

Alternative Reference Rates Committee (ARRC) Minutes for the December 1, 2016 Meeting

- 1) Fed staff briefly updated the ARRC on reference rate reform efforts in other jurisdictions.
- 2) ISDA informed the ARRC that it has formed new working groups to address issues regarding robustness in swap agreements, as requested by the FSB's Official Sector Steering Group (OSSG).
- 3) Fed staff noted a [recent announcement](#) that the Federal Reserve Bank of New York, in cooperation with the Treasury Department's Office of Financial Research, is considering publishing three benchmark rates based on overnight repurchase agreement transactions collateralized by Treasury securities. Fed staff noted that some additional information regarding the composition and calculation methodology for these rates would be made publically available in the near future and that they will be seeking public comment on the composition and calculation methodologies before adopting a final publication plan.
- 4) As part of the ARRC's efforts to solicit feedback from a broad range of market participants, the Chair noted the formation of an [Advisory Group](#) in November 2016 which will provide input to the ARRC as it finalizes its recommendations for an alternative reference rate and transition strategy. The ARRC's liaisons to the Advisory Group summarized the initial constructive discussions and feedback received during the Advisory Group's inaugural meeting.
- 5) Several ARRC members provided progress updates on subgroup-related work on specific areas of the paced transition strategy plan. Of note, the consumer products subgroup reached initial consensus that some products with a need to reference a term rate could refer to a backward-looking average of the chosen alternative overnight reference rate. Identifying a forward-looking term reference rate was not deemed essential to the ARRC's 2017 workplan.
- 6) The ARRC discussed and agreed on two high-level priorities for 2017:
 - a. First, finalize their recommendation of an alternative overnight reference rate around mid-year, with input from the Advisory Group. The Chair asked that, prior to the next ARRC meeting, members identify what additional information they would need in order to choose a rate.
 - b. Second, finalize details of the paced transition strategy plan.

Secretary's Note: The following information was released after the December 1, 2016, ARRC meeting:

- [Report on the Identification of a Japanese Yen Risk-Free Rate](#), by the Study Group on Risk-Free Reference Rates.
- [Investigating the Proposed Overnight Treasury GC Repo Benchmark Rates](#), by the Federal Reserve Bank of New York.

Attendance for the December 1, 2016 ARRC Meeting

ARRC Member Attendees

Bank of America	Paul Scurfield
Barclays	Brian Rozen
Barclays	Matthew Besgen
BNP	David Moore
BNP	Sarvesh Mehta*
BNP	Simon Winn
Citigroup	Deirdre Dunn
Citigroup	Heraclio Rojas
CME	Agha Mirza
CME	Fred Sturm
Credit Suisse	Shane O' Cuinn
Credit Suisse	William Marshall
Deutsche Bank	Adam Eames
DTCC	Robert Cavallo
Goldman Sachs	Alexander Blanchard
Goldman Sachs	Scott Rofey
HSBC	Pieter van Vredenburg
ISDA	Anne Battle
JP Morgan	Alice Wang
JP Morgan	Sandra E O' Connor
JP Morgan	Vickie Alvo
LCH	Phil Whitehurst*
Morgan Lewis	Jon Roellke*
Morgan Stanley	Thomas Wipf
Morgan Stanley	Maria Douvas
Nomura	Steve Licini
RBS	David Wagner
Soc Gen	Subadra Rajappa
Soc Gen	Sylvain Cartier
UBS	Christian Rasmussen
UBS	Giuseppe Nuti
Wells Fargo	Ben Bonner*

Ex Officio Member Attendees

Federal Reserve Bank of New York	Catherine Chen
Federal Reserve Bank of New York	Joshua Frost
Federal Reserve Bank of New York	William Riordan
Federal Reserve Bank of New York	Alexandra Altman
Federal Reserve Bank of New York	Brett Solimine
Federal Reserve Bank of New York	Katie Bayeux
Federal Reserve Board	Joshua Loria
Federal Reserve Board	Chris Clubb
Federal Reserve Board	Jerome Powell
Federal Reserve Board	David Bowman
Office of Financial Research	Matt McCormick
U.S. Commodity Futures Trading Commission	Sayee Srinivasan
U.S. Treasury Department	Anna Boutov*
U.S. Treasury Department	Brian Smith
U.S. Treasury Department	Jared Roscoe*

*indicates participation by phone