

Meeting Minutes

Meeting Title	69th Steering Committee Meeting
Date and Time	23rd January 2019
Location	EMMI premises in Brussels
Attendees	
Voting Members	A.COVIN (Chair); JC. CUEVAS; F.HEBEISEN; D. LE MASSON; C. MERKERL; T. MILLION; T.MIRONCZUK; V. VAN DESSEL; JM VERDUGO; L. VLAMINCK;
Non-voting members	JL. SCHIRMANN (EMMI Secretary General, ex-officio member); J. HORWITZ (EMMI Board of Directors; observer)
Excused	A.BIEWALD ; J. BESUIJEN;
Quorum	10 voting members out of 12

Agenda Item	
WELCOME	<p>The Chairman welcomed two new Steering Committee members: Mr. T. MILLION, Head of Fixed Income for Institutional and Money Market Clients at Allianz Global Investors; and Mr. J.C. CUEVAS, CFO at Duro Felguera and Vice-President of the Spanish Finance Association.</p> <p>The Chairman also welcomed Mr. J. HORWITZ, Member of EMMI's Board of Director, as observer for this meeting.</p>
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>Members had no conflict of interest to declare.</p>
ITEM 2 MINUTES OF THE PREVIOUS MEETING	<p>Discussion Points :</p> <p>Members asked for clarifying some points in the draft minutes in order to guarantee a better understanding by stakeholders.</p> <p>Members approved the publication of the draft minutes, after their remarks had been taken care of.</p> <p>Decision and votes :</p> <p>Minutes of the previous meeting were approved unanimously.</p> <p>Action points :</p> <p>To review the draft minutes according to Members' comments and publish the approved minutes on the website.</p>

<p>ITEM 3</p> <p>CONSULTATION</p> <p>FEEDBACK SUMMARY</p>	<p>Discussion Points :</p> <p>Mr A. LÓPEZ provided an overview of EMMI’s efforts in the development of the Euribor Hybrid Methodology since Summer 2017. In particular, he recalled the First Consultation Paper on the EURIBOR Hybrid Methodology, published in March 2018, as well as the Hybrid Euribor Testing Phase, which took place between May and end of July 2018, and whose goal was to test, under live conditions, and elaborate some of the parameters for EURIBOR’s hybrid methodology. He then described the content of the Second Consultation Paper, published in October 2018.</p> <p>Mr A. LÓPEZ presented a summary of the feedback received during this second consultation, highlighting the main points of the respondents’ reactions on each of the issues included in the Consultation paper:</p> <ul style="list-style-type: none"> - Panel Banks contributions: anonymised indicators; - Maturity date window; - Non-financial corporate counterparties; - Eligibility of floating rate transactions; - Minimum size threshold; - Number of eligible transactions threshold; - Level 2.1: Adjusted linear interpolation; - Level 2.2: Transactions at non-defined EURIBOR tenors; - Level 2.3: Transactions from prior dates. <p>Members were informed that the Summary of Stakeholder Feedback, together with the final <i>blueprint</i> of the methodology will be published on EMMI’s website after the approval of EMMI’s Board of Directors.</p> <p>The Chairman recommended EMMI to include a box, in the Summary of the Stakeholder Feedback, reminding stakeholders that the transaction data considered for the determination of EURIBOR as Level 1 input reflects Panel Banks’ activity on the day prior to the publication of the benchmark. EMMI agreed with the suggestion. Members asked for some clarifications on the wording of some sentences, and approved the Summary of Stakeholder Feedback.</p>
	<p>Decision and votes :</p> <p>Members approved unanimously the Summary of Stakeholder Feedback with some modifications/clarifications.</p>
	<p>Action points :</p> <p>EMMI will include the suggested edits in the Summary of Stakeholder Feedback, and will submit the revised version to EMMI’s Board of Directors, for their final approval.</p>

<p>ITEM 4</p> <p>EURIBOR GOVERNANCE FRAMEWORK</p>	<p>Discussion Points :</p> <p>Ms G. MARQUES explained that EMMI reviewed the EURIBOR governance framework in preparation of the authorisation and the transition to the new methodology. The EURIBOR governance framework is now composed by the following documents:</p> <ul style="list-style-type: none"> a) The Governance Code of Conduct (GCC), which explains EMMI’s requirements as EURIBOR administrator, including responsibilities and Governing Bodies linked to EURIBOR, governance and control framework, transparency, record-keeping, etc. b) The EURIBOR Benchmark Determination Methodology (BDM), which sets out the determination methodology for the calculation of EURIBOR. c) The EURIBOR Code of Obligations of Panel Banks (COPB), which sets out the requirements for Panel Banks in acting as contributors of input data to EMMI for the determinations of EURIBOR. The COPB explains general obligations, determinations and validation process of contributions, control environment, etc. d) The EURIBOR Code of Obligations of Calculation Agent (COCA), which highlights the role and obligations of the Calculation Agent. e) The Consultation Policy for Benchmarks, which defines the provisions to be followed by EMMI in case of material changes in the benchmarks. f) The Benchmarks Changes and Cessation Policy, which defines the program to be executed in case of changes in the methodology or the possible cessation of some tenors. <p>All the documents were approved unanimously by Steering Committee members.</p>
	<p>Decision and votes :</p> <p>The EURIBOR Governance Framework was approved unanimously for recommendation to the Board and General Assembly.</p>
	<p>Action points :</p> <p>n/a</p>

<p>ITEM 5 EONIA OVERSIGHT</p>	<p>Discussion Points :</p> <p>Mr. V. TSONCHEV (ECB) presented the EONIA Contribution Process Quality Report for November and December 2018.</p> <p>In November, EONIA was always published on time and calculated according to the input received.</p> <p>In December, EONIA was always published on time and there was one case of multiple contributions.</p> <hr/> <p>Decision and votes :</p> <p>n/a</p> <hr/> <p>Action points :</p> <p>n/a</p>
<p>ITEM 6 EURIBOR OVERSIGHT</p>	<p>Discussion Points :</p> <p>a) Benchmark Operations Overview:</p> <p>Mr. D. COWEN presented the overview of the quality of the EURIBOR rate-setting operations for the period October – December 2018. There was a slightly elevated number of late and multiple submissions in December owing to the holiday period. These did, however, not have any impact on the calculation or publication of the benchmark.</p> <p>b) Back-Testing Highlights:</p> <p>Mr. D. COWEN presented the highlights of the EURIBOR back-testing report for December 2018. There were a few routine follow-up actions performed with Panel Banks since the last meeting. The overall submission rate volatility in 2018 was down from the previous year, due to market and bank-specific factors.</p> <hr/> <p>Decision and votes :</p> <p>n/a</p> <hr/> <p>Action points :</p> <p>n/a</p>
<p>ITEM 7 EONIA DECLARATION OF ADHERENCE</p>	<p>Discussion points:</p> <p>Mr. C. WESTSTEIJN gave an update on the receipt of the annual Declaration of Adherence to the Eonia Governance Framework. He confirmed that EMMI received from all Panel Banks their annual declarations of adherence to the Eonia Governance Framework. The complete list of Panel Banks and the proposed text will be published on EMMI’s website.</p> <hr/> <p>Decision and votes:</p> <p>n/a</p>

	<p>Action points:</p> <p>To publish the list of Panel Banks that returned their declaration of adherence to the EONIA Governance Framework, including the proposed text on the EMMI website.</p>
<p>ITEM 8</p> <p>COMPOSITION OF EUIBOR/EONIA PANEL</p>	<p>Discussion Points :</p> <p>Mr. JL. SCHIRMANN explained that Banca Monte dei Paschi di Siena (BMPS) withdraw from the EURIBOR panel, with a last contribution day on 7th January 2019. EMMI provided the FSMA with its assessment concluding that the impact of this withdrawal on the representativeness and the robustness of the benchmark would be limited.</p> <p>The FSMA presented the Euribor College with its own assessment based on BMPS's level of actual and potential participation in the market that Euribor intends to measure. After thorough deliberation, the Euribor College decided to support the FSMA's conclusions and to advise the FSMA not to require BMPS to stay on the Euribor panel.</p> <p>Decision and votes :</p> <p>n/a</p> <p>Action points :</p> <p>n/a</p>
<p>ITEM 9</p> <p>ANY OTHER BUSINESS</p>	<p>Discussion Points :</p> <p><u>Regulatory and Supervisory issues:</u> Ms G. MARQUES confirmed that EMMI has close and regular contacts with the FSMA. EMMI will apply for pre-filling authorization in Q2 2019, and the FSMA will then have a maximum of 4 months to authorize EMMI as administrator, from the moment they consider the file as final. The EURIBOR College of Supervisors will be consulted during this process but the FSMA is the competent authority deciding on authorization.</p> <p><u>Euro RFR Working Group recommendations on EONIA:</u> Members discussed the content and implications of the recommendations made by the EUR RFR WG concerning the future of the EONIA benchmark and its potential change in methodology.</p> <p>Decision and votes :</p> <p>n/a</p> <p>Action points :</p> <p>n/a</p>