



AFMA Operations Committee Guidelines

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PURPOSE

A core function of AFMA is to encourage high professional standards in the wholesale financial Operations and to facilitate the effective self management of financial Operations through agreed Operation conventions and standards.

Operations Technical Committees are the primary means through which AFMA undertakes its coordinating role in the settlements/operations areas of financial Operations. They develop the consensus in the Operation on technical matters such as transaction documentation and settlements standards, which is necessary for efficient OTC Operations.

1. GOVERNANCE

AFMA's Board has ultimate responsibility for the affairs of the Association. Within this context, the Operations Committee has oversight of the management of industry affairs in the operations area and it directs the activities of the Operation Committees.

The responsibilities of the Operations Committee include:

- The development of operational standards and protocols that facilitate and promote the efficient running of the financial Operations in Australia.
- Selecting products for the appropriate and effective training and accreditation of operations specialists.
- Advising the Board on issues that affect operational standards and protocols.
- The promotion of high ethical standards and compliance with regulatory requirements in the financial Operations within Australia.
- To oversee the work of specialist Operations Committees in addressing operational issues.

The Operations Committee regularly reviews the activities of the Operation Committees and has the authority to provide direction as it considers necessary.

Operation Committees may refer matters to the Operations Committee for its advice and direction and should do so when a matter being considered may have ramifications beyond the committee's area of responsibility.



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2. FORMATION

Representatives of AFMA Financial Markets Member firms are eligible for membership of Operations Committees. The Operations Committee should ensure that the composition of each Operation Committee reflects the interests and activities of Association members in its area.

3. RESPONSIBILITIES

- Each member of a committee has a responsibility to attend meetings and actively contribute.
- If a member is unable to attend a committee meeting, he/she should make every effort to nominate an alternate.
- When considering issues raised, each member should primarily have regard to the broader interests of the financial Operations. The direct implications for a member's organisation should not significantly influence their contribution.
- Members should not seek to promote their organisation's products or services at the expense of competitors not represented on the committee.

4. MEETINGS

- Committees will meet on a quarterly basis or as required.
- Telephone and videoconference linkages can be used to facilitate meetings.
- The Chairperson will preside over each meeting.
- Costs incurred in preparing for and attending committee meetings are for the account of the organisations being represented.
- AFMA Members who are not represented on a committee can raise issues to be included on the agenda. Approval rests with the committee Chairperson.

5. VOTING

- A quorum for a meeting is two thirds of the members.
- Committees should work towards reaching a consensus.
- Where matters have to be determined by a ballot, an affirmative vote from at least 75% of committee members present is required for a motion to be carried.
- Before finalising its view on a matter that may be significant in a wider Operation context, a committee should seek information from the relevant Policy Executive regarding policy positions or views held by AFMA in the broad interests of its members and consider referring the matter to the Operations Committee for guidance.



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6. CHAIRPERSON

Each committee will elect a Chairperson. In the absence of the Chairperson at a committee meeting a deputy should be nominated.

The Chairperson's responsibilities include:

- Agree meeting dates, times and venues and any changes thereto with the Secretariat. Agree the agenda for meetings with the Secretariat.
- Determine if a quorum for a meeting (ie, two thirds of committee members) is in attendance.
- Conduct meetings in an orderly fashion, in accordance with the agenda.
- Encourage members to deliberate on matters and make consensus decisions rather than resorting to a vote.
- If discussion is becoming protracted or opinion is becoming divided, summarise the discussion points and suggest a way to resolve the impasse.
- Monitor the effectiveness of committee members in meeting their responsibilities.
- Review and approve draft minutes prior to their distribution.
- Review requests from non-members to make representations to committees.
- Be available to make unattributed written comments in relation to products covered by the committee in relation to the annual Australian Financial Operations Report.
- Where possible, represent the committee before regulators in relation to submissions.

7. SECRETARIAT

- The AFMA Secretariat will provide a dedicated Policy Executive and administrative support for the committee.
- The Secretariat will prepare a draft agenda for the approval of the Chairperson.
- The Secretariat will seek to ensure that details of the next meeting are sent to members a week prior to the meeting date and that any subsequent changes are promulgated as soon as possible. Notices in relation to adjourned meetings will, as far as possible, be sent to members at least three days prior to the original meeting date.
- The Secretariat will monitor attendance at meetings and report to the Chairperson, so a recommendation may be made to the Operations Committee if a member misses two consecutive meetings without adequate explanation.
- Minutes of meetings will be drafted by the Secretariat and sent to the Chairperson for approval.
- Approved minutes should be sent to members by the Secretariat within ten working days of the meeting.



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8. AGENDA

The agenda for each meeting should include:

- A confirmation of the minutes of the previous meeting.
- Progress on action items from previous meetings.
- New business items for the meeting.
- An “Other Business” item.
- Setting (or confirming) the date, time and place for the next meeting.

9. MINUTES

- Minutes are a summary of committee meeting outcomes and proceedings; they are not a verbatim account of the meeting. However, a Committee may decide that specific matters of importance should be recorded in greater detail in the minutes.
- Minutes are confidential documents and care should be taken in their circulation.
- Minutes should have a confidentiality clause as a footer to the front page and be distributed in PDF. The exception is when sending draft minutes to the Chairman where a clean document with *track changes* turned on should be sent.
- Care should be taken that the minutes clearly and accurately convey the meeting’s position. Emotive or potentially ambiguous words should be avoided.
- In general, comments should not be attributed to a particular person or organisation. Phrases like “The committee noted...” or “The committee determined...” are suitable. Exceptions apply on a common sense basis. For example, where a report/presentation is listed in the agenda it may be appropriate to refer to specific information, such as “J Smith, Director of XYZ, gave a presentation on ...”.
- Resolutions will be proposed and seconded by specific organisations, eg “Proposed: Westpac; Seconded: CBA”. The fate of the resolution is then shown.
- If an organisation disagrees with the course of action adopted by the committee and wishes that objection to be recorded in the minutes it should be recorded as “The proposal was agreed to by the committee with ABC Bank dissenting...”.
- In order to be effective, action items should specify who is to do what and by when.
- Documents tabled during the course of a meeting are generally not appended to the minutes, unless the committee agrees to a specific request to do so. There may be occasions when an exception should be made for completeness or efficiency.