

Meeting Minutes

Meeting Title	68th Steering Committee Meeting
Date and Time	13th November 2018
Location	EMMI premises in Brussels
Attendees	A.BIEWALD ; J. BESUIJEN; A.COVIN; F.HEBEISEN; D. LE MASSON;T.MIRONCZUK; JM VERDUGO; L. VLAMINCK; M. MARQUES (as Board observer)
Excused	V.VAN DESSEL; C.MERKEL
Quorum	8 voting members out of 10

Agenda Item	
WELCOME	The Chairman welcomed a new SC member Mr L. VLAMINCK, Group Treasurer at Rémy Cointreau. The Chairman also welcomed Ms M. MARQUES, Member Of EMMI's Board of Directors as an observer for this meeting.
ITEM 1 CONFLICTS OF INTEREST	<p>Discussion Points :</p> <p>The Chairman reminded Members of the Steering Committee that they are appointed on a personal basis and should not be subject to instructions from the company/organization they are affiliated to (if any). Members are personally responsible to recuse themselves of relevant decision making in the event a conflict of interest situation might arise.</p> <p>The members had no conflict of interest to declare.</p>
ITEM 2 MINUTES OF THE PREVIOUS MEETING	<p>Discussion Points :</p> <p>The members agreed with the suggested minutes.</p> <p>Decision and votes :</p> <p>Minutes of the previous meeting were approved unanimously.</p> <p>Action points :</p> <p>To publish the approved minutes on the website</p>
ITEM 3 REGULATORY ISSUES AND AUTHORISATION TIMELINE	<p>Discussion Points :</p> <p>Reference is made to note D0414A-2018</p> <p>Ms G. MARQUES explained that the European Commission and the FSMA were very supportive and positive during the last Euribor Panel Banks Workshop in October 2018.</p> <p>She also explained that EMMI was invited to a give a presentation at the Euribor College in order to provide the tests results of the Euribor hybrid methodology and the next steps.</p>

	<p>The Steering Committee received an update on the efforts of the euro RFR Working Group. During the last RFR Working Group meeting, EMMI presented the hybrid methodology. The EONIA transition and the state of play of the different initiatives to amend the BMR were also discussed during this meeting. The next meeting of the RFR Working Group is scheduled on 19 December 2018.</p>
	<p>Decision and votes : n/a</p>
	<p>Action points : n/a</p>
<p>ITEM 4 TERMS OF REFERENCE STEERING COMMITTEE</p>	<p>Discussion Points : Ms G. MARQUES confirmed that all the comments made during the previous meeting were accepted and incorporated in the new version of the Euribor Steering Committee Terms of Reference. These Terms of Reference will now be submitted to the Board of Directors and General Assembly for approval.</p>
	<p>Decision and votes : Euribor SC Terms of Reference were approved unanimously for recommendation to the Board and General Assembly.</p>
	<p>Action points : To publish the Euribor SC Terms of Reference.</p>
<p>ITEM 5 REVISED CONFLICTS OF INTEREST POLICY</p>	<p>Discussion Points Ms G. MARQUES explained that following the recommendations of the CIOC, the Conflict of Interest Policy and Procedure has been slightly revised. Steering Committee Members also received an updated mapping of the potential conflict of interest situations and the associated remedial actions.</p>
	<p>Decision and votes Steering Committee Members approved the revised Conflict of Interest Policy for recommendation to the Board and General Assembly.</p>
	<p>Action points : n/a</p>

<p>ITEM6 RISK REPORTS</p>	<p>Discussion Points</p> <p>Mr K. BOUNYAR presented the risk assessment reports on Euribor Administration & Euribor Project and Eonia administration.</p> <p>For Euribor, 32 high inherent risks and 3 medium inherent risks were identified. Thanks to mitigating actions already in place, 22 high inherent risks were reduced to low residual risk, and 4 to medium residual risks. Also, thanks to remedial actions, 3 medium inherent risks were reduced to low residual risks. 6 high inherent risks could not be assessed yet.</p> <p>For Eonia, 19 high inherent risks and 18 medium inherent risks were identified. Thanks to mitigating actions already in place, 17 high inherent risks were reduced to low residual risks, and 2 to medium residual risks. Also thanks to remedial actions, 13 medium inherent risks were reduced to low residual risks. In addition, due to lack of controls, 3 medium inherent risks stay as medium residual risks. Finally, 2 medium inherent risks couldn't be assessed yet.</p> <p>Decision and votes n/a</p> <p>Action points : n/a</p>
<p>ITEM 7 DECLARATION OF ADHERENCE</p> <p>EONIA OF</p>	<p>Discussion Points</p> <p>Mr C. WESTSTEIJN gave an update on the receipt of the annual Declaration of Adherence to the Eonia Governance Framework. Up to now, EMMI received 26 out of 28 Panel Banks annual declarations of adherence to the Eonia Governance Framework. The complete list of answers from Panel Banks will be published on EMMI's website once all the declarations have been collected.</p> <p>Decision and votes n/a</p> <p>Action points : n/a</p>
<p>ITEM 8 EURIBOR PROJECT</p>	<p>Discussion Points :</p> <p>Mr A. LOPEZ confirmed that the Second Consultation on a hybrid methodology for Euribor was launched on 17th October and the consultation period will be open until the end of November 2018.</p> <p>Following the analysis of responses received until the deadline, a feedback summary will be published in late January/ early February 2019.</p> <p>He also informed members that Panel Banks and Data Vendors have started connectivity testing with the new system. Full implementation of the hybrid methodology is scheduled for Q3 2019, after a period for banks to transition from the current to the hybrid methodology.</p>

	<p>Decision and votes : n/a</p>
	<p>Action points : n/a</p>
<p>ITEM 9 EURIBOR OVERSIGHT</p>	<p>Discussion Points :</p> <p>a) Benchmark Operations Overview:</p> <p>Mr D. Cowen presented the overview of the quality of the Euribor rate-setting operations for the period August – October 2018. The period under review was operationally efficient, with only a few late submissions or multiple contributions by Panel Banks. There was one instance when the Calculation Agent Help desk contributed on behalf of a Panel Bank due to a technical issue.</p> <p>b) Back-Testing Highlights:</p> <p>Mr D. Cowen presented the highlights of the Euribor back-testing report for October 2018. There were no follow up actions necessary with Panel Banks during the month, and no major developments in any of the indicators.</p> <p>c) Money Market Report</p> <p>Mr D. Cowen presented the main findings of the Euro Money Market report for Q3 2018. He highlighted a slow and steady increase in the 12-month tenor since the end of May 2018 and contrasted it with similar developments in other market indicators. He also presented statistics of overall money market activity from the latest release of MMSR data.</p>
	<p>Decision and votes : n/a</p>
	<p>Action points : n/a.</p>
<p>ITEM 10 EONIA OVERSIGHT</p>	<p>Discussion points:</p> <p>Mr. V. TSONCHEV (ECB) presented the EONIA Contribution Process Quality Report for September and October 2018.</p> <p>In September, EONIA was always published on time and calculated according to the input received. In total, there were two cases of multiple contributions.</p> <p>In October, EONIA was always published on time and there were three cases of multiple contributions.</p>
	<p>Decision and votes: n/a</p>
	<p>Action points: n/a</p>

<p>ITEM 11</p> <p>COMPOSITION OF EUIBOR/EONIA PANEL</p>	<p>Discussion Points :</p> <p>There has been no change in the composition of the Euribor and the Eonia panels.</p> <p>Decision and votes :</p> <p>n/a</p> <p>Action points :</p> <p>n/a</p>
<p>ITEM 12</p> <p>ANY OTHER BUSINESS</p>	<p>Discussion Points :</p> <p>1) <u>Discontinuation of Euribor under the act/365 and 30/360 count basis</u></p> <p>As a reminder, EMMI launched a consultation in May 2018 on the hybrid methodology for Euribor. The feedback summary of that consultation was approved and included the discontinuation of some tenors, as well as the discontinuation of releasing Euribor under the ACT/365 and 30/360 convention basis by 3rd December 2018. However, EMMI received comments from stakeholders asking for continuing these two tenors, as this could cause contractual and legal issues for them. In order to accommodate these stakeholders, EMMI suggested several potential solutions.</p> <p>2) <u>2019 calendar</u></p> <p>Members received the calendar for SC meetings in 2019. There might be the need to have an evening working dinner the day before if the agenda is too heavy. It is also suggested to use Webex or video facilities for ad-hoc meetings, with at least four physical meetings/year. EMMI might invite some experts for specific topics or for information on some items.</p> <p>The calendar will be circulated by email among members so that they can check their availabilities and EMMI can fix the final dates for 2019.</p> <p>3) <u>Agenda</u></p> <p>It is suggested to start the meeting with items for approval, followed by items for discussion, so that members can also join by call at the beginning of the meeting.</p> <p>Decision and votes :</p> <p>n/a</p> <p>Action points :</p> <ul style="list-style-type: none"> - EMMI to inform the Board of SC recommendation regarding the discontinuation of some tenors - EMMI to circulate the 2019 calendar to SC members