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TMPG Updates White Paper on Delayed Payment Contingency Planning

The Treasury Market Practices Group (TMPG) today released an [updated version](#) of "Operational Plans for Various Contingencies for Treasury Debt Payments," a white paper originally published in 2013 that serves as a technical reference on potential trading, clearing, settlement, and other operational challenges that could arise in the unlikely event of a disruption in the timing of payments on U.S. Treasury securities.

The updated paper maintains relevant information on the potential practices that can be used to support the continued trading and transferability of securities that are subject to delayed payments. It also clarifies some language and terms to better align the terminology that is commonly referred to in the public domain (including SIFMA's [Disruption in Treasury Payments](#)). These updates do not change the fundamental conclusions or recommendations of the original paper.

As noted [previously](#), the potential practices outlined in the white paper would modestly reduce—but not eliminate—the operational difficulties posed by an untimely payment on Treasury debt. "Today's release reflects the TMPG's efforts to keep an important technical reference up to date and encourage the use of common vocabulary," said Jerry Pucci, Chair of the TMPG. "The TMPG cannot stress enough that a delayed payment on U.S. Treasury debt, even if only temporary, would cause significant damage to and undermine confidence in the markets for Treasury securities and other assets."

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About the Treasury Market Practices Group:

The Treasury Market Practices Group (TMPG) is a group of market professionals committed to supporting the integrity and efficiency of the Treasury, agency debt and agency mortgage-backed securities markets. The TMPG is composed of senior business managers and legal and compliance professionals from a variety of institutions – including securities dealers, banks, buy-side firms, market utilities and others – and is sponsored by the Federal Reserve Bank of New York. More information is available at: www.newyorkfed.org/tmpg

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