MINUTES OF THE JULY 10, 2023 MEETING OF THE U.S. COMMODITY FUTURES TRADING COMMISSION'S MARKET RISK ADVISORY COMMITTEE

The Market Risk Advisory Committee ("MRAC") convened for a virtual public meeting on Monday, July 10, 2023, at 10:08 a.m. The meeting consisted of five sections. The first section addressed issues related to central counterparty ("CCP") risk and governance. The second section discussed ongoing work on market structure.[1] The third section addressed the transition away from London Inter-Bank Offered ("LIBOR") rate. The fourth section, on the future of finance, considered salient issues pertaining to the crypto markets. The fifth section, on climate-related market risk, offered perspectives on the development and regulation of carbon markets.

MRAC Members in Attendance

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
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 (Special Government Employee)
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
Ed Dasso, Senior Vice President, Market Regulation, National Futures Association
Gina-Gail Fletcher, Professor of Law at Duke University School of Law (Special Government Employee)
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
Annette Hunter, Senior Vice-President and Director of Accounting Operations, Federal Home Loan Bank of Atlanta
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
Jonathan Levin, Co-founder, Chainalysis
Chip Lowry, Advisor, Foreign Exchange Professionals Association ("FXPA")

[1] The order of the presentations was modified from the published agenda, with the market structure presentation preceding the Interest Rate Benchmark Reform presentation at the virtual meeting.

Purvi Maniar, Deputy General Counsel, FalconX Bravo Inc.
Craig Messinger, Vice Chairman, Virtu Financial, Inc.
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
Kristin Smith, Chief Executive Officer, Blockchain Association
Kevin Werback, Liem Sioe Liong/First Pacific Company Professor and Chair of the Department of Legal Studies & Business Ethics, The Wharton School (Special Government Employee)

CFTC Commissioners and Staff in Attendance
Chairman Kristin N. Johnson, MRAC Sponsor and Commissioner
Christy Goldsmith Romero, Commissioner
Summer K. Mersinger, 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 ("ADFO")

Invited Speakers in Attendance

Jason Allegrante, Chief Legal and Compliance Officer, Fireblocks
Chen Arad, Chief External Affairs Officer, Solidus Labs
Chris Edmonds, Chief Development Officer, Intercontinental Exchange, Inc.
Peter Malyshev, Partner, Cadwalader, Wickersham & Taft LLP; Adjunct Professor, Georgetown University Law Center and George Washington University Law School
Rebecca Rettig, Chief Policy Officer, Polygon Labs
Steven Schwarcz, Stanely A. Star Distinguished Professor of Law, Duke University Law School
Dimitrij Senko, Member of the Executive Board and Chief Risk Officer of Eurex Clearing
Yesha Yadav, Associate Dean and Milton R. Underwood Chair and Professor of Law, Vanderbilt University Law School

I. Opening Remarks

Ms. Dahlman called the meeting to order. Commissioner Johnson, Sponsor of the MRAC, provided opening remarks, recognizing Ms. Crighton, the MRAC Chair, Mr. Fekrat, the DFO, and Ms. Dahlman, the ADFO, for their hard work in organizing the meeting. She also thanked other Commission staff, members of the MRAC and the subcommittees for their commitment and service. Commissioner Johnson then summarized the meeting agenda which would discuss the latest efforts of its subcommittees. Specifically, the CCP Risk and Governance Subcommittee will present its work on margin and collateral guidelines, recovery and resolution, and technology and operational risk. The Market Structure Subcommittee will discuss its work on block implementation rules, U.S. Treasury market reform, concentration and capacity in FCM markets, and post-trade risk reduction. The Interest Rate Benchmark Reform ("IRBR") Subcommittee will give an overview on the transition away from LIBOR. Then a panel of experts will discuss the conflicts of interest that may arise when firms employ centralized or decentralized infrastructure in the digital asset and traditional finance markets. Lastly, another panel of experts will discuss trends in environmental commodity markets, both voluntary and compliance, as well as jurisdictional challenges that arise in the context of regulating markets for underlying carbon offsets.

Next, Commissioner Goldsmith Romero talked about the importance of regulators being nimble in assessing market risks, both traditional and emerging, citing the recent failures of Silicon Valley Bank, Silvergate Bank, and Signature Bank as examples of how traditional and emerging risks can interact. She also mentioned the Federal Reserve Board Vice-Chair Michael Barr's recent testimony, in which he called for regulators to expand their understanding of banking in light of changing technologies and emerging risks. Commissioner Goldsmith Romero concluded by saying she was interested in hearing from MRAC members about how they have been nimble in their assessment of both traditional and emerging risks, and how the Commission could be nimble in its risk assessment and in promoting risk resilience.

Commissioner Mersinger followed by commending Commissioner Johnson's decision to continue drawing from the experience of the MRAC subcommittees. She supported the forward-looking creation of the Future of Finance Subcommittee and was pleased to see Mr. Slocum, Director of Public Citizen's Energy Program, as speaker on the Climate-Related Market Risk Roundtable. She praised Mr. Slocum as an instrumental member of the Energy and Environmental Markets Advisory Committee ("EEMAC") which she sponsors.

Lastly, Commissioner Pham thanked Commissioner Johnson, Ms. Dahlman, and all attendees for their time and dedication. She noted that the MRAC has looked to the Global Markets Advisory Committee ("GMAC") for guidance, and she encouraged the MRAC to leverage the considerable resources of its members to address pressing issues relating to market risks. Finally, she commended the MRAC's role in IRBR results and looked forward to hearing updates on the LIBOR transition.

Ms. Dahlman then proceeded with the roll call and turned the meeting over to Chair Crighton. Ms. Crighton then gave an overview of the MRAC subcommittees. She indicated that the CCP Risk and Governance and the Market Structure Subcommittees, with leadership roles already in place, have started working on their respective workstreams. She said while the Climate-Related Market Risk and the Future of Finance Subcommittees were still finalizing their membership and leadership roles, an MRAC meeting was in the works for late September. She then introduced Mr. Cocco, Mr. Edmonds, and Mr. Senko--the CCP Risk Subcommittee Co-Chairs and presenters.

II. Presentation 1: CCP Risk and Governance Subcommittee

Mr. Cocco said the CCP Risk Subcommittee leadership sought diversity by assembling a team of experts from a wide range of sectors, including end users, FCMs, CCPs, regulators, and academia. He also listed the names of members who had been confirmed and their corresponding sectors, indicating the subcommittee would soon have a fully complementary roster of its members. He then turned the presentation over to Mr. Edmonds.

Mr. Edmonds said the CCP Risk Subcommittee was working on three workstreams: (1) margin and collateral, (2) resolution and recovery, and (3) technology and operations. He said Mr. Senko is chairing the margin and collateral workstream, Mr. Cocco is chairing the resolution and recovery workstream, and he is also chairing the technology and operations workstream. He said that all the workstreams had met and drawn up an initial list of topics for consideration, and that they would meet monthly to provide progress reports leading into the next full MRAC meeting in the fall of 2023.

Mr. Senko then presented the slide on the margin and collateral workstream priorities, which have been designed to improve the safety and efficiency of the derivatives markets by considering a variety of topics, namely (1) the transparency of initial margin, (2) the margin period of risk, and (3) the responsiveness of margin models. The workstream also explored the use of back-testing approaches to assess the effectiveness of margin models, and volatility controls to reduce the risk of market disruptions.

Mr. Cocco continued with the resolution and recovery workstream, which aimed to improve the resilience of CCPs to financial stress. This workstream would examine the CFTC's proposed rulemaking on DCO recovery and orderly wind-down plans to identify any gaps or areas for improvement. In addition, it would also review other recovery and resolution models from national and international perspectives to identify best practices and opportunities for rule harmonization.

Mr. Edmonds indicated the technology and operations workstream was designed to maintain the safety and soundness of the derivatives markets by identifying the risks and opportunities posed by third and fourth parties, and making recommendations on how to mitigate those risks. In addition, the workstream would also examine the use of cloud technologies, and make recommendations on how to ensure that these technologies were used in a safe and secure manner. Finally, the workstream would also consider the use of legal entity identifiers, and make recommendations as to whether these identifiers should be mandated by CFTC regulation.

The floor was then open for discussion. Ms. Rosenberg, representing JPMorgan, commended Commissioner Johnson and Ms. Crighton for re-establishing the CCP Risk and Governance Subcommittee. She said that the focus areas of the workstreams are highly relevant, considering the ongoing work on CCP resolution as well as the challenges that the industry has faced in recent times. She specifically welcomed the priorities of Mr. Senko's margin and collateral workstream, which sought to address margin procyclicality and improve disclosure on margin models to market participants. She said however these were unfinished businesses from the prior work undertaken by the subcommittee in 2020 and 2021, and that it was important for the workstream to revisit and update the work already accomplished.

As there were no other commenters regarding the CCP Risk and Governance Section, the meeting moved toward the second presentation on market structure.

II. Presentation 2: Market Structure Subcommittee

Mr. Chatterjee, the Co-Chair of the Market Structure Subcommittee, gave an update on the four workstreams pertaining to (1) Block trade thresholds for SEF markets; (2) FCM capacity for cleared products; (3) Proposed changes to Treasury bond-related markets; and (4) Post-trade risk reduction services ("PTRR"). He stated that the block trade thresholds workstream will analyze the impact of the new block thresholds and cap sizes that are set to affect MAT swaps on December 4. The FCM capacity workstream will analyze the barriers to entry for FCMs and how these barriers could be addressed. The Treasury market workstream will analyze the implications of the SEC's proposed rules that would require members of a clearing agency to clear all U.S. Treasury trades. The PTRR workstream will analyze the implications of a potential CFTC exception to clearing and trading requirements for PTRR services. Mr. Chatterjee also indicated that the subcommittee would have open lines of communication with other CFTC subcommittees to ensure that they all address unique aspects of these critical issues.

There were no comments after Mr. Chatterjee's discussion.

III. Presentation 3: Interest Rate Benchmark Reform – LIBOR Transition

Ms. Battle gave a historical overview, stating that the IRBR Subcommittee was formed by Commission Chair Behnam in 2018 (when he was a commissioner and the MRAC sponsor) to ensure a smooth transition to SOFR in the U.S. derivatives markets. The subcommittee had had a number of successes, including, (1) the SOFR First recommendations, which led to a sharp increase in the use of SOFR in derivatives contracts; (2) the CCP discounting transition exercise, which helped CCPs move to SOFR discounting and price alignment; and (3) the subcommittee's disclosure guidelines and products user guide, formulated by Tom Wipf, Ms. Battle's Co-Chair on the IRBR Subcommittee, were instrumental in the successful transition away from U.S. dollar LIBOR.

Commissioner Johnson thanked Ms. Battle and Mr. Wipf for their leadership on the IRBR Subcommittee. She also acknowledged the support of Commission staff and other stakeholders in the successful transition away from LIBOR to SOFR, praising the transition as a "crowning achievement" and a "case study for successful public/private partnership."

IV. The Future of Finance Roundtable

Ms. Crighton introduced Mr. Cocco (moderator), Ms. Retting, Ms. Yadav, Mr. Schwarcz, Mr. Allegrante, and Mr. Arad as speakers for the first roundtable on the Future of Finance. Ms. Crighton indicated the roundtable would have 25 minutes of presentation, followed by 15 minutes of open discussion on the role of digital assets, decentralized finance ("DeFi"), central bank digital currencies ("CBDCs"), and the potential risks and benefits of these new technologies.

Mr. Cocco thanked Chair Crighton and Commissioner Johnson for sponsoring the committee and CFTC staff for their support. He said while the digital assets economy is still in its early stages, it has the potential to make markets more efficient and accessible, although this also comes with certain risks. He asked the speakers to discuss lessons learned from derivatives markets that could be applied to digital assets, such as rules for custody, segregation of assets, disclosures, anti-manipulation, and conflicts of interest. He also asked the speakers to discuss how the non-intermediated structure and vertical integration in digital assets markets could affect regulation.

Ms. Rettig discussed the two paths that policymakers can adopt in regulating the crypto asset markets: (1) using existing laws and rules to regulate crypto asset trading platforms, or (2) codifying the crypto asset markets' existing structures into law. She argued that the second path is more likely to be successful because it would allow policymakers to tailor the laws and regulations to the specific characteristics of the crypto asset markets. She acknowledged that not all crypto asset trading platforms are the same and that some of the failures in 2022 were not a reflection of the underlying technology. In addition, Ms. Rettig pointed out that there are different types of vertical integration, such as exchanges that also operate as trading firms, and that policymakers need to be careful not to regulate all types of vertical integration in the same way.

Next, Ms. Yadav discussed the recent collapse of the cryptocurrency exchange FTX and the implications for vertical integration in the crypto markets. She noted that FTX was a highly centralized exchange that offered a variety of services, including customer onboarding, clearing and settlement, custody, and market making. This vertical integration allowed FTX to offer a seamless trading experience for its customers, but it also created risks, such as conflicts of interest and the potential for a single point of failure.

Ms. Yadav then argued that the crypto markets are different from traditional financial markets in a number of ways, which makes it difficult to apply traditional regulatory approaches to crypto. For example, crypto markets are often 24/7 and operate without the same level of regulation as traditional markets. Additionally, the underlying assets in crypto markets are often illiquid and difficult to value. Given the unique challenges posed by the crypto markets, Ms. Yadav suggested that regulators should take a more dynamic approach to risk management. She argued that regulators should not silo risks by function, but instead consider the risks posed by the entire crypto ecosystem. She also suggested that regulators should focus on governance and corporate oversight, as these are key areas where conflicts of interest can arise.

While Ms. Yadav agreed with Ms. Rettig that the issues of vertical integration and consumer protection in the crypto markets are complex and will take time to address, she argued that there is an urgent need for reform and proposed three immediate milestones to provide safety and security to consumers, such as the establishment of: (1) custodial rules; (2) disclosure rules; and (3) SROs, *i.e.*, regulators should work with exchanges to establish SROs that can develop and enforce standards for consumer protection and market integrity. SROs could also play a role in educating the public about the risks of investing in crypto assets. Ms. Yadav concluded by thanking Commissioner Johnson for her leadership on this issue and for convening this meeting. She said that it is important to have open and frank discussions about the challenges facing the crypto markets in order to develop effective solutions.

Mr. Schwarcz then discussed the advantages and disadvantages of vertical integration in the crypto markets. The advantages of vertical integration include potential informational and service efficiencies, as well as limiting the "whom to regulate" problem in DeFi. The disadvantages, however, are more profound, as vertical integration can lead to concentration of power and cause systemic disruptions. Mr. Schwarcz gave the example of a bad vertical integration in the residential mortgage-backed securities ("RMBS") markets at the time of the global financial crisis, with Countrywide originating risky mortgage loans in order to maximize profits and reduce losses. Citing also the examples of Enron and insurance companies with wholly-owned reinsurers, he opined that companies tend to assume more reckless behavior when they have control over multiple aspects of the industry. However, he believed vertical integration would diminish over time as information about the crypto industry becomes more widely available, and one way to mitigate the risks of vertical integration would be to require greater disclosure and transparency from crypto firms. Lastly, Mr. Schwarcz suggested that another possible solution to vertical integration is to employ the "ring-fencing" approach taken by state public utility commissions ("PUCs"), where firms involved in providing critical services would try to reduce their vulnerabilities on a targeted basis. He also mentioned commingling risk and asset run issue – where a custodian who loses a lot of money would want to withdraw their assets – the same issue as in the bank deposit context. He suggested having some sort of limited government guarantee to which the custodians would pay an insurance fee as a solution.

Mr. Allegrante was the next speaker. He discussed the attributes of Fireblocks, a software company that provides self-custodial digital asset management solutions and has over 1,500 customers globally, including large financial institutions and retail Fortune 500 companies. He believes self-custody – where customers manage their own digital assets rather than entrusting them to a third-party custodian – can reduce lack of transparency, concentration risk, and offer benefits for market regulators and retail customers, such as the ability to use information generated by the on-chain movement of assets, and the possibility of asset segregation at the block-chain level. However, he also acknowledged that there are risks associated with self-custody, such as flawed implementation of technology or negligent or willful mismanagement, and indicated that Fireblocks is actively engaged with global policymakers to develop custodial standards that would help to mitigate these risks. Mr. Allegrante also urged the MRAC to continue its engagement with the crypto industry on these important topics.

Mr. Arad was the last speaker. He began by discussing the challenges posed by the crypto market structure to market integrity, noting that the decentralization of the crypto ecosystem makes it easier for market participants to operate across multiple stages of the value chain, which can facilitate market manipulation. He then provided an example of insider trading on decentralized exchanges ("DEXes"). He found that 56% of the ERC-20 tokens listed on major centralized crypto platforms since the beginning of 2021 were accompanied by evidence of insider trading-like behavior on DEXes. In most cases, a wallet or group of wallets had bought the token on a DEX in the days before it was listed on the centralized exchange, then sold the token within hours of the news about the listing once the price increased. Mr. Arad concluded by noting that the unique market structure of crypto also holds the key to addressing these challenges, explaining that the transparency of blockchain-based assets allows regulators and platforms to detect insider trading without any external need. He also said that standards and rules can be developed to help prevent insider trading. Overall, Mr. Arad's testimony highlighted the challenges posed by the crypto market structure to market integrity, but also the potential for the crypto ecosystem to address these challenges.

Mr. Cocco then opened the floor for comments. Mr. Berner suggested four principles that the crypto industry can borrow from traditional finance ("TradFi") to improve its governance, namely, (1) agreement on shared codes of conduct and best practices; (2) high standards for transparency; (3) constructive industry regulatory engagement; and (4) global coordination among standard setters.

Mr. Werback then asked the speakers for their thoughts on the significance of DeFi and decentralized applications from a risk management standpoint. He noted that DeFi is more transparent and rules-based than traditional financial markets, which could make it harder for market participants to engage in risky or manipulative behavior. He however acknowledged that it is more difficult to apply traditional regulatory obligations to DeFi.

Ms. Rettig responded by defining DeFi as a software-based system that allows users to engage in economic transactions in a self-directed manner where there is no custody and no centralized intermediary otherwise controlling or having an impact on user assets. She then identified three aspects of decentralization that could mitigate the risks associated with DeFi: (1) technological decentralization – this refers to whether the code for the protocol is an open source and available for public scrutiny; (2) administrative decentralization – this refers to whether there are more than one entity that control the protocol, which would make it more difficult for hackers to take control of the protocol or to manipulate the prices of assets on the protocol; and (3) customer protection decentralization – this refers to whether users are able to control their assets by making withdrawals from the protocol at any time. In conclusion, Ms. Rettig noted the main risks are cyber security risk and software technical risk, suggesting the DeFi industry may look to an SRO to develop specific standards for auditing.

Mr. Schwarcz responded by reiterating DeFi's "whom to regulate problem," but noted that the Financial Action Task Force ("FATF") has recommended that for Know Your Customer ("KYC") and anti-money laundering ("AML") compliance, virtual asset service providers ("VASPs") should be held accountable.

Mr. Arad added his view, noting that the crypto industry often talks about decentralization, but in reality not all activities are decentralized, as they happen across both on-chain and off-chain sources. While this aspect has posed a regulatory challenge, Mr. Arad also argued that decentralization is not a binary concept of replacing traditional centralized systems with decentralized systems, but about finding ways to synthesize the benefits of both.

In reply, Ms. Rettig noted that the vertical integration of market operators and trading firms is not unique to the crypto asset markets, but that these issues have been addressed through the regulation of other financial markets, through information partitions, disclosures, and self-regulatory organizations ("SROs"). Ms. Rettig argued that the same regulatory principles can be applied to the centralized crypto asset markets, as there is no need to create new rules and regulations from scratch. Instead, regulators can import or adapt the rules and regulations that have been developed for other markets.

V. The Climate-Related Market Risk Roundtable

Ms. Crighton then introduced Mr. Slocum and Mr. Malyshev as the two speakers on the Climate-Related Market Risk Roundtable. Mr. Slocum thanked Commissioner Johnson for her leadership on climate-related issues and for reviving the Climate Risk Subcommittee. He echoed Commissioner Mersinger's earlier remarks, noting it has been rewarding to work with the EEMAC, particularly Commissioner Mersinger's focus on getting out of Washington, D.C. and into the field to see where manufacturing and commodities are being utilized. He then turned to the topic of voluntary carbon markets, saying that not long ago, it was routine for major corporations and other entities to announce net zero commitments that largely relied on carbon offsets. However, as these pledges have been subject to increased scrutiny, carbon offset markets have been exposed as deeply flawed and rife with bad actors. He noted that recent initiatives by some of the self-governing organizations to address these liabilities have failed to resolve the underlying credibility problems.

Since Mr. Slocum questioned whether carbon offsets could actually be an effective tool to address the climate crisis, he believed regulators should encourage actions that produce direct emission avoidance from point and mobile sources and from supply chains. In addition, Mr. Slocum suggested the subcommittee could address some of the issues recently raised by Commissioner Goldsmith Romero, such as implementing a heightened review framework for self-certified carbon offset products similar to what has been done for digital assets, and launching efforts to directly educate consumers about the realities of carbon offsets. He also applauded Commission leadership for announcing the creation of the new Environmental Fraud Task Force within the Division of Enforcement to encourage whistleblowers to come forward to expose fraud in the carbon offset market.

Following Mr. Slocum's presentation, Mr. Malyshev discussed the development of environmental commodities products, noting there are a number of environmental products already traded in the United States and globally, such as carbon credits, water credits, and low-carbon fuel standard ("LCFS") credits. He explained these products are not physical commodities in the traditional sense, but instead "mental products" created by humans. Malyshev indicated there has been an increased interest on the retail side towards tokenization, in hedging, speculation, and proliferation of listed futures based on environmental commodities.

Next, Mr. Malyshev discussed the two principal types of environmental commodities markets, namely compliance markets and voluntary markets. Compliance markets are mandated by individual states, while voluntary markets are not, thus compliance markets are more reliable than voluntary markets as they are guided by state statutes and regulations.

Lastly, Mr. Malyshev discussed the CFTC jurisdiction over the environmental commodities markets. He said that the CFTC has two levels of jurisdiction: anti-fraud and anti-manipulation jurisdiction over commodities traded in the spot and forward markets, and exclusive jurisdiction over derivatives, such as swaps, futures, and options relating to environmental products and other sustainability-related products traded on DCMs. Arguably, since the majority of environmental products are currently traded as commodities and not as derivatives, if they are subject to fraud or manipulation, the CFTC would have enforcement jurisdiction but not regulatory jurisdiction. Nevertheless, much can be done on the policing of the carbon credits markets, according to Mr. Malyshev. He said that the [Second Voluntary Carbon Offset Convening] on July 19 would be a great example of what the CFTC can do as a market regulator to enhance public trust in these markets and put in place market structures that have worked well for other commodities.

VI. Closing Remarks by Commissioner Johnson and Adjournment

There were no comments from the floor following the Climate-Related Market Risk Roundtable. Ms. Crighton made no final remarks but invited Commissioner Johnson to share her closing thoughts.

Commissioner Johnson began by highlighting some of the thoughtful commentary expressed by presenters and panelists, which she said should inform the discussions of the MRAC subcommittees as they go forward. Specifically, she thanked the CCP Risk and Governance Subcommittee and the Market Structure Subcommittee for ensuring diversity of membership and maintaining essential workstreams in evolving markets. She also thanked the IRBR subcommittee--which had been retired in June--for its significant accomplishments, particularly in helping to facilitate the migration away from LIBOR. In addition, she appreciated hearing from the panelists who were helping to guide the thinking of the two newly-formed subcommittees, *i.e.*, the Future of Finance Subcommittee and the Climate-Related Market Risk Subcommittee. Lastly, Commissioner Johnson thanked attendees and Commission staff for their contributions, saying she would welcome additional feedback from members and the general public--as the public comment period would stay open for one week after the July 10 meeting.

Ms. Dahlman thanked all attendees and adjourned the virtual meeting at 2:37 pm.

A. Crighton

Alicia Crighton
MRAC Chair

12/4/23

Date