

THE STEERING COMMITTEE

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MINUTES OF THE 16th MEETING OF THE EURIBOR STEERING COMMITTEE
- Brussels, 12 December 2001 -

Mr N. Bömcke chaired the meeting.

A list of participants is attached (enclosure 1).

1) ADOPTION OF THE MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting, circulated under Secretariat letter n°477 of 29 June 2001, were approved without amendment.

2) COMPOSITION OF THE STEERING COMMITTEE

It was noted that further to the decision of Mr. J-P. RAVISE to leave the EURIBOR Steering Committee, the General Assembly of EURIBOR ACI had appointed Mr. J-J. QUELLEC, Head of Treasury for CDC IXIS Capital Markets (and co-president of AFTB) as new member of the EURIBOR Steering Committee.

The Chairman welcomed Mr. Quellec and praised the past work of Mr. Ravisé.

3) TARGET HOLIDAYS

3.1. 2002 Calendar

The Committee considered the Target holiday calendar published by the ECB on 14 DEC 00 and to be followed from 2002 until further notice. It was felt that the said calendar would not give rise to any problem and should therefore be followed.

Conclusions

The Committee confirmed that EURIBOR and EONIA would continue -in 2002- to follow the TARGET holiday calendar.

3.2. EONIA on 24 December 2001

The Committee noted that as Monday 24 DEC 01 is not a Target holiday, panel banks are required to contribute to the EURIBOR and EONIA fixings on that day.

However, while the EURIBOR reporting time is in the morning and should therefore pose no problem, some banks might encounter problems for EONIA as the reporting time is after 6:00 p.m. and people may go back home earlier than usual on Christmas Eve.

In general, it was felt that panel banks that close their books earlier that day and that cannot contribute to the EONIA fixing at the usual reporting time on 24 DEC 01 should be allowed to report their EONIA data earlier.

Conclusions

It was agreed that the Secretariat would send a letter to all panel banks reminding them of their obligation to make the necessary arrangements in order to be able to contribute to the EONIA fixing on 24 DEC 01 at the usual reporting time.

Panel banks that cannot do so would be required to report their EONIA data at the last possible time and call the ECB Front Office immediately thereafter in order to confirm that the reported data constitutes their definitive data for the day.

In addition, the Secretariat would ask Telerate to post a message on the appropriate Telerate screens to the same effect.

4) REVIEW OF THE EURIBOR AND EONIA PANEL

4.1 Panel of banks

Mr. Bömcke reported that the Secretariat had received confirmation that following the completion of the take-over offer for Bank Austria by HypoVereinsbank, Bank Austria will stop contributing to the EURIBOR and EONIA fixings as of 1st JAN 02.

It was further reported that the Secretariat had also received confirmation that Artesia Banking Corporation will stop contributing to the EURIBOR and EONIA fixings as of 1st APR 02, being the effective date of the legal merger between Dexia Bank and Artesia B.C.

The Committee considered the panel list. It was noted that some rectifications were necessary following recent changes of names.

Conclusions

The Secretariat was charged with (i) updating the panel list and (ii) informing Telerate and the ECB of the changes concerning Bank Austria and Artesia B.C.

The strategic objective of Moneyline Telerate is to build Telerate and the Bridge businesses in Europe and Asia into the preferred solution for the distribution of fixed-income and capital markets pricing information.

The Committee asked to receive a copy of the latest financial statements of MoneyLine, which was agreed by Mr. Hamelrijckx.

The Committee received confirmation that the above changes would have no technical impact for the contributing banks.

Eventually, the Committee asked Moneyline Telerate to explain what their contingency plans were, if any. It appears that Moneyline Telerate has two data centers ... but only 4 miles apart (in Saint-Louis, USA). This issue is being reconsidered, however, in the wake of the 11 SEP 01 attacks.

Conclusions

The Secretariat was charged with informing the panel banks of the recent changes concerning Moneyline Telerate.

6) BACK-UP SYSTEM

Despite the recent changes in the financial situation of Telerate, it was felt that a back-up system was still needed, as one cannot afford EURIBOR and EONIA fixings to be discontinued; not to mention the unsatisfactory contingency plans currently in force at Moneyline Telerate (see point 5 above, *in fine*).

The Committee deemed it essential to have in place a data collection system that would take over from Moneyline Telerate were the latter unable to function.

After considering various alternatives, the Committee pronounced itself in favour of a stand-alone Internet-based solution designed along the following lines :

The Secretariat would e-mail panel banks an Excel spreadsheet, to be duly completed and returned. Data so returned would then be fed into another Excel spreadsheet that would make the necessary calculations. Rates would be published thereafter on www.euribor.org

In case the Internet is not available, the data could be collected by phone and/or fax.

It was found that such a fall-back system would give Euribor FBE sufficient time to find -if need be- a successor to Moneyline Telerate. Indeed, it is not the intention of the Committee to turn this fallback system into a permanent solution.

The Committee further noted that the situation is slightly different for the EONIA data given that EONIA is calculated by the ECB, using data received via Moneyline Telerate terminals. Any solution should therefore be agreed by the ECB (or Moneyline Telerate, in the unlikely event of an ECB's failure).

It was suggested that the back-up solution be tested once per year.

Conclusions

The Secretariat was charged with drafting emergency contingency procedures, based on the solution described above and considering all possible scenarios.

Once finalized and approved, the said procedures would be communicated to the panel banks and tested from time to time.

7) REDESIGN OF THE EURIBOR WEBSITE

Mr. Bömcke informed the members that the Secretariat would redesign www.euribor.org and update the content thereof.

It was asked whether it was still useful to mention on the website the previous national Overnight and IBOR rates. Members of the Committee were of the opinion that this information could still be useful for some legacy transactions.

Members of the Committee were informed that -as previously agreed- their names had been posted on www.euribor.org in an effort to increase transparency.

8) AVAILABILITY OF HISTORICAL DATA

Mr. Bömcke reported that EURIBOR historical data is available on the www.euribor.org and updated every *two weeks*. The Secretariat intends to set up a *daily* feeding system after the website has been re-designed.

9) CONFIDENTIALITY OF EONIA DATA

The Committee discussed recent requests made by NCBs to access EONIA data for research purposes.

It was reminded that the calculation of EONIA by the ECB had been deemed crucial because of the sensitivity of the information that needed to be provided by the contributing banks.

The Committee felt that NCBs should have no access to EONIA data, mainly for confidentiality reasons.

As for the ECB, it was noted that the direct involvement of the ECB in the EONIA calculation provided the ECB with a source of valuable information about rate and volume trends across the Euro zone. The Committee felt that the ECB should be allowed to use this information, be it conditionally.

Conclusions

It was agreed that NCBs would not be given permission to access EONIA-related data while the ECB would be allowed to use such data so long as (i) it is on a confidential basis and (ii) only aggregated data is published.

10) EXPANSION OF THE NUMBER OF MATURITIES FOR EURIBOR

Mr. Bömcke informed the Committee that the 2 and 3-week EURIBOR have been successfully introduced on 15 October 2001.

Mr. A. Brizi suggested the creation of a swap fixing for medium term rates.

The Committee briefly discussed the pros and the cons of such a fixing while acknowledging that further consideration should be given to the matter.

Conclusions

It was agreed that Mr. A. Brizi would investigate the issue further and report his findings to the Committee.

11) EUREPO PROJECT

Mr. Bömcke announced that EUREPO will be launched on 04 March 2002 and be sponsored by EURIBOR FBE.

12) ANY OTHER BUSINESS

None.

13) DATE AND PLACE OF NEXT MEETING

The next meeting of the Committee, in Brussels, was confirmed as 19 June 2002, commencing at 10.00 a.m. CET.

It was provisionally agreed to hold the December 2002 meeting, in Brussels, on Wednesday 11, such a date to be confirmed on 19 June 2002.

Enclosure: 1

Buggenhout

From: FBEmail
Sent: lundi 14 janvier 2002 16:51
To: FBEmail
Cc: van de Werve
Subject: (N° 2) - 16th Meeting of the Euribor Steering Committee- Brussels, 12 December 2001 - MINUTES -

Importance: High

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Euribor Steering Committee

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