

foreign exchange committee



Minutes of the Operations Managers Working Group (“OMWG”) Meeting, May 25, 2023

Meeting was held via teleconference.

OMWG Members:

Lou Rosato	BlackRock
Maria Bernadette Silveira	JP Morgan Chase
Claudia Cassinari	SWIFT
Nicholas Picini	HSBC
Stace Banta	State Street
John Fusco	Wells Fargo
Daniel Lennon- (Chair)	CLS
Sherine Shah	XTX Markets
Brittany Panzino	Morgan Stanley

Federal Reserve Bank of New York (“FRBNY”)

Thomas Noone
 Sanja Peros
 Geza Sardi
 Kathleen Ramirez (Secretary)
 Daniela Seci

Additional Participants

Tyler Hecker	Federal Reserve Board of Governors
Mark Magro	Federal Reserve Board of Governors

Swift Update

Claudia Cassinari provided an update on the SWIFT ISO 20022 migration.

As of March 2023, all cross-border payment transactions have started to migrate from SWIFT MT formats to ISO 20022 compliant messages (MX formats). This is a three-year transition period that started back in 2022 and will end in November 2025. The migration has been a success and has reached an important milestone in the SWIFT community. Ms. Cassinari expressed that the free format messages would not be retiring even after all cross-border payment migrations will be completed in 2025. However, she encouraged the members to migrate as much as possible. Additionally, Swift has developed an infrastructure called Transaction Management Platform to help the cross-border payments migration by instituting a faster and efficient way to convert MT messages to ISO compliant MX messages.

foreign exchange committee



FXC Update

Sanja Peros, Secretary of the New York FXC, discussed updates from the recent FXC meeting.

Topical Discussion in the Canadian Foreign Exchange Committee (CFEC):

- The review of FX market conditions on how US market condition was affecting Canadian's housing market.
- Global Central Monetary policy decision, and how the Federal Reserve monetary decisions could impact other economies globally.
- Update on U.S. and Canadian move of securities transition to T+1 settlement.
- Unclear margin rule for FX Swaps

Topical Discussion in the FXC meeting:

- SIFMA Members going over the revise timeline on the update on U.S. securities transition to T+1 settlement.
- GMFA article on *FX Considerations for T+1 U.S. Securities Settlement*
 - Follow the link [gfxd-fx-considerations-for-t1-u.s.-securities-settlement-may23-003.pdf \(gfma.org\)](https://www.gfma.org/gfxd-fx-considerations-for-t1-u.s.-securities-settlement-may23-003.pdf)
- Upcoming for Global Foreign Exchange Committee (GFXC) Meeting in June

Market Discussions:

- Outlook for Central Banks' monetary policy.
- US Debt Ceiling negotiations and the potential impacts on the market.
- The stresses on the US banking sector

Administrative

- The next FXC will be held on July the 12th.

CLS Update

Daniel Lennon delivered the CLS update summarizing CLS' overall performance.

As of end of April 2023, the total number of incidents has been 22. This is a downward trend from the year-to-date (April 2023) vs. the year to date on previous years. While the most incidents continue to happen on Mondays, the trend has not been as significant as previous years. This is an indication that the weekend technology changes are being better managed by its members.

CLS has also increased its efforts in conducting enhanced due diligence across all CLS settlement members, and its vendors, in addition to the attestation that usually conducts. The results will be shared with its members once completed.

CLS has been more accommodating on return-to-work policies; remote working is still effective at CLS.

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NY Fed's Governance and Culture Reform Initiative

Thomas Noone provided the group with an update on the Governance and the Culture Reform Initiative that is being led by the New York Fed. This is a forum that addresses and mitigates risks from misconduct and organizational culture. It examines the challenges that power group dynamics can bring to organizational structures such the financial services industry.

The New York Fed executes the work of the initiative via three strategic channels:

1. Awareness & Dialogue,
2. Education & Research
3. Supervision & Governance.

On June 20th, the New York Fed will host the Governance and Culture Reform conference.

Below are the topics to be discussed:

- The new work environment –The effects that hybrid work has in group culture.
- Recent Bank failure

For more information, please follow the link below:

[The New York Fed's Governance and Culture Reform Initiative: An Overview](#)