committee agreed that this survey be followed up in Summer 2018, i.e. after January 2018 when it is expected that most firms would be able to sign the statement of commitment.

4. Response to queries on the Code

Those queries that had been directed to the 'UK Code inbox' since the Code's publication were focused on (i) the geographical scope of the Code and in particular whether market participants outside the UK should need to adhere to the Code when transacting 'in scope' transactions, and (ii) what should be done with the statement of commitment once signed.

On geographical scope, the Committee agreed that an example could be added to the explanatory note to make its geographical application clearer. This change would make up part of the annual review of the Code – one of the core responsibilities of the Committee from 2018 onwards.

With regards to statements of commitment, there was a growing sense amongst Committee members that a 'central register', listing all those institutions that had signed the statement of commitment and who wished to be included on a public list, might be the appropriate way to document adherence. It was felt that this would increase the overall visibility of both the Code itself as well as those who adhered to its contents. By whom this central register would be administered remained, to some extent, a point of contention for the Committee.

It was agreed that the question of whether a central register would be the appropriate way forward should be taken to the next Money Markets Committee (MMC) meeting, in December 2017 in the Chair's update.

5. UK Money Markets Code Sub-Committee – 2018 onwards

The Chair proposed that the Committee meet three times per year from 2018 onwards. One of those three meetings would be used for an annual review of the Code by the Committee. The Committee agreed with this proposal. These would be scheduled for the end of January (to feed into the annual review process and escalation of any changes to the March MMC), in May, and in October.

The Chair asked members whether they were content for the Committee to continue with one Chair as opposed to two formerly. The Committee agreed for the Committee to continue with one Chair.

The secretariat noted that comments/thoughts on the workings of the Committee going forward could be passed on to them ahead of the next meeting if appropriate.

6. AOB

The Chair informed the Committee that Paul Wilson had left JP Morgan since the last meeting. He would therefore no longer serve on the Committee either as a member or as Co-Chair. The Chair, the Bank, and all Committee members expressed their gratitude for Paul's significant contributions to the work of the Committee and towards the publication of the UK Money Markets Code.