Inter-Agency Working Group Releases New Report on Treasury Market Resilience Efforts

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WASHINGTON– The Inter-Agency Working Group on Treasury Market Surveillance (IAWG)—which is composed of staff from the U.S. Department of the Treasury, the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, the U.S. Securities and Exchange Commission, and the U.S. Commodity Futures Trading Commission—today issued a staff progress report to provide an additional update on a wide range of significant steps its members have taken to enhance the resilience of the U.S. Treasury market. The IAWG members have, among other steps:

- announced plans to implement a Treasury buyback program in 2024;
- adopted amendments requiring certain firms that are significantly involved in the proprietary trading of Treasury securities to become members of the Financial Industry Regulatory Authority (FINRA) and report their Treasury transactions to FINRA's Trade Reporting and Compliance Engine (TRACE);
- approved further enhancements to the public release of data on secondary market transactions in on-the-run Treasury securities;
- adopted changes to SEC Form N-MFP that will provide, among other items, more granular information about activity of money market funds in the Treasury repurchase agreement (repo) market;
- adopted changes to SEC Form PF that will enable better monitoring of the activity of liquidity funds and will draw clearer distinctions between cash and derivatives activity in the Treasury markets;
- adopted rules requiring reporting of the terms of securities lending transactions in a timely manner; and
- approved changes that will expand cross-margining between central counterparties that clear cash and derivatives transactions related to Treasury securities and improve the management of member defaults.

These steps build on the work described in the IAWG's 2022 Staff Progress Report, which summarized the various steps its members had taken and discussed additional polices under consideration. On November 16, 2023, the IAWG will convene its ninth annual U.S. Treasury Market Conference to further discuss recent developments and proposals to improve Treasury market resilience.

Read the full report here .

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