

Meeting Minutes

Meeting Title	Steering Committee Meeting
Date and Time	15 March 2018
Location	Brussels, EMMI meeting room 1
Attendees	A.COVIN ; A.BIEWALD; J. BESUIJEN, D. LE MASSON; C. MERKEL; T. MIRONCZUK; A. PAFILI; V. VAN DESSEL; JM. VERDUGO; V. TSONCHEV (by call)
Excused	F. HEBEISEN
Quorum	9 voting members out of 10

Agenda Item	
ITEM 1 CONFLICTS OF INTEREST	Discussion Points : The Chairman reminded everyone that Members of the Steering Committee 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 by relevant decision making in the event a conflict of interest situation might arise. The members had no conflict of interest to declare.
	Discussion Points : The members agreed with the suggested minutes.
ITEM 2 MINUTES OF THE PREVIOUS MEETING	Decision and votes : Minutes of the previous meeting were approved unanimously.
	Action points : To publish the approved minutes of November and January on the website
	Discussion Points : Ms P. DE DEYNE reminded members that some items during the last meeting needed to be followed-up. She confirmed that all the follow-up has been done accordingly. .
ITEM 3 FOLLOW-UP ON ACTION POINTS OF LAST MEETING	Decision and votes : n/a
	Action points : n/a
	Action points : n/a

<p>ITEM 4</p> <p>REGULATORY AND SUPERVISORY ISSUES</p>	<p>Discussion Points :</p> <p>Reference is made to note D0090A-2018.</p> <p>Ms G. MARQUES gave an update on the Euribor/Eonia college meeting and the RFR Working Group. In the context of the hybrid methodology for Euribor, Ms P. DEDEYNE explained that national competent authorities will not formally validate the methodology for the Level 3 of the Panel Banks in their respective jurisdictions. While not providing a formal approval, EMMI will collect and look at Panel Banks' methodologies and will check whether they diverge from EMMI's guidelines in the COPB/BDM.</p> <p>She also explained that EMMI is a non-voting member in the RFR Workstream 1.</p> <p>SC members asked for EMMI's official position on possible conflicts of interest arising from SC members participating or chairing Workstreams within the RFR Working Group.</p> <p>It was also suggested to circulate documents related to the work in the RFR Working Group to SC members once these are published on the ECB website.</p> <hr/> <p>Decision and votes :</p> <p>n/a</p> <hr/> <p>Action points :</p> <ul style="list-style-type: none"> - Ms G. MARQUES to consult the CIOC on the existence of conflicts of interest arising from SC members participating or chairing Workstreams of the euro RFR Working Group. - Share summaries of RFR Working Group meetings with SC members, once these are published by the ECB.
<p>ITEM 5</p> <p>RISK REPORTS</p>	<p>Discussion Points :</p> <p>Ms G. MARQUES gave an update on the Euribor Project risk monitoring reports and presented the remedial action plan:</p> <ul style="list-style-type: none"> - 7 action plans have been decided - 4 are on track and 1 has not started yet - 1 is completed and was reduced from medium residual to low risk - Actions are planned to be finished in 2018. <p>Ms G. MARQUES gave an update on the Euribor Administration risk monitoring report and presented the remedial action plan:</p> <ul style="list-style-type: none"> - 1 risk is high residual, this risk is inherent to the current Euribor methodology, and therefore it is tolerated by EMMI until the successful completion of the Euribor Project. - 4 medium risks, 3 did not change and 1 is newly reported according to the risk assessment on Benchmarks development application. - 18 low risks, 1 decreased from medium since the last report thanks to action that have been taken. <p>Actions are planned to be finished in 2018.</p> <hr/> <p>Decision and votes :</p> <p>n/a</p> <hr/> <p>Action points :</p> <p>n/a</p>

<p>ITEM 6 AUDIT REPORTS</p>	<p>Discussion Points :</p> <p>As per the internal audit plan approved by the Audit Committee, KPMG performed three reviews.</p> <p>The external review of the calculation agent focused on the regulatory & contractual compliance, the information security and the recalculation of the Euribor benchmark. The internal audit report on Euribor analytics and monitoring focused on EMMI's treatment of the risk management framework associated with the Euribor analytics and oversight of the benchmark processes. The scope of the internal audit on oversight activities is on EMMI's treatment of the risk management framework associated with the oversight of the benchmark determination processes, particularly those associated with Panel Banks and the Calculation Agent.</p> <p>KPMG's audit work results in a low residual risk score for the three scopes.</p> <p>Decision and votes : n/a</p> <p>Action points : n/a</p>
<p>ITEM 7 COMPLIANCE OF PANEL BANKS</p>	<p>Discussion Points :</p> <p>Ms G. MARQUES informed SC members that EMMI has received a duly signed 2017 declaration of adherence with the Euribor Code of Conduct from all Panel Banks.</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>a) Euribor Project</p> <p>Ms P. DE DEYNE reminded that EMMI is preparing the testing phase of the Euribor hybrid methodology which will take place from May to July 2018.</p> <ul style="list-style-type: none"> - Banks have been officially invited to participate in this testing phase and NDAs are nearly finalised to be sent to Panel Banks. - A calculation tool has been created to allow banks to run the tests. EMMI is now reaching out to panel banks to follow-up on the development of their level 3 methodologies. EMMI is also planning on-site visits to Panel Banks. <p>b) Consultation on the Euribor methodology</p> <p>SC members received the final draft of EMMI's first consultation on a hybrid methodology for Euribor. Mr. A. LÓPEZ reminded SC members that EMMI is planning to consult on the hybrid methodology in 2 phases: the first one in March, the second one in September after the results of the testing phase. The purpose of the first consultation is to take the opportunity to</p> <ul style="list-style-type: none"> (i) inform the market about the overall design of the hybrid methodology, and (ii) raise a number of practical and more general issues that are not specifically related to the hybrid methodology as such.

	<p>EMMI would like to launch this consultation at the end of March with a deadline to answer by 15th May 2018. SC members suggested to add a box asking for additional comments or suggestions at the end of the consultation.</p> <p>Decision and votes : SC members approved the launch of the consultation incorporating the suggestions.</p> <p>Action points : To publish the consultation by the end of March.</p>
<p>ITEM 9 EURIBOR OVERSIGHT</p>	<p>Discussion Points :</p> <p>a) Benchmark Operations Overview: As regards the quality of the submission process, Mr D. COWEN reported that for the period December 2017 – February 2018, Euribor was always published on time with no instances of non-participation of panel banks. He highlighted a slight decrease in the overall rate volatility in January and February from the month of December.</p> <p>b) Back-Testing Highlights : Mr D. COWEN presented the Euribor benchmark Data Integrity and Back-testing report covering the month of February 2018. Apart from a couple of routine follow-ups with banks, there was nothing unusual to highlight.</p> <p>c) Underlying Market Monitoring: There was no new quarterly Euro Money Market Report since the last meeting of the Steering Committee, however Mr D. COWEN presented the latest highlights from the ECB’s money market statistical reporting dataset regarding market activity and rate levels in the underlying market.</p>
	<p>Decision and votes : n/a</p>
	<p>Action points : n/a</p>

<p>ITEM 10 EONIA OVERSIGHT</p>	<p>Discussion Points : Mr. V. TSONCHEV (ECB) presented the EONIA Contribution Process Quality Report for January and February 2018. In January, EONIA was always published on time and calculated according to the input received. In total, there were two cases of multiple contributions. In February, EONIA was always published on time and calculated according to the input received. There were three cases of multiple contributions.</p> <p>Decision and votes : n/a</p> <p>Action points : n/a</p>
<p>ITEM 11 COMPOSITION OF EUIBOR/EONIA PANEL</p>	<p>Discussion Points : There has been no change in the composition of the Euribor and the Eonia panels.</p> <p>Decision and votes : n/a</p> <p>Action points : n/a</p>
<p>ITEM 12 ANY OTHER BUSINESS</p>	<p>Discussion Points : n/a</p> <p>Decision and votes : n/a</p> <p>Action points : n/a</p>