

# Risk Derivatives Clearing

**July 15, 2015**  
**Marriott Marquis, New York**

## Getting the most out of cleared and uncleared derivatives markets

For five years now, mandatory clearing of OTC derivatives has been at a top of the agenda for many market participants across the globe. A herculean effort has been made into creating safer and more transparent financial markets, and both positive and counterproductive results of this effort are now much more evident.

**Risk Derivatives Clearing** is the essential event for any buy-side representative in cleared derivatives markets, and by leveraging the editorial expertise of *Risk* publications, is perfectly positioned to deliver timely and insightful content, addressing the remaining issues around the US clearing infrastructure.

Join us at **Risk Derivatives Clearing** in New York on July 15, and have your questions answered by carefully chosen industry experts who will share their insights and best practices.

Accredited by:



### High profile speaker line-up includes:



**Petal Walker,**  
Chief Counsel, Office of Commissioner Bowen,  
U.S. COMMODITY FUTURES TRADING  
COMMISSION



**Josh Braverman,**  
Senior Executive Director, Treasurer and Head  
of Derivatives, AXA US



**Karel Engelen,**  
Senior Director, Head of Data, Reporting  
and FpML, ISDA



**Johanna Schwab,**  
Assistant Vice President, Payments Clearance  
and Settlement, THE FEDERAL RESERVE  
BANK OF NEW YORK



**Paul Hamill,**  
Global Head of FICC, Execution Services,  
CITADEL



**Michael O'Brien,**  
Director of Global Trading, EATON VANCE



**Angie Karna,**  
Managing Director, Legal, NOMURA



**Michael Schwenk,**  
General Counsel and Chief Compliance Officer,  
NWI MANAGEMENT

#### REGISTRATION

Katie Evans  
T: +44 (0)207 316 9438  
E: [katie.evans@incisivemedia.com](mailto:katie.evans@incisivemedia.com)

#### SPONSORSHIP OPPORTUNITIES

Michael Simone  
T: +1 (646) 736 1860  
E: [michael.simone@incisivemedia.com](mailto:michael.simone@incisivemedia.com)

#### SPEAKING OPPORTUNITIES

Ruta Gnedeviciute  
T: +1 (646) 736 1890  
E: [ruta.gnedeviciute@incisivemedia.com](mailto:ruta.gnedeviciute@incisivemedia.com)

Dear executive,

We are delighted to invite you to the fourth annual Risk Derivatives Clearing conference, the event designed to address the continuing evolution of the US clearing infrastructure.

From a practical point of view, the system is working as intended – but fundamental questions remain. Depending on how these are answered, there could be knock-on effects on the design, price and even the availability of the service.

One of the big questions is whether clearing has been priced at a level that works for futures commission merchants (FCMs). Many banks adjusted their fee schedules last year, but returns depend ultimately on the amount of equity being consumed by the business – which in turn rests on still-pending regulatory decisions about how to implement the supplementary leverage ratio. FCMs are warning the business will not be sustainable if the ratio treats the clearing business harshly, and a handful of banks have already shut up shop – will the remaining handful of houses be able to stay the course?

Some FCMs are also pushing for change to the loss waterfall – the layers of protection designed to ensure participants' trades survive one or more defaults. In particular, banks want to see clearing houses contributing more of their own capital.

At the time of writing there are also questions about effective cross-border supervision of clearing houses, with Europe and the US still split on the extent to which they can rely on third-country rules.

Finally, products and services are also evolving – clearing for inflation swaps is expected to be launched in London during the first quarter, and the industry is also talking about cross-currency swaps and the much-delayed clearing of foreign exchange options.

These issues – and many more – will be discussed in depth at Risk Derivatives Clearing 2015, a one-day event designed to promote interaction and networking, offering a chance for you to challenge and learn from your peers. The agenda features presentations and roundtables from some of the market's leading lights, with representatives from the regulatory community and the sell-side, as well as a strong contingent of buy-side firms. It promises to be an unmissable event for any stakeholder in cleared derivatives markets.

I look forward to welcoming you to the event in May.

Yours faithfully,

**Duncan Wood**

Editor

*Risk*



**REGISTRATION**

Katie Evans  
T: +44 (0)207 316 9438  
E: [katie.evans@incisivemedia.com](mailto:katie.evans@incisivemedia.com)

**SPONSORSHIP OPPORTUNITIES**

Michael Simone  
T: +1 (646) 736 1860  
E: [michael.simone@incisivemedia.com](mailto:michael.simone@incisivemedia.com)

**SPEAKING OPPORTUNITIES**

Ruta Gnedeviciute  
T: +1 (646) 736 1890  
E: [ruta.gnedeviciute@incisivemedia.com](mailto:ruta.gnedeviciute@incisivemedia.com)

## Benefits of attending:

- **Get to grips** with the client, FCM and CCP infrastructure building process and how it impacts the costs for each party
- **Learn** how to manage increased operational risks coming from the extended relationships between CCPs, SEFs, SDRs, FCMs and other clearing related partnerships
- **Debate** Basel III implications on bilateral trades, cleared OTC and listed derivatives
- **Discuss** how to ensure your infrastructure is compatible with your CCPs, SEFs, SDRs, FCMs obligations
- **Evaluate** CCP recovery and resolution policy
- **Review** the SEFs trading picture in 2015-2016, including execution efficiencies and compliance within regulation around SEFs
- **Examine** collateral management and the margin regime for cleared and non-cleared trades
- **Compare** the US and European clearing systems: How can global American firms ensure compliance with European rules?

### Who should attend?

#### By institution:

- Asset and Investment Management
- Clearing Houses
- Exchanges
- Investment and Commercial Banking
- Central Banks
- Financial Consultancies
- Hedge Funds
- Insurance Companies
- Institutional Investors
- Legal Services
- Pension Funds
- Brokerages
- Regulatory Authorities
- Software / Technology Provision
- State Investment Funds

#### By job responsibility:

- Managing Directors, EVPs, SVPs, VPs, Directors, Heads and other Senior Executives working within the following areas:
  - OTC Derivatives
  - Equity Derivatives
  - Credit Derivatives
  - FX Derivatives
  - Commodity Derivatives
  - Fixed Income Derivatives
  - Structured Products
  - Derivatives Operations
  - OTC Clearing and Settlement
  - Collateral Management
  - Risk Management
  - Compliance
  - Legal and Regulatory Affairs

#### REGISTRATION

Katie Evans  
T: +44 (0)207 316 9438  
E: katie.evans@incisivemedia.com

#### SPONSORSHIP OPPORTUNITIES

Michael Simone  
T: +1 (646) 736 1860  
E: michael.simone@incisivemedia.com

Follow us:  #RiskDerivatives

## Agenda

8.00 Registration and breakfast

---

8.50 Welcome address: Duncan Wood, Editor, *RISK*

---

9.00 Opening regulatory address: The progress in strengthening systemically important clearing and settlement systems in the US and globally

Johanna Schwab, Assistant Vice President, Payments Clearance and Settlement,  
THE FEDERAL RESERVE BANK OF NEW YORK

---

9.30 Panel discussion: Developing a robust clearing infrastructure and enhancing operational efficiencies

- Understanding the client, FCM and CCP infrastructure building process and how it impacts the costs for each party
- What actions can each counterparty take to reduce the cost of clearing?
- Achieved and unachieved operational efficiencies in terms of connecting to clearing counterparties
- How to manage increased operational risks coming from the extended relationships between CCPs, SEFs, SDRs, FCMs and other clearing related partnerships?
- Longevity of your partnerships: Which FCMs, SEFs and CCPs will stick around?
- Which areas of clearing remain ambiguous and will require further deliberation?

Josh Braverman, Senior Executive Director, Treasurer and Head of Derivatives, AXA US  
Boris Liberman, Vice President & Associate General Counsel at AQR CAPITAL MANAGEMENT  
Joshua Satten, Former Senior Vice President, Enterprise Business Architecture, NORTHERN TRUST

---

10.10 Regulatory address: Perspectives on the CCP supervision

Wenchi Hu, Assistant Director, Division of Trading and Markets, Office of Clearance and Settlement,  
U.S. SECURITIES AND EXCHANGE COMMISSION

---

10.40 Morning break

---

11.10 Regulatory address: Key market risk and market structure issues

Petal Walker, Chief Counsel, Office of Commissioner Bowen,  
U.S. COMMODITY FUTURES TRADING COMMISSION

- 
- 11.40 **Panel discussion: SEFs trading picture in 2015-2016**
- Execution efficiencies and compliance within regulation around SEFs
  - How are execution platforms harmonized across different jurisdictions?
  - Package trades and onboarding products for SEF trading
  - How can industry participants support the SEF trading infrastructure?
- Paul Hamill, Global Head of FICC, Execution Services, CITADEL  
Michael O'Brien, Director of Global Trading, EATON VANCE  
Michael Schwenk, General Counsel and Chief Compliance Officer, NWI MANAGEMENT
- 
- 12.20 **Panel discussion: Technology and operations: Building infrastructure compatible with your CCPs, SEFs, SDRs, FCMs obligations**
- What's on offer: What technology solutions are out there?
  - Efficient data management and how it supports reporting and clearing requirements
  - Reducing costs and increasing efficiency through automatization
- Joshua Satten, Former Senior Vice President, Enterprise Business Architecture, NORTHERN TRUST  
Karel Engelen, Senior Director, Head of Data, Reporting and FpML, ISDA  
*Further speakers to be confirmed, please visit [riskderivativesclearing.com](http://riskderivativesclearing.com) for further information*
- 
- 1.00 **Lunch**
- 
- 2.00 **Panel discussion: Collateral management and the margin regime for cleared and non cleared trades**
- How industry participants expect to support collateral requirements? Is there enough collateral?
  - Collateral optimization: What are the options? Will the buy-side outsource collateral transformation services?
  - How effective are corporate securities as collateral?
  - Computing initial margin for non-centrally cleared derivatives: Which approach is most acceptable for market participants?
  - Variation margin for uncleared derivatives across the whole industry: What are the issues and proposed solutions?
- Patricia Roeder, Director of Compliance, ING CAPITAL MARKETS  
Christopher Perkins, Managing Director, Global Head of OTC Clearing, CITI  
James Wallin, Senior Vice President, ALLIANCEBERNSTEIN
- 
- 2.40 **Presentation: Recent developments in the CCP recovery and resolution policy**
- Rightsizing CCP skin in the game
  - CCP end-of-waterfall loss sharing
  - Central bank backstopping
- John Kiff, Senior Financial Sector Expert, IMF

---

3.10 **Afternoon break**

---

3.40 **Panel discussion: Difference between the US and the EU, and dynamics in harmonization between these two platforms**

- What are the key difficulties in managing reporting and derivatives related operations across different jurisdictions?
- Assessing the compatibility of clearing regulations across the globe
- Landscape in CCPs competitive space: European CCPs vs. the US CCPs
- Assessing the potential impact of the liquidity imbalance created by the mandatory NDFs clearing in the US

Jeffrey Bandman, Special Counsel to the Chairman, Office of the Chairman, U.S. COMMODITY FUTURES TRADING COMMISSION

Stephen Berger, Director, Government and Regulatory Policy, CITADEL

Angie Karna, Managing Director, Legal, NOMURA

---

4.20 **Closing panel discussion: Has clearing made the world a better place? Thinking ahead and discussing the future of the derivatives business**

- Have regulators achieved what they wanted?
- How safe are CCPs? Do they have enough 'skin in the game'?
- What recovery and resolution measures do FCMs and CCPs have in place in the case of extreme market events?
- Given the cost of clearing, how viable is the derivatives business?
- What are Basel III implications on bilateral trades, cleared OTC and listed derivatives?
- What products are likely to be subject to a clearing mandate in the near future?
- How could regulators potentially address the issue of the lack of clearers in the business?
- Will we see large buy-side firms becoming direct clearing members?

Athanasios Diplas, Principal, DIPLAS ADVISORS

Dale Spoljaric, Managing Director, NATIONAL FUTURES ASSOCIATION

Richard Miller, Vice President and Corporate Counsel, PRUDENTIAL FINANCIAL

---

5.00 **Chairman's closing remarks**

---

5.10 **Drinks reception**

