MINUTES OF THE MARCH 8, 2023 MEETING OF THE U.S. COMMODITY FUTURES TRADING COMMISSION'S MARKET RISK ADVISORY COMMITTEE

The Market Risk Advisory Committee ("MRAC") convened for a public meeting on Wednesday, March 8, 2023, at 9:33 a.m., at the U.S. Commodity Futures Trading Commission's ("CFTC" or "Commission") Headquarters Conference Center, located at Three Lafayette Centre, 1155 21st Street, N.W., Washington, D.C. The meeting consisted of three sections. Section 1 discussed cybersecurity and central counterparty ("CCP") risk and governance. Section 2 provided an overview on perspectives of the future of finance. Section 3 discussed climate-related market risks, addressed market structure, and examined interest rate benchmark reform and the transition away from the London Inter-Bank Offered Rate ("LIBOR").

<u>MRAC Members in Attendance</u>

Alicia Crighton, Chair of the Board of Directors, Futures Industry Association ("FIA")
Robert Allen, President and Global Head of Fenics Rates, FMX Futures Exchange, LP
James Andrus, Interim Managing Investment Director, California Public Employee's Retirement System
Ann Battle, Senior Counsel, Market Transitions & Head of Benchmark Reform, International Swaps and Derivatives Association ("ISDA")
Stephen Berger, Managing Director, Global Head of Government & Regulatory Policy, Citadel LLC
Richard Berner, Clinical Professor of Management Practice in the Department of Finance and Co-Director of the Stern Volatility and Risk Institute
Alessandro Cocco, Vice President and Head of Financial Markets Group, Federal Reserve Bank of Chicago
Biswarup Chatterjee, Managing Director and Head of Innovation for the Global Markets Division, Citigroup
Neil Constable, Head of Quantitative Research and Investments, Fidelity
Tim Cuddihy, Managing Director, Financial Risk Management, Depository Trust and Clearing Corporation
Gina-Gail Fletcher, Professor of Law at Duke University School of Law
Graham Harper, Head of Policy and Market Structure at DRW, FIA Principal Traders Group
Lindsay Hopkins, Chief Corporate Counsel, MGEX Clearing, Minneapolis Grain Exchange, LLC
David Horner, Chief Risk Officer, LCH Ltd, London Stock Exchange Group
Demetri Karousos, President and Chief Operating Officer, Nodal Exchange, LLC
Eileen Kiely, Managing Director, BlackRock
Elisabeth Kirby, Managing Director and Head of Market Structure, Tradeweb Markets
Derek Kleinbauer, President, Bloomberg SEF LLC
Ernie Kohnke, General Counsel Vitol, Commodity Market Council
Purvi Maniar, Deputy General Counsel, FalconX Bravo Inc.
Craig Messinger, Vice Chairman, Virtu Financial, Inc.
Andrew Nash, Managing Director and Head of Regulatory Affairs, Morgan Stanley
Ashwini Panse, Head of Risk Oversight for ICE Clear Netherlands, and Chief Risk Officer for the North American Clearinghouses, Intercontinental Exchange, Inc.

Andrew Park, Senior Policy Analyst, Americans for Financial Reform
Jessica Renier, Managing Director, Digital Finance, Institute of International Finance
Marnie Rosenberg, Managing Director, Global Head of Central Counterparty Credit Risk and Strategy, JPMorgan Chase & Co.
Tyson Slocum, Director, Public Citizen Energy Program, Public Citizen
Suzanne Sprague, Managing Director and Global Head of Clearing and Post-Trade Services, CME Group Inc.

CFTC Commissioners and Staff in Attendance
Chairman Kristin N. Johnson, MRAC Sponsor and Commissioner
Christy Goldsmith Romero, Commissioner
Caroline D. Pham, Commissioner
Bruce Fekrat, Chief Counsel to Commissioner Johnson and MRAC Designated Federal Officer ("DFO")
Marilee Dahlman, Special Counsel, Division of Market Oversight, MRAC Alternate Designated Federal Officer

Speakers in Attendance
Hayden Adams, Founder and Chief Executive Officer, Uniswap Labs
David Bowman, Senior Associate Director, Program Direction Section, Monetary Affairs at the Board of Governors of the Federal Reserve System
Eun Young Choi, Director of National Cryptocurrency Enforcement Team, U.S. Department of Justice ("DOJ")
Caitlin Clarke, Assistant National Cyber Director for Planning and Operations, Office of the National Cyber Director
Matthew Cronin, Director of National Cybersecurity, Office of the National Cyber Director
Sonja Gibbs, Managing Director and Head of Sustainable Finance, Institute of International Finance; Member of the Board, the Integrity Council for the Voluntary Carbon Market (The Integrity Council)
Mark Hays, Senior Policy Analyst, Americans for Financial Reform/Demand Progress
Chris Hayward, Chairman of Policy and Resources, City of London Corporation
Julie Holzrichter, Chief Operating Officer, CME Group
Linda Jeng, Chief Global Regulatory Officer and General Counsel, Crypto Council for Innovation
Candace Kelly, Chief Legal Officer, Stellar Development Foundation
Brad Levy, Chief Executive Officer, Symphony
Walt Lukken, President and Chief Executive Officer, Futures Industry Association
Caroline Malcolm, Global Head of Public Policy, Chainalysis, Inc.
Tim Massad, Research Fellow Harvard Kennedy School, Mossavar-Rahmani Center for Business and Government, and Director M-RCBG Digital Assets Policy Project, Harvard University
Amanda Olear, Director, Market Participants Division ("MPD"), CFTC
Suyash G. Paliwal, Director, Office of International Affairs, CFTC
Kirsten Robbins, Senior Special Counsel, Office of International Affairs, CFTC
Greg Ruppert, Executive Vice President, Member Supervision, FINRA

Tom W. Sexton III, President and Chief Executive Officer, National Futures Association ("NFA")
Brian Smith, Deputy Assistant Secretary for Federal Finance, U.S. Department of the Treasury
Valerie Szczepanik, Director, Strategic Hub for Innovation and Financial Technology, U.S. Securities and Exchange Commission ("SEC")
Nathaniel Wuerffel, Senior Vice President, Federal Reserve Bank of New York

I. Opening Remarks

Mr. Fekrat called the meeting to order at 9:33 a.m. and introduced the Commissioners in attendance.

Commissioner Johnson stated that the meeting would be the MRAC's first public examination of the ION ransomware attack. ION Cleared Derivatives is a division of ION Markets, a Dublin-based third-party provider of trading, clearing, analytics, treasury, and risk management services for capital markets and futures and derivatives markets. Because of its central role in trade processing, the cyber attack disrupted not only ION's markets, but also the operations of other market participants, triggering a ripple effect across markets. The cyber incident halted deal matching, required affected parties to rely on manual trade processing, and caused delays in reconciliation and information sharing and reporting, among other challenges. Commissioner Johnson requested guidance on firms' day-one plans for responding to cyber incidents and whether the Commission's cyber risk management regulations are fit-for-purpose.

Commissioner Goldsmith Romero highlighted the market risks from geopolitical events, economic uncertainties, and continued impacts of the pandemic. She sought advice on how the Commission should be thinking about risk in terms of the high prices, high volatility, and high volume that markets experienced this past year.

Commissioner Pham supported the MRAC's continued discussion of issues raised in recent Global Markets Advisory Committee meetings.

Following the opening remarks, Mr. Fekrat took a roll call. Chair Crighton then provided opening remarks, noting the topics to be discussed at the meeting and suggested that it would be productive if the MRAC met each quarter this year.

II. Section 1: Cybersecurity and CCP Risk and Governance

Chair Crighton then introduced the first section to provide remarks on matters critical to the nation's cybersecurity strategy.

Mr. Cronin put the importance of cybersecurity in historical context, bookended by the Russian invasion of Ukraine and the potential Chinese invasion of Taiwan. He discussed the threat posed and harm caused by Russian cyber actors. He also discussed American intelligence assessments that if Taiwan were invaded, there is a risk that the Chinese would engage in cyber attached against U.S. critical infrastructure.

Ms. Clarke discussed the administration's National Cybersecurity Strategy. She identified two fundamental shifts in strategy: first, to rebalance the responsibility to defend cyberspace away from individuals and small entities to the larger, more capable, and more resourced actors in cyberspace; and, second, to focus on long-term investment.

CCP Risk and Governance Panel 1: Leadership Perspectives

Mr. Lukken presented a timeline of events precipitated by the ION ransomware attack. He stressed the importance of flexibility and communication during a crisis. He commended the Commission and NFA for their direct engagement with market participants and the flexibility with respect to reporting requirements afforded to registered entities. He announced that FIA is forming a Cyber Risk Task Force to look at the ION event and develop recommendations for improvements, aiming to release a report by the end of second quarter this year. Focus areas will include existing cyber protections and protocols, the effectiveness of industry's initial response, best practices around reconnection, and safeguards around third-party service providers. He emphasized that continuity testing is crucial to helping derivatives firms prepare for unplanned market disruptions. He stated that FIA is reviewing how they conduct annual disaster recovery exercises, and recommended that public authorities continue conduct regular simulated exercises aimed at improving responses to a range of cyber threat scenarios within the financial sector.

Mr. Sexton discussed how the ION incident highlighted the risks associated with both cyber incidents and third-party service providers, but opined that it also illustrated the resiliency of the derivatives industry. He outlined previous efforts to institute measures relevant to the ION incident. Among them, in 2021, NFA required member firms to adopt supervisory frameworks relating to third-party providers that assist members in fulfilling their regulatory obligations. The requirements generally follow best practices for vendor management and proactively address the risks associated with these providers in order to mitigate them. Mr. Sexton echoed Mr. Lukken's points about updating practices, continued disaster recovery exercises and coordination among market participants with regulators.

Ms. Holzrichter focused on steps taken at CME in response to the ION ransomware event, which affected fewer than 20 percent of their clearing member firms. As firms were impacted differently CME worked to assist them in recovery once new environments had been built, and put in place enhanced risk monitoring for the impacted firms. She emphasized that collaboration across the industry is critical when there has been a cyber event. She stated that third-party risk management is a growing and evolving field, but the risks introduced can be managed.

CCP Risk and Governance Panel 2: Regulatory Perspectives

Ms. Olear acknowledged that registrants face a broad array of challenges to their risk management activities, ranging from geopolitical events, public health crises, macroeconomic forces to threats of operational disruptions, which are amplified by an increased reliance on technology and the ever-evolving sophistication of cyber criminals. She announced that the Commission will be issuing an Advance Notice of Proposed Rulemaking in order to revisit the Commission's risk management requirements for FCMs and swap dealers in light of recent events.

She stated that MPD plans to engage with registrants to get their perspective on the risk management regime. She expressed MPD's belief that the Commission could play a more direct role in fostering strong operational resilience practices among registrants. She also stated that, at the Commission's request, MPD has begun work to develop policy recommendations for cybersecurity practices of FCMs and swap dealers. She concluded that the CFTC can help raise standards in a way that will improve operational resilience across the financial sector and better protect markets and participants.

Mr. Ruppert addressed the need to be proactive in the cyber arena. He explained that FINRA has separated cybersecurity risk and technology risk out of their traditional operational risk category and is handling those risks as a separate category. FINRA is looking at expanding capabilities to interact with threat intelligence across the U.S. government and other entities. They've created a Cyber and Analytics Unit, and broken out additional teams relating to cybersecurity, cyber fraud, and a crypto asset investigations unit. FINRA alerts membership and others to developments in all of these areas. FINRA surveils firms for compliance with the Federal securities laws, their approach to cybersecurity risk management, and evidence of cyber-specific misconduct. Mr. Ruppert identified some top risk areas: phishing, smishing, ransomware, supply chain attacks, and insider threat. He mentioned the increase in frequency and complexity of social engineering attacks. He called out areas such as financial loss, reputational risk, and operational failures in many FINRA and SEC rules that demand attention. The rise of social media has increased the amount of data available to outside threat actors, which adds to the vulnerability for social engineering. AI or machine learning technologies also help threat actors. He stated that FINRA has been reinforcing the need for business continuity plans with membership. FINRA has seen a significant increase in the nexus of member firms to new technologies, business models and digital assets, so FINRA is monitoring threats in these spaces.

CCP Risk and Governance Panel 3: CCP Risk and Governance Subcommittee

Ms. Panse observed that markets have been volatile due to the COVID-19 pandemic and a war in Europe where the aggressor is the main energy supplier to the continent. She stated that markets have handled the disruptions of the last year very well and provided examples. She opined that Europe is in a stronger position with respect to energy prices now than it was prior to the crisis, and 2022 ended with the highest number of market participants ever. The infrastructure around that market was robust and managed its way though that risk well. She opined that the implementation of prices caps in the futures markets in Europe is unhelpful. The CCP Risk and Governance Subcommittee met the week prior to reexamine current and potential workstreams in light of the recent unprecedented volatility in the commodity markets. Ms. Panse described previous work and reports by the Subcommittee. In August 2022, the Commission proposed several amendments to regulation 39.24 that are consistent with the Subcommittee's recommendations to enhance DCO governance standards. The Subcommittee can continue to aid the Commission's work. Other Subcommittee recommendations, such as in the areas of margin and stress testing, are already being followed by industry. Where areas of consideration lacked agreement, the Subcommittee will explore whether additional consensus can be achieved. Ms. Panse identified a few areas of focus: price volatility controls in light of the LME event, liquidity preparedness of market participants in the event of another bout of extreme volatility, responsiveness of margin models to market stresses, opacity of commodity markets and data gaps in regulatory reporting, transparency in centrally cleared and uncleared markets, variation margin processes, and recovery and resolution.

Mr. Paliwal commenced speaking about some international work on derivatives margins. In the wake of volatility caused by the onset of the pandemic, IOSCO, CPMI, and the Basel Committee established a group to consider the liquidity effects of margin by looking at market dynamics during that time, particularly March 2020. The group published a report in September 2022 that observed that the clearing ecosystem and margin in both cleared and uncleared markets functioned as designed, but the size of margin calls was still high, and that the ecosystems would benefit from greater preparedness by market participants.

Ms. Robbins outlined six areas identified by the group's report for follow-up: (i) enhancing the transparency of cleared initial margin; (ii) exploring the use of metrics and other tools to identify baseline expectations of procyclicality in cleared markets and to address, among other things, the responsiveness of initial margin models to market stress; (iii) streamlining variation margin processes in cleared markets, including intraday margin calls; (iv) examining the responsiveness of initial margin models in noncleared markets; (v) streamlining variation margin processes in the noncleared markets; and (vi) considering recommendations to enhance the liquidity preparedness of market participants, as well as data gaps in regulatory reporting. She opined that it is critical not to undermine the G20 reforms on central clearing in response to problems not caused by the CCPs. The work should be grounded in data, and costs, benefits, and other challenges of various policy proposals considered.

III. Section 2: The Future of Finance

Mr. Hayward identified innovation in digital assets, central bank digital currencies, and voluntary carbon markets as areas for closer collaboration and regulatory alignment between the United Kingdom and the United States. He voiced the hope that the Financial Regulatory Working Group will become the long-term mechanism for coordination. He mentioned the City Corporation's plans for a United States office.

Future of Finance Panel 1: Developing a Regulatory Framework for Digital Assets (Critical Policy Considerations)

Mr. Massad offered insights on critical policy considerations. He stated that the crypto industry does not today comply with investor protection standards comparable to other financial markets, and hundreds of thousands of people have suffered losses. He commented that Crypto industry participants exploit jurisdictional gaps. He then stated that the SEC and CFTC should cooperate because desired investor protections are largely the same, whether crypto is a security, commodity, or something else. Moreover, most crypto trading is recorded on traditional ledgers kept by centralized intermediaries. The CFTC and SEC should create common minimum standards, starting with requirements for centralized trading platforms. He proposed: (i) requirements for the custody and safeguarding of customer assets; (ii) prohibitions on the operations of conflicting businesses; (iii) prohibitions on economic interests in products traded on the platform; (iv) prohibitions against fraud, manipulation, and abusive practices; (v) requirements regarding surveillance and detection systems; (vi) standards for execution and settlement of transactions; (vii) pre- and post- trade transparency requirements, recordkeeping, and periodic public disclosures; (viii) governance standards; (ix) basic risk management, operations resilience, and cybersecurity standards; and (x) standards to ensure that stablecoins are, in fact, stable. He discussed implementation of the standards and incentives to encourage SRO membership.

Ms. Szczepanik stated that there are crypto market protections contained in the Federal securities laws. The SEC takes a technology neutral approach and has been applying the Federal securities laws effectively in the crypto sphere. She described enforcement efforts and collaborative work with domestic and international partners.

Ms. Choi stated that the primary ambit of the Department of Justice and its role in the digital assets space is to ensure that it is well positioned to combat the criminal misuse of digital assets. This started with Silk Road; since then, the number of both dark markets and transactions executed on them have increased. The ways in which digital assets have been misused by criminal actors varies. She described how DOJ has been considering whether criminal authorities are adequately dealing with the challenges posed by digital assets. She discussed the executive order entitled Ensuring Responsible Development of Digital Assets to Address Risks and Harness the Potential Benefits for Digital Assets and Related Technologies, and the administration's Roadmap to Mitigate Cryptocurrency Risks. She stated that criminal authorities should be equally applicable to new products in order to keep the American public safe from the risks posed by digital assets. DOJ has proposed amendments to the Bank Secrecy Act and other statutes to deal with various types of digital asset crimes.

Mr. Hays expressed a skeptical view of the use case for digital assets to promote racial and economic justice and equity throughout the financial system. He expressed concerns that crypto business models end up mimicking predatory financial activities seen in traditional markets, and about the structural limitations of the technology itself. He asked how the Commission could gain better visibility into the integrity and management of businesses that seek to acquire ownership stakes in entities registered with the Commission. He also said that the CFTC should explore what additional authority or resources may be necessary to enhance acquisition diligence efforts. He suggested that the MRAC lead a review of recent acquisitions of CFTC registrants exposed to digital assets to identify anomalies or diligence best practices. He also recommended exploration of the topic of cybersecurity threats for blockchain products in general and for crypto derivatives markets more specifically. He further recommended that the MRAC review the linkages between cybersecurity risks found on platforms tied to existing crypto derivatives, in respect of operational risk and underlying structural risk.

Mr. Cocco addressed liquidity risks to banking organizations resulting from crypto asset market vulnerabilities. He spoke about the Joint Statement on Liquidity Risks to Banking Organizations Resulting from Crypto Asset Market Vulnerabilities by the Board of Governors of the Federal Reserve System, the FDIC and the OCC. He explained that the topic of the statement is the liquidity risks to banking organizations presented by participants in the crypto asset markets. He further explained that the statement also addresses some practices to manage these risks. Rather than creating new risk management principles, the Statement reminds banking organizations to apply existing principles. The statement highlights the susceptibility of banking organizations to large inflows and outflows that may or may not be specific to crypto assets.

Future of Finance Panel 2: Moving Beyond Common Use Cases: DeFi, Digital Identity, Interoperability and More on Distributed Digital Ledger and Blockchain Technology (Emerging Uses and Market-Tech Trends)

Mr. Levy presented slides and focused on interoperability and identity. Interoperability is the ability of multiple systems and software applications to exchange and make use of information seamlessly. He explained that the FDC3 standard is an enabler of interoperability. He stated that larger firms are moving relatively quickly on interoperability, while firms on the smaller side of the spectrum are more heavily reliant on the vendor community to drive initiatives. He also described efforts to build a better identity solution for the market overall.

Mr. Adams focused on decentralized finance and DeFi protocols, which he explained are rules-based, autonomous software with transparent code that can be an alternative to intermediaries in some transactions. He stated that reliance on intermediaries can cause fraud, error, or other risks. He observed that some believe that DeFi protocols are more accessible and fairer. He stated that DeFi protocols are transparent when properly designed and should not be able to be unilaterally altered by any one actor to the detriment of users. DeFi protocols permit users to retain custody of their own assets. He described how risk of hacks and scams can be reduced.

Ms. Kelly asked, what is blockchain good for? She described the way that MoneyGram access uses blockchain to facilitate remittances and humanitarian aid. She said it also could be used for international payroll, and mentioned that Franklin Templeton issued regulated assets on a blockchain network. Blockchain technology can track transactions and the ownership of tokens, approve users, freeze accounts, claw back assets and facilitate fulfillments of compliance obligations.

Ms. Jeng discussed decentralized or self-custodied identity. When transacting in a digital economy, it is difficult to verify identity remotely. She proposed the issuance of verified credentials from, e.g., banks or DMVs, all of which represent a dynamic identity. She explained that individuals would then choose which verifiable credentials to share to meet the needs of others to verify identity. The technology to do this is open source and available today; the issue is now really developing a regulatory framework to support it.

Ms. Malcolm focused on data. She advocated for a data-first approach to comprehend issues, before mandates. She stated that it was important for the CFTC to really understand the data it already has on hand before deciding how to supervise market actors. She addressed illicit activity in the digital asset markets. She stated that although we reached in 2022 an all-time high of just over $20 billion of illicit activity, this represents 0.2 percent of all on-chain activity that took place. This sector is transparent; other sectors are less so and produce estimates rather than concrete numbers.

Chair Crighton allowed for a short break. The meeting recessed at 12:04 p.m. and reconvened at 12:12 p.m.

IV. Section 3: Climate-Related Market Risk, Market Structure, and Interest Rate Benchmark Reform

Mr. O'Malia discussed liquidity shortfalls in March of 2020, in 2022 after the Russian invasion of Ukraine, and again in September of 2022. He stated that it is clear that markets are now more susceptible to liquidity risk, and that regulators and market participants must work together to identify and address the drivers of the recent stress events so markets can withstand future shocks. He also stated that following the collapse of the multiple crypto entities last year, it is critical that the legal foundations and fundamentals regarding bankruptcy and custody are fully considered. With respect to climate risk, he stated that further work is required to build liquidity and manage counterparty risk in climate markets. ISDA has established definitions and templates for climate products, including verified carbon credits. He expressed the hope that the Integrity Council for Voluntary Carbon Markets will set a more selective global standard for carbon credits in order to prevent greenwashing, which could damage confidence and stifle liquidity. He briefly discussed climate risk management and expressed concerns about the upcoming changes to the CFTC's block trading rules. He stated that the increased thresholds would have a big impact on market liquidity. He then touched on inefficiencies in the U.S. Treasury market. He identified changes to the supplemental leverage ratio and the G-SIB surcharge, and clearing of certain U.S. Treasury security transactions, as proposals that could increase liquidity in this market. He concluded that firms should continue to move away from LIBOR proactively and use the tools that are available for legacy transactions.

Panel 1: Climate-Related Market Risk

Ms. Gibbs identified two fundamental challenges for market integrity: the lack of carbon credit standards and benchmarks on the supply side, and confusion about the use of carbon offsets to fulfill climate commitments on the demand side. She gave an update on the work of the Integrity Council for the Voluntary Carbon Market, which will be unveiling benchmark standards in two phases.

Mr. Slocum stated that there are systemic problems with carbon offsets to ensure that they are verifiable. He also stated that the CFTC should play a more proactive role in reviewing the integrity of carbon offsets. He praised Chairman Behnam's efforts and the subcommittee's work on climate risk. He requested a detailed briefing on the effect of position limits.

Panel 2: Market Structure

Mr. Smith addressed disruption in the Treasury market, major recent accomplishments, proposed enhancements, and increased data availability.

Mr. Chatterjee discussed block trades. He stated that during periods of market volatility and economic uncertainty, block trade frameworks help facilitate liquidity without causing further disruptions to the market or adversely impacting execution price or transaction cost. He observed that SDR data reflects historic trading patterns and may not always be the most important factor for current or future marketplace trends. Historic trade data does not distinguish between trades executed during regular market conditions vs. those when liquidity was constrained. Some block trades are executed on SEFs and not truly away from SEFs. He asked whether there should be time limited exceptions or other fallbacks in disrupted periods. He concluded that the MRAC could perform a thorough cost benefit analysis to assess the impact of the new block trade framework.

Panel 3: Interest Rate Benchmark Reform Update on Transition Progress and Last Steps

Mr. Bowman addressed the transition away from LIBOR to SOFR. He discussed the differences between term SOFR and overnight SOFR. He stated that the transition will only remain tenable if overnight SOFR remains the dominant benchmark. He explained that derivatives markets do not need term SOFR. He also commented that term SOFR is used in business loans, and can be used in legacy LIBOR cash products and some hedges.

Mr. Wuerffel repeated that overnight SOFR needs to remain the primary tool for derivative and capital markets. He stated that reference rates should not be used for convenience, but need to have underlying transaction bases that are robust through economic and credit cycles.

V. MRAC Member Open Discussion

Chair Crighton opened the floor for comments and feedback from the MRAC membership.

Mr. Chatterjee, Mr. Bowman and Mr. Wuerffel continued the discussion of term SOFR.

Mr. Kohnke commented on the voluntary carbon market and the development of new futures contracts for environmental credits. He identified three core issues that make market participants uncomfortable with the risk associated with transacting in these markets: additionality, the legitimacy of credits and the potential for double counting, and greenwashing.

VI. Adjournment

Chair Crighton and Commissioner Johnson thanked participants.

Mr. Fekrat adjourned the meeting at 1:07 p.m.

Alicia Crighton ______________________________ 06/02/23 ______________________

Alicia Crighton
MRAC Chair

Date