

Meeting Minutes

Meeting Title	72nd Steering Committee Meeting
Date and Time	24 th June 2019
Location	EMMI premises in Brussels
Attendees	
Voting Members	A. COVIN (Chair); J. BESUIJEN; A. BIEWALD; J.C. CUEVAS; F. HEBEISEN; D. LE MASSON (by call); C. MERKEL; T. MILLION; T. MIRONCZUK; J.M. VERDUGO;
Non-voting members	J-L. SCHIRMANN (EMMI Secretary General, ex-officio member);
Excused	V.VAN DESSEL; L. VLAMINCK
Observer	J-F. PONS (EMMI Board of Directors)
EMMI Secretariat	G. MARQUES; D. COWEN
Quorum	10 out of 12 voting members

Agenda Item	
WELCOME	The Chairman Mr A. COVIN welcomed the members to the meeting. The Chairman also welcomed Mr J-F. PONS Chairman of EMMI's Board of Directors, as observer for this meeting. Mr J-F. PONS wished to acknowledge on behalf of EMMI's Board of Directors all the work done on the reform of EURIBOR and EONIA by the Steering Committee and looked forward to the imminent authorisation of EURIBOR.
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 of relevant decision making in the event a conflict of interest situation might arise.
ITEM 2 MINUTES OF THE PREVIOUS MEETING	Discussion Points : Members highlighted one inaccuracy in the previous minutes, relating to the timing of the publication of the Benchmark Statement for EURIBOR. Decision and votes : Minutes of the previous meeting were approved unanimously. Action points :

	To review the draft minutes according to Members' comments and publish the approved minutes on the website.
ITEM 3 REGULATORY AND SUPERVISORY ISSUES	<p>Discussion Points :</p> <p>Ms. G. MARQUES informed the Members that EMMI's authorisation file for EURIBOR had been received and reviewed by the members of the EURIBOR college of supervisors. EMMI had also been invited to participate to a portion of the college meeting, where the college members could ask further questions about EMMI's file. As the next steps, the FSMA will formally adopt a decision on whether to accept or reject EMMI's application as administrator for EURIBOR and communicate on the decision accordingly.</p> <p>Decision and votes:</p> <p>n/a</p> <p>Action points :</p> <p>n/a</p>
ITEM 4 EONIA RECALIBRATION	<p>Discussion Points :</p> <p>Ms G. MARQUES presented to the Members EMMI's plan for the authorisation of the recalibrated EONIA benchmark. Even though authorisation is not strictly necessary following the extension of the transitional provisions of the EU BMR, the feedback to EMMI's public consultation of the recalibration of EONIA showed strong support from the market to receive authorisation for EONIA in addition to EURIBOR. The authorisation processes for the two benchmarks are separate, as confirmed by the European Commission.</p> <p>EMMI plans to submit the file for EONIA to the FSMA in advance of the launch of the recalibrated EONIA on 2nd October.</p> <p>Some Members questioned the necessity for such a tight timeline, while other Members expressed a preference to obtain authorisation for EONIA as soon as possible. The consensus view that emerged was that the planned timeline of EMMI is challenging, but at the same time the best option to facilitate a smooth transition from EONIA to the €STR and thereby to provide reassurance to the market. The Members however emphasised the importance of clear and consistent public communication on the timing of the authorisation to ensure market preparedness.</p> <p>Additionally, Mr J-L. SCHIRMANN raised the question of a re-fixing policy for the recalibrated EONIA, following the recommendation by the Steering Committee to publish EONIA at 9:15 a.m. CET. He proposed that a re-fixing of EONIA should follow any re-fixing of the €STR, given EONIA under the new methodology will consist of the €STR plus the fixed spread. The Members unanimously approved the proposal.</p>

	<p>Decision and votes :</p> <p>EMMI should file for authorisation for EONIA by 2nd October to provide reassurance to the market.</p> <p>EONIA should automatically be re-fixed in case the €STR is re-fixed.</p>
<p>ITEM 5 EURIBOR PROJECT</p>	<p>Action points :</p> <p>n/a</p> <p>Discussion Points :</p> <p>Mr D. COWEN gave the Members an update on the EURIBOR project. He informed that the phased-implementation of the hybrid methodology has continued without any incidents that would have impacted the rates. EMMI, and GRSS in its role of Calculation Agent for EURIBOR, are closely following the contributions of banks who have already transitioned to the hybrid methodology, with frequent follow up performed with the Panel Banks.</p> <p>Members were also briefed on the Secretariat’s planning for the first annual review of the hybrid EURIBOR methodology. Mr D. COWEN presented a number of test cases that have been identified so far for the review and mentioned that more cases would be added as they emerge. EMMI plans to conduct the first annual review of the methodology during Q4 2020, which will enable EMMI to have one full year of data of the fully implemented hybrid EURIBOR. Members asked for a few clarifications on the test cases and expressed agreement on the proposed timing of the review.</p> <p>Decision and votes:</p> <p>n/a</p> <p>Action points :</p> <p>n/a</p>
<p>ITEM 6 EURIBOR OVERSIGHT</p>	<p>Discussion Points :</p> <p>Mr D. COWEN presented the EURIBOR Oversight report for May 2019. He reminded the members that the scope of the report is reduced to aggregated statistics during the phase-in period in order to ensure confidentiality. He also highlighted that the rest of the document is also confidential and not for distribution outside the Steering Committee.</p> <p>In May 2019 EURIBOR was always published on time and according to the input received. The overall number of pre-publication test flags had increased compared with prior months as a consequence of the phase-in. Operational indicators on the other hand had improved compared with previous months. The monthly average EURIBOR curve had flattened and shifted downwards.</p> <p>Members asked for the inclusion of indicators on the different methodology levels in the report, once the phase-in has finished.</p>

	<p>Decision and votes : n/a</p>
	<p>Action points : n/a</p>
<p>ITEM 7 EONIA OVERSIGHT</p>	<p>Discussion points: Mr V. TSONCHEV (ECB) presented the EONIA Contribution Process Quality Report for May 2019.</p> <p>In May, EONIA was always published on time and calculated according to the input received. There was one case of a late contribution where the ECB as calculation agent was not able to immediately contact the bank. The case served to highlight the importance of Panel Banks contributing on time before 18:30 CET. There were four instances of multiple contributions.</p>
	<p>Decision and votes: n/a</p>
	<p>Action points: n/a</p>
<p>ITEM 9 COMPOSITION OF EURIBOR/EONIA PANELS</p>	<p>Discussion Points : Mr J-L. SCHIRMANN informed the members that National Bank of Greece had withdrawn from the EURIBOR panel in May 2019. Their last contribution to EURIBOR took place on 28 May 2019.</p> <p>Members asked if EMMI is actively looking at enlarging the EURIBOR panel. Mr J-L. SCHIRMANN replied that EMMI is taking a step-by-step approach, firstly ensuring the authorisation of EMMI as administrator for EURIBOR, secondly completing the transition to the hybrid methodology, and then making an assessment of potential candidates for panel enlargement.</p>
	<p>Decision and votes : n/a</p>
	<p>Action points : n/a</p>
<p>ITEM 8 ANY OTHER BUSINESS</p>	<p>Discussion Points : n/a</p>
	<p>Decision and votes : n/a</p>



	<p>Action points :</p> <p>The next meeting of the Steering Committee is scheduled to occur on 12 September at EMMI's premises in Brussels.</p>
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