rma daily
34th Annual Conference On Securities Lending
Day 2
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11 October 2017

Clear collaboration

OCC and EquiLend outline the potential of their partnership for central clearing

Day 2 agenda inside

Common interests key in reg reform

Securities lending industry participants must work together, even to their individual detriment, in order to move the industry forward as a whole, according to speakers in the global regulatory update panel.

From an agent lender perspective, one speaker noted that the lending industry is demand driven and reactive to borrowers' needs, particularly as a result of the liquidity coverage ratio, the net stable funding ratio (NSFR), and even the Securities Financing Transactions Regulation.

The speaker said: "The type of activity that we have seen is definitely a higher demand for transactions secured by non-cash collateral, greater demand for term transactions, and in some cases, just the borrowers being more selective of lender type."

Another noted that adapting to borrowers' needs can have a significant effect on the agent lenders themselves. For example, increased demand for non-cash collateral will effect the agent lander's risk-weighted assets calculations.

The speaker observed that the large brokers are generally part of larger banking institutions and so are indirectly subject to capital and liquidity ratios. Therefore there is an understanding that the banks and brokers must work together to create a solution that works for everyone.

"Clearly the banks and the brokers are working together. There's a commonality of interest here to a much bigger extent than there ever was."

The Risk Management Association has been working to push the concept of allowing non-cash collateral by broker dealers.

While this is "completely contrary to the banks' interests from a capital perspective", as it would lead to higher indemnification costs, banks are nonetheless working with brokers to bring that about, in order to further encourage demand.

Another speaker also pointed to the proposed new 'pledge' Global Master Securities Lending Agreement (GMSLA) in Europe as an example of agent lenders and borrowers working together towards a solution that doesn't necessarily benefit agent lenders, but the market as a whole.

The established way of borrowing is currently through a GMSLA, however, the speaker said: "Because of capital concerns on the borrower side, there has been a push to come up with a different type of GMSLA, a pledge GMSLA."

Argentina to launch lending programme

Argentina's securities regulator is expected to confirm plans for an on-exchange securities lending programme by the end of the year.

A conference speaker on the Latin American panel told delegates that the Comision Nacional de Valores (CNV) had revealed initial plans for the programme in September, but noted that no official statements had been published so far.

CNV intens for the programme to facilitate short selling of equities and fixed income through local brokers.

The panellist added that unofficial discussions indicated that Argentina would likely model its securities lending programme on the established Brazilian model, meaning it would feature mandatory use of a central counterparty.

Brazil is currently Latin America's largest securities lending market, with its B3 exchange recording BRL 64.90 billion (USD 20.62 billion) in lending volume in April.

Argentina's lending programme will be guaranteed by the country's stock exchange and central securities depository.

CNV will show securities on-loan at the lender's account and will accept responsibility for returning corporate actions to the beneficial owner.

The securities lending facility comes as part of a package of capital market developments aimed at raising Argentina up to 'emerging market' status from its current 'frontier' classification.

Argentina is the the only Latin American country yet to evolve into a recognised emerging market among its clearest peer group, which also includes Mexico, Peru and Colombia.

Another conference speaker added that delegates should expect to hear a lot more from Argentina in the next few months and into next year, as the capital market reforms take hold.

According to the speaker, the International Securities Lending Association has been active in pushing an industry solution here, in order to address the inconsistencies brought about through different agent lenders and borrowers providing individual, bespoke documentation.

The new pledge GMSLA is a solution that benefits only some of the industry participants, not including agent lenders, however "there is going to be no business if the borrowers are not borrowing".

The panel also noted that various cross-jurisdictional regulations such as the NSFR, capital floor rules under so-called Basel IV, and Standard Approach for Counterparty Credit Risk (SA-CCR) derivatives rules, there are significant differences in implementation status.

For example, regarding SA-CCR, US regulators are still evaluating the rule, while in Canada implementation has been delayed until 2018, depending on the timing of implementation in 'key foreign markets'. In the EU, however, the rules have been adopted by the European Commission and are under consideration from the European Parliament and the European Council.

One panellist suggested that, while these discrepancies lead to uncertainty with regards to leverage, capital, credit risk, market risk, liquidity and derivatives, this uncertainty also provides "a real possibility of making some changes", offering the industry the chance to make a positive impact for the industry.

He added that the industry has a "window" to "argue for certain things", and working in partnership with the industry is the right way to figure out what are the best points to tweak, and how to "lobby for the right edits".

However, while he expressed frustration at the length of time taken to finalise the rules, he said it's equally important to resolve the discrepancies in implementation between regions. Ignoring these discrepancies would make things far more complicated in the long run, and could "significantly alter the competitive landscape".

The speaker concluded: "A rule coming in is one thing, unwinding it, editing it … takes many many more years."

SCCL grossly overstates exposure

The Risk Management Association (RMA) has voiced "serious concerns" about the effect that the single counterparty credit limits (SCCL) could have on securities lending, in a letter to members.

Currently, the proposed methodologies banks must use to calculate their exposures

Fixed income saves the day

US fixed income revenue is the highlight of 2017 so far, but several upcoming hurdles could knock this trend off course, according to conference speakers.

Following a 15-basis point (bps) drop off in 2016, returns on lendable assets for government bonds rebounded in July to the 2015 highs of 25 bps, data provided by FIS showed.

At the same time, FIS revealed that the government bond intrinsic loan rate has seen an almost unbroken growth run since January 2014, to sit at just over 0.2 percent, as of July 2017.

Strong revenue in the fixed income space during the first two quarters of 2017 served as a safety net to industry participants that suffered from a significant fall in equities revenue, compared to the opening months of 2016.

Speakers noted that, as the US entered a bull market, the returns of rising interest rates could stall the impressive growth of demand for government bonds.

Panellists partly attributed the success of government bonds to the rising demand for high-quality liquid assets driven by new margin requirements that came into effect in March and September.

Demand for non-cash assets has dramatically altered the US collateral landscape in recent years, with the traditional cash market giving way to more diverse demands.

A conference speaker also noted that the wider introduction of equities as collateral in the US securities lending market, which is currently being negotiated as part of reforms to Securities and Exchange Commission Rule 15c3-3, may swing demand further towards non-cash.

Conference delegates heard that the adoption of other forms of non-cash collateral could also affect fixed income revenue negatively.

"Equities as collateral would be a huge win for the for the US market," the speaker stated.

from securities lending does not give any recognition of correlation or diversification within a netting set, which "grossly overstates credit exposure for agent banks".

The RMA is advocating for a risk-sensitive measure through comment letters and meeting with the Federal Reserve.

The US Treasury has also recommended a more risk-sensitive risk calculation for SCCL.

A new version of the SCCL was expected in the first half of the year, but rule writing has slowed since President Donald Trump took office.

The RMA also noted in its letter that the final rule on the ISDA Stay Protocol published last month "addressed many of the concerns raised by the RMA in its comment letters".

A panel of RMA representatives praised the regulator's decision to amend the rule and acknowledge issues raised by several industry bodies that the initial rule, without exemptions for securities lending translations, would be a major blow to the market.

The letter stated: "[The final version] included carve outs from amending agreements for irrelevant qualified financial contracts that would most probably cover securities lending authorisation agreements. Additionally, there is a carve-out for agents thereby not requiring agent lenders to sign on their behalf."

There is also a US Nexus carve out, meaning agreements signed on behalf of US clients under US law with global systemically important banks do not need to conform, as they will be captured under US special resolution regimes.

An RMA spokesperson confirmed the association is working with the International Swaps and Derivatives Association on the US module of the Stay Protocol.

CollеX executes first T+0 trade

ColleX has executed its first T+0 triparty collateral loan to help improve efficiency in securities finance trading.

The trade, executed between Bank of America Merrill Lynch and ING Bank, with J.P. Morgan as collateral custodian, was executed using one of Collex's 10 standardised baskets, which have been implemented across various triparty agents.

The transaction enabled the ColleX Trader to borrow a triparty basket of collateral and achieve 100 percent reuse, establishing the first loan of triparty collateral.

This transaction type will reduce collateral cost and settlement risk as the trade executed and settled within two hours on trade date.

Commenting on the transaction, Grant Davies, head of business development at ColleX, said: "The success of ColleX is being driven by a growing collateral market."

"More than $2.7 trillion of collateral is now managed by Europe, the Middle East and Africa triparty custodians with Seg IM, centrally cleared counterparty margin and collateralisation of credit lines increasing demand for efficient collateral solutions."

"ColleX enables market participants to leverage triparty infrastructure, mobilise firm inventory and convert it into eligible collateral to meet these needs."

Richard Pryce, ING's co-head of global securities finance, added: "Given ING's established reputation in securities financing and experience in triparty transactions for our clients, we see the benefits of electronic trading in terms of transparency and efficiency. We are pleased to be a part of this innovation."

Matt Wolfe, vice president of product development, OCC

Clear Collaboration

Matt Wolfe, vice president of product development at OCC, and Dan Dougherty, COO of EquiLend Clearing Services, discuss their companies' partnership and recent developments in the securities financing marketplace

In May, OCC and ECS partnered to bring greater access to central clearing in securities financing. What does this mean for you and the marketplace?

Matt Wolfe: The partnership has the potential to bring many opportunities to market participants. OCC has a robust stock loan clearing programme for broker-dealers called the Hedge programme, with approximately $75 billion in equities on loan. Hedge participants enjoy the benefits of substituting their counterparty's credit rating for OCC's AA+ credit rating with S&P, and taking advantage of the favourable accounting treatment afforded to cleared stock loans.

The Hedge programme has been live for almost 25 years and is experiencing strong growth, but there are some shortcomings that we intend to address through the partnership with EquiLend Clearing Services (ECS). New loans and returns for Hedge are submitted directly to DTC for settlement, and OCC is notified after settlement occurs.

This workflow frequently leads to participants' books and records becoming out of balance with OCC's version. Additionally, since the clearinghouse's books are based on settlement activity, OCC's guarantee is limited to the loaned stock and cash collateral. Loan terms such as the rebate rate, term, and dividends are direct obligations between the lender and borrower. OCC has a second stock loan programme called Market Loan, which is facilitated through ECS's middle-office system.

OCC is working with ECS to enhance this system and provide additional connectivity into this programme to allow Hedge participants to migrate towards the Market Loan programme, where all transactions are automatically settled against OCC's DTC account, which dramatically reduces reconciliation breaks. This allows OCC to have a complete record of the loan terms and provide a broader guarantee that includes accrued rebate fees and cash dividend payments.

These enhancements will benefit OCC and the marketplace by providing a more operationally efficient and effective infrastructure with reduced risk for all. We're excited about the collaboration with ECS and look forward to the improvements it will bring to those who participate in this growing market.

Dan Dougherty: As evidenced by the continued growth in the OCC Hedge programme, there is a growing demand for industry participants to have access to centrally cleared venues. The partnership creates the ability for OCC to deliver a more robust, expandable solution to market participants. The Market Loan programme and supporting ECS infrastructure have been in production since 2009 and continue to be run by ECS staff through a clearing agreement with OCC. By leveraging the ECS infrastructure, OCC has the ability to expand both controls and guarantees, while maintaining the advantages of its AA+ credit rating and favourable accounting treatment.

This partnership brings together two industry leaders to form a best-in-class central clearing solution for the securities financing market. ECS provides technical solutions for execution, messaging, settlement, position management and the management of all lifecycle events. Leveraging ECS technology allows OCC to bring the enhanced Market Loan programme to market in the most timely, efficient and effective way possible.

There appears to be an evolving ecosystem for securities lending transactions. Can you explain why?

Wolfe: The ecosystem in which securities lending transactions take place continues to evolve for several reasons. Regulatory change has sought to reduce risk in the financial system by increasing capital requirements, improving risk management systems and processes, and by encouraging activity to be cleared. This has resulted in demand for central counterparties (CCPs) such as OCC to expand the solutions they provide to the market. As a result, our programme has evolved over time from providing margin efficiencies to delivering capital and credit efficiencies, which makes OCC a compelling value proposition for market participants. We are working with an industry coalition to refine the clearing model to allow for expanded participation in our clearing solution.
The migration from non-cleared bilateral transactions to clearing will improve the resilience and profitability of market participants. This is consistent with OCC's mission of promoting stability and market integrity through efficient and effective risk management, clearing, and settlement services.

Dougherty: Driven by regulatory change and the increased desire for automation and controls, the ecosystem for securities lending continues to evolve. Market participants continue to look for improved infrastructure and the ability to optimise their book of business. As a result, demand for central clearing of securities finance transactions is steadily increasing. The ability to net securities lending positions against other transactions, lower risk-weighted assets (RWA) and achieve preferential accounting treatment are some of the reasons driving CCP use. These factors have led to a requirement for ways to execute and manage this activity in an efficient manner.

ECS has the ability to execute and manage centrally cleared securities lending trades in a non-disclosed or fully disclosed manner by leveraging flexible technology, including EquiLend's NGT and Post-Trade Suite. In addition, ECS has developed a standardised format for the facilitation of centrally cleared activity: the ECS Gateway. The ECS Gateway is open to all participants in the CCP and standardises all communication to CCPs for trades and the corresponding lifecycle events.

OCC's monthly data reports show that securities lending volume are growing significantly. How do you explain this success?

Wolfe: Stock loan is an essential and substantial component of the global financial market, with the largest part of this market conducted through uncleared, bilateral transactions lacking the recognised benefits of clearing services with central counterparty

Dan Dougherty, COO of EquiLend Clearing Services

substitution. Since OCC's introduction of CCP services for the stock loan market in 1993, the volume of stock loans cleared by OCC has increased steadily.

From 1 January through to 31 August 2017, OCC processed just over 1.5 million new stock loan transactions, a 22 percent increase on the same period in 2016, and had a daily average of $77 billion in equity securities on loan.

Our goal is to provide greater capital efficiencies for our clearing members. OCC is implementing a number of enhancements to our stock loan programmes in order to reduce systemic risk, enhance transparency and, allow more efficient use of capital. Many clearing members appreciate these benefits and are encouraging their counterparties to engage through OCC, where borrowing is cheaper and larger balances can be maintained.

ECS is a relatively new division of EquiLend. Why get into the clearing space now?

Dougherty: EquiLend has always said it would be prepared to facilitate CCP flow as soon as the market is ready for it, and we will direct flow to any venue that our clients want us to, as well as any CCP. We have seen the demand for CCPs increase dramatically, with the growth of the OCC programme in the US and other programmes globally as clear indications of that.

CCPs are an important part of our clients' trading strategies, so our objective is to offer our clients a best-in-class service to facilitate their business in the most efficient manner. By leveraging our experience and our established securities finance technology, our clients have the ability to manage all their securities lending activity for trade execution and the management of all lifecycle events. **SLT**

Speakers' Corner

To brush up on any of the topics covered in today's panels, visit the Securities Lending Times website for all the need-to-know updates on the conference

Glenn Horner offers an insight into this year's CCP panel and outlines the progress that has been made

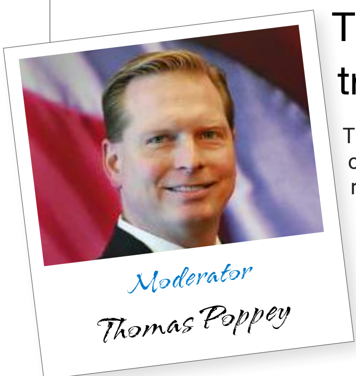
It seems like the advent of central counterparties (CCP) in the securities lending space has been a topic of interest for industry participants for a number of years, and has been covered extensively at conferences and by the industry press. As far back as 2010, the whitepaper, Good, Bad, or Inevitable: Changes Are A Comin' To The Securities Lending Club, was published. This whitepaper argued that adoption of CCPs was slow, but that broad adoption was inevitable. Despite the potential of benefits to lenders, borrowers and agents, we have yet to see the expected mass adoption of CCP utilisation by industry participants, except in the intra-dealer space.

However, 2017 saw some significant achievements from CCPs. Eurex recently announced its first direct-access client PGGM; FICC has rolled out, and onboarded clients into, a direct-access repo clearing product, and expanded its existing sponsored repo clearing product to support participation from a broader array of institutional clients, as well as allow two-directional client activity; and OCC has hit $140 billion in volume in the intra-dealer market. We anticipate more positive announcements from key players in 2018.

The panel on CCPs at the RMA conference will consist of experts with perspectives from the CCP, borrower, and agent lender sides. They will answer key questions around what the benefits of using a CCP are and why there hasn't been a greater uptake of the product. The panel will also debate how the regulations are both encouraging broader acceptance as well as creating obstacles in some instances. It will also delve into where key market players stand in terms of product development, enhancements, member onboarding, and roll-out timelines. Finally, the panellists will debate what steps market participants and regulators can take in order to increase the acceptance of this product in the future.

Moderator:
Glenn Horner, managing director, State Street

Panellists:
Arianne Collette, executive director, Morgan Stanley
Laura Klimpel, executive director, DTCC
Jonathan Lombardo, senior vice president, Deutsche Boerse Group
Matthew Wolfe, vice president, OCC



The SFTR and MiFID II panel tackles the most comprehensive transparency initiatives the industry has seen

The second Markets in Financial Instruments Directive (MiFID II) is well embedded in the consciousness of US and European securities lending participants. The date to keep in mind is 3 January 2018, when regulators and industry participants alike must be ready to comply or cease trading.

On the other side of the equation, the indirect effects of the Securities Financing Transactions Regulation on North American counterparties is yet to be fully realised by some in the US. This panel will lay bare the significant reporting requirements that EU-facing entities must soon abide by, and speakers will likely discuss the potential ramifications this may have on market behaviour.

EU regulators are putting a lot of emphasis on improving transparency through initiates such as SFTR, and what they will do with all the data they collect—and what conclusions they will draw on the securities lending market—may well be a hot topic for RMA 2018 and beyond.

Moderator:
Thomas Poppey, senior vice president of global securities lending, Brown Brothers Harriman

Panellists:
Elaina Benfield, senior counsel, Vanguard
James Buckland, managing director, UBS
Michael McAuley, managing director, BNY Mellon
Anthony Toscano, managing director, Deutsche Bank

Repo to the rescue?

Repo could finally be given the opportunity to shine as the platform for effective collateral and inventory management, says Richard Gomm of Lombard Risk

'Once upon a time, in a regulatory landscape far, far away' may sound like an opening to a fairy tale, but the reality is that the regulatory landscape is now beyond recognition for even the most grizzled and battle-hardened of collateral managers. The Dodd-Frank Act, Basel III, the European Market Infrastructure Regulation and other global equivalents have left the collateral pool shuddering at the concept of an unprecedented demand for collateral comprised of high-grade assets and an increase in haircut provisions. While it is noted that increased collateral requirements in the market means greater safeguards against default, conversely, the ever-increasing demand for high-grade collateral also has an inherent destabilising market factor.

Buy-side institutions have limited access to large inventories of high-grade collateral, which gives rise to the phenomenon known as 'collateral scarcity'. The current economic climate, coupled with stressed market conditions, only exasperates this notion. In the collateral world, this means higher margin call volumes, an increase in the number of margin disputes and adverse operational capacity implications.

Since the 2008 financial crisis, regulators have made huge strides towards stabilising the global financial system via regulatory reform. This has essentially created a tornado of regulations, consuming all forms of high-grade collateral in the market, leaving a trail of fewer

fewer and fewer smaller institutions and buy-side firms in its wake as a direct result of the new and all-encompassing collateral requirements. Additionally, liquidity ratios and capital requirements are coming under increasing pressure from regulators—all of which are fuelling the whirlwind ultimately creating a perfect storm.

Global financial institutions are striving to manage risks and collateral requirements as efficiently and intelligently as possible. Now more than ever, there is a distinct need to reduce the fragmentation of global collateral pools. As more and more firms are finding it too expensive to manage collateral on a cross-border basis, secured financing is now seen as one of the most effective techniques in meeting the new-found demand and squeeze on collateral pools.

Secured financing is a critical contributor to the efficient functioning of global capital markets. The securities financing business is gathering momentum and repo agreements have been established as the flagship securitised finance product, with more and more firms becoming savvy to its importance to the entire industry. Repos are the most widely and commonly used securities financing transactions and are fast becoming the foundation of capital market liquidity.

For those of us who remember the ‘good old days’, repo agreements, in conjunction with collateral management in general, were somewhat viewed as a back-office function, domiciled within operations—an afterthought in many ways. However, the lowly repo transaction is now viewed as an integral component of the banking industry, aiding liquidity and effective inventory management. Repo transactions are fundamental to the provision of an untapped global inventory of high-grade collateral to smaller institutions and buy-side clients, while simultaneously providing sell-side institutions with further profitable business and revenue streams.

With this in mind, a significant byproduct of regulatory reform is concentrated around the repo market and the anticipation of an unprecedented spike in repo trading volumes. However, gone is the era when efficient and effective credit risk management of repos could take place with the use of a notepad and an abacus. The increasing market demand for these transactions brings with it additional complexity and operational challenges in supporting them. As a result, financial technology companies and their solutions have moved to the forefront of a previously antiquated collateral management space.

Improving efficiency in repo collateral management is, as always, proving a challenging task. One of the biggest obstacles envisaged by institutions pertains to IT complexity in the form of product silos, multiple systems and data touch points, and a lack of technical integration. Significant initiatives in this space include the move towards single-platform, cross-product margin systems and electronic messaging. Many of the repo processes in place today have not been historically dynamic in approach. Process automation, calculation and pricing flexibility are areas of concern, given the anticipation of greatly stressed repo trading volumes on the horizon.

Control should be at the forefront of any efficient repo collateral management process and ultimately be automatically embedded into technology workflows. The support and validation of collateral eligibilities, concentration limits and sufficiency checks are often manual and exposed to a great deal of operational risk in the repo space. Therefore, the introduction of any margin system should provide a safeguard to operational risk by preventing the booking of ineligible collateral, and, where possible, assist in the identification of the most optimal collateral postings. Repo margining would benefit greatly from dynamic exposure calculation and real-time integration to upstream and downstream data sources. There is now a real need for automated statements and reconciliations, which would ultimately reduce the need for external solution provisions by third parties.

Firms need to be gifted the technological flexibility to support the wide variety of margin methodologies employed globally without manual intervention, and the ability to re-run calculations on an ‘any-time’ basis, especially in market stress scenarios. The growing need to forecast exposures and simulate ‘what-if’ scenarios is key to enabling and maximising an efficient management of collateral inventory. This can further be achieved by breaking down product silos—providing a holistic, cross-product view of risk to optimise firm-wide collateral inventories. Competitive advantages such as these are not only proving to be critical to the success of any institution, but to the financial industry as a whole.

In conclusion, since the collapse of Lehman Brothers, the use of repo agreements has experienced a cultural revolution. Long gone are the market perceptions that repo collateral management is the poor cousin of its counterpart. No longer is repo, or collateral management in general, lurking in the shadows of the more en-vogue front-office machine.

Under the ever-changing regulatory landscape, post-trade operations are becoming key drivers of profit. Access to high-quality collateral positions via repo transactions and the competitive edge gained from technological efficiencies are vital to market liquidity and the elimination or easing of the collateral scarcity phenomenon. Is the historically undesirable repo of the collateral and trading world now at the very forefront of market stabilisation? From its humble beginnings, repo could finally now be given the opportunity to shine, and be seen as the platform for effective collateral and inventory management. **SLT**

> The lowly repo transaction is now viewed as an integral component of the banking industry

Richard Gomm
Collateral management consultant
Lombard Risk

Places to visit in Naples

Bokamper's Sports Bar & Grill

Address: 8990 Fontana Del Sol Way, Naples, FL 34109
Contact: bokampers.com/naples
Laid back restaurant and bar offering burgers, pizzas, salads, BBQ ribs and a happy hour Monday to Friday
Travel time from The Ritz: 7 mins

Naples Botanical Garden

Address: Naples Botanical Garden, 4820 Bayshore Dr, Naples, FL 34112
Contact: naplesgarden.org
170-acre garden that's home to plants from all over the world
Travel time from The Ritz: 30 mins

7th Avenue Social

Address: 849 7th Ave S Naples, FL 34102
Contact: 7thavenuesocial.com
Laid back venue with live music and traditional southern cuisine
Travel time from The Ritz: 20 mins

Third Street South

Address: 1207 3rd St S, Naples, FL 34102
Contact: thirdstreetsouth.com
Open since the 1930s, Third Street South offers a variety of cafes, restaurants and shops, as well as a farmers' market on selected days
Travel time from The Ritz: 22 mins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Agenda Day 2

7:30 AM to 8:45 AM	**Buffet breakfast**
8:45 AM to 9:00 AM	**Welcome remarks** Brendan Cusick, managing director, UBS Jill Rathgeber, managing director, BNY Mellon
9:00 AM to 9:45 AM	**Extraterritoriality: SFTR and MIFID II compliance** These two EU-originated regulations are arguably the largest transparency initiatives the securities lending industry has seen in many years. What is the scope and how will they affect beneficial owners, lending agents, and borrowers across the industry? Will there be impacts on trading processes and relationships? What is the current status regarding implementation to meet the aggressive deadlines? How will the costs for compliance ultimately be absorbed across industry participants? Additionally, how will securities financing transactions regulation influence changes to agent lender disclosure. Moderator: Thomas Poppey, SVP of global securities lending, Brown Brothers Harriman Panelists: Elaina Benfield, senior counsel, Vanguard; James Buckland, managing director, UBS; Michael McAuley, managing director, BNY Mellon; Anthony Toscano, managing director, Deutsche Bank
9:45 AM to 10:30 AM	**Keynote** Seth Carpenter, chief US economist, UBS **The outlook for the US economy and the implications for the Fed** The US economy has had one of its longest expansions in history. Monetary policy is normalising from an extraordinary period of accommodation. This talk will discuss the current state of the US economy, the outlook for the next year, and the implications for monetary policy.
10:30 AM to 11:00 AM	**Coffee break with the exhibitors**
11:00 AM to 12:00 PM	**CCP update: are they still the future of securities finance transactions?** A point/counterpoint debate by industry participants addressing questions that still need to be answered including around the key drivers and benefits to central counterparties (CCP) of centrally-cleared trades, and whether they work for everyone. What is the status of a CCP solution for the lending model, and what are the challenges to gain universal acceptance from agents and beneficial owners? Historically, beneficial owners want and expect excess margin, and there are some that can't post margin. How can this scenario be reconciled, and how can we get CCPs to work for them? What is the future of indemnification when a CCP is utilised? Additionally, how will post-trade processing work, and will this create new burdens on agent lenders and beneficial owners? **Moderator:** Glenn Horner, managing director, State Street **Participants:** Arianne Collette, executive director, Morgan Stanley; Laura Klimpel, executive director, DTCC; Jonathan Lombardo, senior vice president, Deutsche Boerse Group; Matt Wolfe, vice president, OCC
12:00 PM to 1:00 PM	**Future market and regulatory impacts on securities lending operations** With the increasing role securities finance is playing within regulatory reform, there will be multiple operational impacts. This may include the shift towards non-cash collateral; bilaterally this will be unscalable to support within operations and will require the US adoption of tri-party collateralisation. Additional operations considerations include CCPs, collateral allocation issues including equity, as well as other post trade challenges. The panel will focus on what these issues mean to operations teams, required technology builds and what institutions need to know to support a changing business model. Moderator: Sue Ljekperic, director, UBS Panelists: David Aman, counsel, Debevoise & Plimpton; Ianthus Martin, director, BlackRock; Matthew Puscar, executive director, J.P. Morgan; Greg Szabo, director, Credit Suisse;John Templeton, managing director, BNY Mellon
1:30 PM to 4:30 PM	**Tennis tournament**
5:30 PM to 7:30 PM	**RBC reception**


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Find out more at www.eurexclearing.com