

Money Markets Committee: Terms of Reference

Purpose

The Money Markets Committee provides a senior-level forum to enable market participants, infrastructure providers, and the relevant UK public authorities to discuss issues concerning the UK unsecured deposit and funding money market, the securities lending market and the repo market.

Objectives

1. To discuss important domestic and global market or structural developments affecting the UK money, repo and securities lending markets.
2. Where appropriate, to propose responses to any issues identified.
3. To aid understanding and enhance monitoring of the functioning of the UK money markets.
4. Endorse and facilitate continuing market-wide adoption of the Securities Lending, Repo and Money Market Code¹ (the Code), a voluntary code of good practice for the money and securities financing markets².
5. Identify and address any high-level issues concerning contingency planning in the UK money markets and payment systems, having regard to international developments.

Membership

6. The Committee is chaired and administered by the Bank of England, who will also provide the secretariat.
7. The Committee comprises appropriately senior practitioners from key active UK money market, repo and securities lending participants, including appropriate representation from banks, building societies, investment managers, non-financial institutions, infrastructure providers, and the UK authorities.
8. Members are invited by the Chair due to their seniority, and experience in combination with the level of appropriate market activity by their firm.
9. It is expected that members represent themselves as senior market participants, their firms or the association which they represent, the wider interests of their sector of the market and represent the best interests of the function of the market as a whole.

¹ See the Terms of reference of the Securities Lending, Repo and Money Market Code Sub-Committee

² The Code is produced, reviewed, maintained and updated by a Sub-Committee of this Committee

10. Generally membership is on an individual rather than on a firm basis. Therefore, a member who steps down cannot automatically pass on their seat to a replacement within their firm.
11. Membership of the Committee will be reviewed on a regular basis. A range of factors are considered when reviewing membership with the aim of ensuring that the Committee is broadly representative of the UK money markets, while having regard to the need to advance equality of opportunity, and reflect an appropriate diversity of members and the firms they come from.

Organisation of the Committee

12. Meetings will be held a minimum of four times per year but can be held more frequently if required.
13. Members should aim to attend all Committee meetings and should contact the Secretary directly if they are unable to attend a meeting.
14. Members should attend the meetings themselves, sending alternates only in exceptional circumstances and by prior arrangement with the Secretary.
15. Agendas will be circulated one week in advance of meetings.
16. The Committee will have two permanent sub-committees: the Securities Lending, Repo and Money Market Code Sub-Committee and the Securities Lending Sub-Committee.
17. The Committee may create other permanent or temporary sub-committees as required in the light of market developments with agreed terms of reference.

Governance

18. Draft non-attributable minutes of meetings will be circulated to members and when these have been agreed by the Committee, they will be published on the Bank of England's website.
19. Decisions of the Committee will usually be made by general consensus but the Chair may ask for a decision by majority vote if agreement cannot otherwise be reached.
20. The committee requires a minimum attendance of 10 members, in addition to the Chair, to be quorate. If the committee is not quorate then meetings may proceed, however, the committee shall not be able to make decisions.

Arrangements in the event of a crisis or significant market instability

21. In the event of a crisis or significant market instability, the Chair of the Committee will facilitate the co-ordination of UK money market participants and related infrastructure

providers via telephone conference calls or using other appropriate electronic communications.

22. In such circumstances, the Chair may, in its absolute discretion, deem it appropriate for specific institutions to be represented in any co-ordination of participants.
23. Each member should nominate an alternate who can participate in such contingency arrangements if needed and asked by the Chair. Alternates must be at a similarly appropriate level of seniority within the organisation.
24. When asked to participate in such circumstances members or their alternates (who may only be nominated for this specific purpose) should have sufficient authority to speak for their organisation.

Confidentiality

25. Any information disclosed or opinions expressed during Committee meetings will be treated as confidential unless and until the Committee has authorised their public release. Committee members may be exposed to sensitive information and, potentially, to material non-public information in the course of their work. It is understood that Committee members' staff may see some documents relating to the Committee. Unnecessary involvement of third parties in handling this material is strongly discouraged. In all cases where third parties see Committee documentation, individual members are expected to accept responsibility for ensuring that those third parties are aware of and respect the confidentiality and sensitivity which attaches to the Committee and the documents in question.

Competition Law

26. It is the responsibility of Committee members to ensure they understand their responsibilities under all applicable competition laws, including UK and EU competition law. To the extent any Committee member is unclear of these, they should consult the legal and/or compliance teams at their respective institution for further guidance. If, during a Committee meeting, a member has concerns about the discussion from a competition law compliance perspective, the members should make their concerns known and the discussion giving rise to such concerns should cease.

Future Developments

27. These Terms of Reference will be reviewed annually to ensure that they remain current and relevant.

Securities Lending Committee: Terms of Reference

Purpose

The Securities Lending Committee is a Sub-Committee of the Money Markets Committee (the “MMC”).

It provides a senior-level forum for market participants and the relevant UK public authorities to meet to discuss issues concerning the UK securities lending market, including all collateral activities.

Objectives

1. To discuss important domestic and global market or structural developments affecting the UK securities lending market.
2. To discuss legal, regulatory, trading, settlement, infrastructure, tax, disclosure and other related developments in this market.
3. Where appropriate, it will propose responses to these issues.
4. To aid the understanding and enhance the monitoring of the functioning of this market

Membership

5. The Sub-Committee is chaired by an appropriately senior and experienced market participant at the personal invitation of a senior official of the Bank of England.
6. It is administered by the Bank of England.
7. The Sub-Committee comprises appropriately senior practitioners from key active securities lending market participants, including appropriate representation from banks, asset managers, non-financial institutions, infrastructure providers, relevant trade associations and the UK authorities.
8. Members are invited by a senior official of the Bank of England due to their seniority and experience in combination with the level of appropriate market activity by their firm.
9. It is expected that members represent themselves as senior market participants, their firms or the association which they represent, the wider interests of their sector of the market and represent the best interests of the functioning of the market as a whole. .
10. Generally membership is on an individual rather than on a firm basis. Therefore, a member who steps down cannot automatically pass on their seat to a replacement within their firm.

11. The Sub-Committee is not decision-making and therefore does not require a minimum attendance to be quorate but it will make recommendations to MMC when appropriate.

Organisation of the Sub-Committee

12. Meetings will be held at least every six months, but can be held more frequently if required.
13. Members should aim to attend all Sub-Committee meetings. Members should contact the Secretary directly if they are unable to attend a meeting.
14. Members should attend the meetings themselves, sending alternates only in exceptional circumstances and by prior arrangement with the Secretary.
15. Agendas will be circulated one week in advance of meetings.
16. The Sub-Committee may create temporary working groups as required in the light of market developments with agreed terms of reference where appropriate.
17. Draft non-attributable minutes of meetings will be circulated to members and when these have been agreed by the Sub-Committee, they will be published on the Bank of England's website.

Confidentiality

18. Any information disclosed or opinions expressed during Sub-Committee meetings will be treated as confidential unless and until the Sub-Committee, acting by consensus, has authorised their public release. Sub-Committee members may be exposed to sensitive information and, potentially, to material non-public information in the course of their work. It is understood that Sub-Committee members' staff may see some documents relating to the Sub-Committee. Unnecessary involvement of third parties in handling this material is strongly discouraged. In all cases where third parties see Sub-Committee documentation, individual members are expected to accept responsibility for ensuring that those third parties are aware of and respect the confidentiality and sensitivity which attaches to the Sub-Committee and the documents in question.

Competition Law

19. It is the responsibility of Sub-Committee members to ensure they understand their responsibilities under all applicable competition laws, including UK and EU competition law. To the extent any Sub-Committee member is unclear of these, they should consult the legal and/or compliance teams at their respective institution for

further guidance. If, during a Sub-Committee meeting, a member has concerns about the discussion from a competition law compliance perspective, the members should make their concerns known and the discussion giving rise to such concerns should cease.

Future Developments

20. These Terms of Reference will be reviewed at a minimum every two years to ensure that they remain current and relevant