

Internal Meeting Minutes

Meeting Title		Ad hoc Steering Committee Call
Date and Time		16th July 2019
Location		Conference call
Attendees		
Voting Members	A. COVIN (Chair); J. BESUIJEN; J.C. CUEVAS; F. HEBEISEN; T. MILLION; T. MIRONCZUK; J.M. VERDUGO; V.VAN DESSEL; L. VLAMINCK;	
Non-voting Members	J-L. SCHIRMANN (EMMI Secretary General, ex-officio member);	
Excused	A. BIEWALD; D. LE MASSON; C. MERKEL;	
EMMI Secretariat	D.COWEN; A. LUSKIN	
Quorum	9 out of 12 voting members	

Agenda Item	
CONFLICTS OF INTEREST	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.
PUBLICATION TIME FOR EONIA AS OF 2 OCTOBER 2019	<p>Discussion Points :</p> <p>The ad-hoc conference call was convened following the ECB's announcement of the publication time for the €STR, and to reconfirm the decision announced by EMMI on 31 May, that "from 2 October 2019 onwards, EONIA will be published at or shortly after 09:15 CET on the TARGET day following the TARGET day whose market it intends to represent".</p> <p>Mr A. COVIN recalled the ECB's press release of 11 July 2019, which outlined that the €STR will be published at 08:00 CET on each TARGET2 day as of the start date of 2 October 2019. If errors are detected following the publication of the €STR that impact the rate by more than 2 basis points, the ECB will revise and re-publish €STR on the same day at 09:00 CET. As such, the re-fixing time has been advanced by two</p>

hours, and the window for a re-fixing has been shortened from two hours to one hour, compared to what was originally envisaged.

The problematic raised to the Steering Committee was to assess the pertinence of either keeping the publication schedule of EONIA at 09:15 CET unchanged or amending the publication time to adjust to the new schedule of the publication of €STR.

Mr J-L. SCHIRMANN mentioned that two options are possible: i) maintaining the publication time at 09:15 CET as initially decided; or ii) advancing the publication time to a time that is even closer to the new €STR publication time. Regarding the first option, he outlined the advantages of maintaining the decision to publish EONIA at 09:15 CET, as it was already decided and communicated. Firstly, he mentioned that 09:15 CET is still early enough in the morning and is not too far away from 08:00 CET. Secondly, any re-fixing of the €STR will be published by 09:00 CET, so as such, there will be no rationale for a re-fixing of EONIA after its publication at 09:15 CET. This will reduce the potential burden on market participants in the event of an €STR re-fixing, and avoid, when such a situation occurs, to deal with two simultaneous re-fixings. Concerning the second option, i.e. advancing the publication time, Mr. J-L. SCHIRMANN explained that it might indeed facilitate and expedite the payment processes early in the morning but would also expose market participants to an additional EONIA re-fixing, would there be an €STR re-fixing. He added that changing the publication time for EONIA constitutes a material change to the benchmark and would be statutory subject to a public consultation. Taking the EMMI consultation policy and summer period into account, such a process could take between 1-2 months. Consequently, the market would have no certainty regarding the EONIA publication time until about two weeks before the go-live of the recalibrated EONIA methodology, in the best case. EMMI has publicly communicated that it will file for authorisation for EONIA by no later than 2 October 2019. However, launching a public consultation to change the EONIA publication time would likely result in a delay to the filing.

Most members agreed that although it would be beneficial to publish EONIA soon after the publication time of the €STR, it would be more prudent to maintain the current decision of publishing EONIA at or shortly after 09:15 CET from 2 October 2019 onwards. The majority of banks are already preparing for an EONIA publication time of 09:15 CET, and those banks that wish to use the rate earlier, could manually calculate the rate themselves, and run the risk that there will be a re-fixing of the €STR.

One member was initially in support of bringing the EONIA publication time closer to the €STR publication time. This member outlined that an additional hour would be highly beneficial for post-trade functions in back and middle offices, and that some

market participants may be surprised that EMMI is not bringing the EONIA publication time in line with the €STR publication time.

Mr J-L. SCHIRMANN noted that anecdotal market feedback had indicated a preference to not have a re-fixing of EONIA, and that keeping the publication time at 09:15 CET would facilitate this preference.

One member raised the point that the EONIA publication time could be revised at a later stage, as part of an annual review of the methodology.

After the discussion, the members participating in the call unanimously agreed that the most suitable option would be to maintain the EONIA publication time of at or shortly after 09:15 CET as of 2 October 2019.



	<p>Decision and votes :</p> <p>The proposal is unanimously approved and will be recommended to the Board of Directors.</p>
	<p>Action points :</p> <p>Following the Board's approval, EMMI will issue a communication to the market, reconfirming the EONIA publication time of 09:15 CET as at 2 October 2019.</p>