

Meeting Minutes

Meeting Title	Steering Committee Meeting
Date and Time	2 July 2018
Location	Brussels, EMMI meeting room 1
Attendees	A.COVIN ; A.BIEWALD; J. BESUIJEN ; F. HEBEISEN ; T. MIRONCZUK; A. PAFILI; JM. VERDUGO; O. BRISSAUD (as Board observer)
Excused	D. LE MASSON; C. MERKEL; V. VAN DESSEL
Quorum	7 voting members out of 10

Agenda Item	
ITEM 1 CONFLICTS OF INTEREST	<p>Discussion Points :</p> <p>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.</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 suggested to add a part on the follow-up call with the ECB regarding the EONIA oversight.</p> <p>Decision and votes :</p> <p>n/a</p> <p>Action points :</p> <p>To update the minutes and send them to SC members for written approval</p>
ITEM 3 FOLLOW-UP ON ACTION POINTS OF LAST MEETING	<p>Discussion Points :</p> <p>Mr J.-L. SCHIRMANN reminded members that some items during the last meeting needed to be followed-up. He confirmed that all the follow-up has been done accordingly, and referred members to some of the points in the agenda.</p> <p>Decision and votes :</p> <p>n/a</p> <p>Action points :</p> <p>n/a</p>
ITEM 4	<p>Discussion Points :</p>

<p>REGULATORY AND SUPERVISORY ISSUES</p>	<p>Reference is made to note D0271a-2018</p> <p>Ms G. MARQUES mentioned that EMMI had a handover meeting with the European Commission and the Chair of the FSMA. She also explained that the ECB announced the methodology for the calculation of the Euro Short-Term Rate (ESTER).</p> <p>The Steering Committee received an update on the efforts of the euro RFR Working Group. The first public consultation on potential successors to Eonia was published end of June by the European Central Bank (ECB). A new workstream 4 has been established in order to look at issues regarding the transition from Eonia to the preferred RFR. She confirmed that EMMI is part of:</p> <ul style="list-style-type: none"> › Workstream 1 on the identification and recommendation of alternative RFRs; › Workstream 2A on the identification and recommendation of a term structure on RFR(s); › Workstream 2B on the evaluation of legal and compliance implications of the workstream 2A's identified methodologies, including their compliance with IOSCO principles; › Workstream 3 on the analysis of contractual robustness for legacy and new contracts. <p>In parallel to this work, ISDA, AFME, ICMA and SIFMA published a Global Benchmark Report which shows an appetite for regular, coordinated and transparent information from the RFR public/private sector working groups across jurisdictions. The next meeting of the RFR working group is scheduled for 11 July 2018.</p> <p>Decision and votes : n/a</p> <p>Action points : n/a</p>
<p>ITEM 5 INTERNAL PROCEDURE FOR THE OVERSIGHT OF THE EONIA DETERMINATION PROCESS</p>	<p>Discussion Points :</p> <p>Mr J.-L. SCHIRMANN confirmed that EMMI has a formal procedure in place for the oversight Eonia determination process and would proceed to perform some operational readjustments internally during the holiday season.</p> <p>Decision and votes : n/a</p> <p>Action points : n/a</p>

<p>ITEM 6</p> <p>EONIA</p> <p>REFIXING/REPUBLICATION</p> <p>POLICY</p>	<p>Discussion Points :</p> <p>The EMMI Secretariat performed an analysis of the adequateness of a refixing policy for EONIA in case of anomalies/errors being reported after the calculation and publication of the index. Steering Committee members came up to the conclusion that</p> <p>(1) as a decision not to further pursue an in-depth review of Eonia was made by EMMI's governing bodies;</p> <p>(2) the process for consulting on and amending all related documentation would possibly go beyond the BMR deadline of December 2019; and</p> <p>(3) any refixing of the benchmark would effectively only take place on the next day (given that Eonia is published at the end of the day), when economic agents would have already settled all relevant flows; the implementation of a new refixing policy would not be useful.</p> <p>In light of the above, Steering Committee members considered that current methodologies, controls, and processes minimize the risks of an error in the Eonia calculation/publication.</p> <p>It is suggested to clarify the procedures with GRSS, as Calculation System Provider, and the ECB, in their role as Calculation Agent of the benchmark.</p>
	<p>Decision and votes :</p> <p>Steering Committee members agreed not to have a refixing policy for Eonia.</p>
	<p>Action points :</p> <p>To clarify the procedures with GRSS and the ECB.</p>
<p>ITEM 7</p> <p>EURIBOR PROJECT</p>	<p>Discussion Points :</p> <p>Steering Committee members received an update on the progress of the Testing Phase, which ends on 31st July 2018, and the publication of the feedback summary of EMMI's consultation on the hybrid methodology.</p> <p>After the Testing Phase, EMMI will perform an analysis of the data received which will allow to decide on some parameters of the methodology. After the definition of the parameters, a new stakeholder consultation will be published around October/November 2018.</p>
	<p>Decision and votes :</p> <p>n/a</p>
	<p>Action points :</p> <p>n/a</p>

<p>ITEM 8 EURIBOR OVERSIGHT</p>	<p>Discussion Points :</p> <p>a) Benchmark Operations Overview:</p> <p>As regards the quality of the submission process, Mr D. COWEN reported that for the period March 2018 – May 2018, Euribor was always published on time with no instances of non-participation of panel banks.</p> <p>b) Back-Testing Highlights:</p> <p>Mr D. COWEN presented the Euribor benchmark Data Integrity and Back-testing report covering the month of May 2018. Steering Committee members asked for further clarification regarding a rationale provided by a panel bank in the context of follow up done based on the back-testing analysis.</p> <p>c) Underlying Market Monitoring:</p> <p>The Steering Committee received a presentation of the Euro Money Market Report for Q2 2018. A nascent increase in the longer term tenors was highlighted, beginning in the end of May 2018, of close to 1 bps in the 12-month and 3-month tenors by mid-June.</p>
	<p>Decision and votes :</p> <p>n/a</p>
	<p>Action points :</p> <p>To ask for further clarification of the follow-up rationale provided by a panel bank.</p>
<p>ITEM 9 COMPOSITION OF EURIBOR/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 10 ANY OTHER BUSINESS</p>	<p>Discussion Points :</p> <ul style="list-style-type: none"> - Next meeting is scheduled on 12 September 2018. - All SC members thanked Ms Agathi Pafili for her contribution to the Steering Committee as she is leaving her role within the SC to join EMMI's Board of Directors. <p>Decision and votes :</p> <p>n/a</p> <p>Action points :</p> <p>n/a</p>