

Minutes of the Working Group on U.S. RMB Trading and Clearing

Meeting, April 26, 2016

Host: The U.S. Chamber of Commerce

Attendees:

Leadership Attendees:

- Michael R. Bloomberg (Chair)
- Mary Schapiro (Vice-Chair)
- Tom Quaadman (designee for Thomas J. Donohue, Co-Chair)

Member Attendees:

- Agricultural Bank of China
- Bank of America Merrill Lynch
- Bank of China
- BNY Mellon
- China Construction Bank
- Citi
- CLS Bank International
- CME Group
- Goldman Sachs
- HSBC
- Industrial and Commercial Bank of China
- JPMorgan Chase & Co.
- Standard Chartered
- TCW Group
- The Clearing House
- The Depository Trust and Clearing Corporation
- The U.S. Chamber of Commerce
- Wells Fargo & Co.
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Participant:

- U.S. Department of the Treasury

Other Attendees:

- Arnold & Porter LLP
- Bloomberg L.P.
- Promontory Financial Group LLC

Meeting Minutes:

1. Opening Comments

Mary Schapiro, the Working Group Vice-Chair, opened the meeting, thanked meeting attendees for their participation, and provided an overview of the meeting agenda. The Vice-Chair noted a recent trip to China, and provided feedback from meetings with government representatives and several financial institutions regarding the Working Group and its activities.

2. Working Group Administration

The Working Group Secretariat (“Secretariat”) led the discussion on Working Group Administration. The Secretariat reminded meeting attendees that the discussion at Working Group meetings follows the Working Group’s antitrust guidelines. Working Group members approved the minutes of the April 7, 2016 meeting. The Secretariat welcomed meeting observers.

3. CFO Advisory Council Perspectives

The U.S. Chamber of Commerce convened the CFO Advisory Council. The CFO Advisory Council will serve as a forum for CFOs and Treasurers of publicly and privately held companies representing asset managers, multi-nationals, and the small/middle market to discuss challenges and opportunities related to conducting business in China.

An overview and discussion of the Working Group’s Business Community Outreach subcommittee’s efforts to date was provided, which include the distribution of a questionnaire to assess current demand for RMB products and services in the United States and holding a series of regional roundtables/focus groups in New York, San Francisco, and Chicago.

CFO Advisory Council members provided perspectives on current use of RMB products and services, and existing challenges associated with facilitating RMB trading, payment, clearing, and settlement with the current market infrastructure in the United States. CFO Advisory Council members also noted their experiences in utilizing offshore RMB hubs in other jurisdictions.

CFO Advisory Council members expressed support for expanding RMB trading, payment, clearing and settlement capabilities in the United States, and they cited potential benefits (e.g., greater RMB liquidity in the United States, which could consolidate exposures, provide better pricing, improve operational and cost efficiencies, and facilitate greater RMB invoicing).

Related to RMB products and services, the CFO Advisory Council members noted a need to have access to basic hedging products and to have the ability to maintain multicurrency accounts in the United States.

The CFO Advisory Council also discussed how demand for RMB-denominated assets is expected to quickly increase with the inclusion of China A-shares in equity and bond indices.

4. Remarks by Michael R. Bloomberg, Chair

The Vice-Chair introduced the Working Group's Chair, Michael R. Bloomberg, and the U.S. Department of the Treasury's Under Secretary for International Affairs, Nathan Sheets. The Vice-Chair provided a summary of the CFO Advisory Council discussion for the Chair and Under Secretary Sheets.

The Chair thanked meeting attendees for their participation. The Chair encouraged meeting attendees to act now to stand up the necessary infrastructure to facilitate RMB trading, payment, clearing, and settlement in the United States. The Chair noted the Vice-Chair's recent trip to China. The Chair introduced Under Secretary Nathan Sheets to meeting attendees.

5. Remarks by Nathan Sheets, Under Secretary for International Affairs, U.S. Department of the Treasury

Under Secretary Sheets welcomed the work and views of the Working Group. He shared perspectives on China's economy, the role of the U.S. dollar in the international monetary system, and RMB internationalization. Under Secretary Sheets made reference to Treasury's public announcement on the timing of this year's U.S.-China Strategic and Economic Dialogue ("S&ED"), which is currently scheduled for early June in Beijing, China.

6. Meeting Wrap-up and Conclusion

The Vice-Chair thanked meeting attendees for their participation and noted that the next meeting of the Working Group is scheduled for May 23, 2016, subject to final confirmation.