



# Meeting minutes



The European  
Money Markets  
Institute

**Public**  
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# Meeting minutes

Meeting title	88 <sup>th</sup> Oversight Committee Meeting
Date and time	15 <sup>th</sup> March 2022, 09.30-13.00
Location	Conference call

Attendees	<p><b>Members:</b></p> <p>A. COVIN (Chair)</p> <p>Z. CHATZIMPEI</p> <p>J.C. CUEVAS</p> <p>A. KOZHEVNIKOVA</p> <p>D. LE MASSON (left at 12:00)</p> <p>T. MILLION</p> <p>T. MIRONCZUK</p> <p>M. SCHNEIDER</p> <p>M. VERHEIJEN</p> <p>L. VLAMINCK</p> <p>J-L. SCHIRRMANN (EMMI CEO, non-voting member)</p> <p><b>The European Money Markets Institute:</b></p> <p>J. FELDKAMP, A. DE LISIO, G. OBOTH, C. BERGAMASCHI, A. GUZZARDI, T. DUFRESNE</p> <p><b>Guest:</b></p> <p>P. GAGGI (Member of the EMMI Board of Directors; observer)</p>
Excused	M. BRIZEE
Quorum	10 voting members

## Agenda item

Welcome	<p>The Chair Mr A. COVIN welcomed the Members to the 88th Oversight Committee meeting. The meeting was held by conference call due to the COVID-19 situation.</p> <p>The Chair also welcomed P. GAGGI, Member of EMMI's Board of Directors as observer for this meeting.</p>
Item 1	Discussion points:



<b>Conflict of interest</b>	<p>The Chair reminded everyone that Members of the Oversight 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 discussed whether a conflict of interest situation might raise for Mr J.C. CUEVAS in relation to the audit reports that were presented to the Oversight Committee, as Mr J.C. CUEVAS currently works for EY.</p> <p>Members agreed that J.C. CUEVAS should not recuse himself for item 9 as there was no evidence for a conflict of interest. The internal audits as were performed by a different auditor (Deloitte).</p>
<b>Item 2</b> <b>Minutes of the previous meeting</b>	<p><b>Discussion points:</b></p> <p>The Members reviewed the minutes of the previous meeting of the Oversight Committee that took place on the 18<sup>th</sup> of January 2022.</p> <p><b>Decision and votes:</b></p> <p>It was proposed to include a reference to the onboarding of two new Members of the Oversight Committee: A. KOZHEVNIKOVA and M. SCHNEIDER. These two new Members attended the meeting of the Oversight Committee on the 18<sup>th</sup> of January for the first time.</p> <p><b>Actions:</b></p> <p>EMMI to amend the minutes with the comment mentioned above.</p> <p>The minutes of the previous meeting were approved unanimously.</p>
<b>Item 3</b> <b>Annual report of the Chair to the Board of Directors</b>	<p><b>Discussion points:</b></p> <p>As a follow-up of the self-assessment conducted by the Members of the Oversight Committee in 2021, the Chair Mr A. COVIN informed the Committee about the discussion held at the last Board meeting on the annual report on the Oversight Committee activity. The Chair presented the report and he received positive feedback from the Board. During the meeting, the main future challenges for EURIBOR were discussed, the Chair pointed out that the centralisation of Level 3 might raise operational/legal challenges. The Board asked whether there are some Panel Banks that are not willing to share data or documents. The Chair replied that it should be taken into account that national laws on data protection could create some difficulties in sharing data. The Chair concluded the discussion stating that a ready-available fallback rate will increase the robustness of EURIBOR.</p> <p>It was confirmed that the Board received the minutes of each meeting of the Oversight Committee.</p>
<b>Item 4</b> <b>Regulatory update</b>	<p><b>Discussion points:</b></p> <p>Ms A. DE LISIO provided the Members with an update on the latest regulatory and supervisory topics:</p> <ul style="list-style-type: none"> <li>• In January 2022, ESMA took over EMMI's supervision. There are currently eight administrators under ESMA's direct supervision, including EMMI. EMMI prepared a supervisory reporting framework that is currently under review by ESMA and quarterly meetings have been organized to exchange information.</li> </ul>



	<ul style="list-style-type: none"> <li>ESMA updated the Q&amp;A on the EU Benchmark Regulation to clarify that a temporary disruption to the provision of a benchmark does not trigger a move to the defined fallback rate.</li> <li>The European Commission adopted a delegated regulation on the fees applicable to the supervision by the ESMA of certain benchmark administrators. It was confirmed that the fees for EMMI were similar to the fees applied by the previous supervisor, FSMA.</li> <li>A meeting of the Euro RFR Working Group was held on 2 March 2022. The terms of reference of the Euro RFR Working Group were recently amended to clarify the status of observers Members in the Working Group.</li> <li>In December 2021 the UK Government passed the Critical Benchmarks (References and Administrators' Liability) Act 2021 supporting the orderly wind-down of critical benchmarks, protecting both users of these benchmarks and the integrity of the UK's financial markets.</li> </ul>
<b>Item 5</b> <b>EURIBOR Oversight Report</b>	<p><b>Discussion points:</b></p> <p>Mr A. GUZZARDI presented the EURIBOR Oversight Report for February 2022. In February 2022, EURIBOR was always published on time and according to the input data received. The report showed quantitative and qualitative indicators to monitor EURIBOR. Mr A. GUZZARDI pointed out that the operational quality indicators remained in line with the previous month. There was no occurrence of late contributions of transactions.</p> <p>One Member highlighted that there is no definition of the flag 'significant influence' in the Appendix I of the presentation.</p> <p><b>Action points:</b></p> <p>EMMI to include the definition of the metric 'significant influence' in the Appendix I of the presentation.</p> <p>The Members of the Oversight Committee approved the EURIBOR Oversight Report for February 2022</p>
<b>Item 6</b> <b>2<sup>nd</sup> Annual Methodology Review</b>	<p><b>Discussion points:</b></p> <p>Mr A. GUZZARDI presented potential changes for the 2<sup>nd</sup> Annual review of EURIBOR methodology. The review proposal focuses on Level 1 and Level 2 of the methodology. The main goals of this review are:</p> <ul style="list-style-type: none"> <li>Euribor to remain reliable, robust and representative</li> <li>Contributions to be based on transactions as much as possible (but they should remain representative).</li> <li>Being consistent with the financial theory and responsive to market events</li> </ul> <p>Mr A. GUZZARDI proposed to test five potential changes, in the following way:</p> <ul style="list-style-type: none"> <li>Each change at a time in isolation;</li> <li>testing multiple changes together, with different combinations;</li> </ul>
<b>Item 7</b> <b>Annual declarations of adherence to the COPB</b>	<p><b>Discussion points:</b></p> <p>Ms C. BERGAMASCHI informed Members about the annual declarations of adherence to the COPB. It was confirmed that EMMI has received the annual</p>



	declarations of adherence to the COPB and the contingency plan from all the Panel Banks in January 2022.
<b>Item 8</b> <b>Review of EURIBOR Governance framework</b>	<p><b>Discussion points:</b></p> <p>Ms C. BERGAMASCHI informed that, as part of the annual review of the EURIBOR Governance Framework, EMMI proposes no changes to the following documents:</p> <ul style="list-style-type: none"><li>• EURIBOR Governance Code of Conduct</li><li>• EURIBOR Code of Obligations of Calculation Agent</li><li>• EURIBOR Code of Obligations of Panel Banks</li></ul> <p>The changes (in track changes in the pdf version shared with the Members) are only of format and style.</p> <p><b>Action points:</b></p> <p>The Members of the Oversight Committee approved the review of the documents mentioned above.</p>
<b>Item 9</b> <b>Risk Assessment &amp; internal audit on Benchmark Administration, Internal Audit on BMR Compliance</b>	<p><b>Discussion points:</b></p> <p>Mr T. DUFRESNE presented for information the outcome of:</p> <ul style="list-style-type: none"><li>• The risk assessment report on benchmark administration;</li><li>• Internal audit on benchmark administration;</li><li>• internal audit on BMR compliance.</li></ul>
<b>Item 10</b> <b>Composition of the Panel</b>	<p><b>Discussion points:</b></p> <p>It was confirmed that there were no changes to the composition of the EURIBOR Panel since the last meeting of the Oversight Committee.</p>
<b>Item 11</b> <b>Any Other Business</b>	<p><b>Discussion points:</b></p> <p>As the COVID-19 restrictions measures have been removed in several EU States, Members asked whether it will be possible to organise physical Oversight Committee meetings in Brussels.</p> <p>The Chair thanked P. GAGGI for his work as Member of EMMI's Board of Directors. This is the last Oversight Committee meeting that P.GAGGI attends as his mandate as Member of the Board will expire soon.</p> <p><b>Action points:</b></p> <p>EMMI to consider organising physical Oversight Committee meetings in Brussels (probably starting from June 2022).</p>

