



Meeting minutes



The European
Money Markets
Institute

Public
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Meeting minutes

Meeting title	89 th Oversight Committee Meeting
Date and time	26 th April 2022, 10.00–13.30
Location	EMMI premises/conference call

Attendees	<p>Members:</p> <p>A. COVIN (Chair) – On site M. BRIZEE – Virtually Z. CHATZIMPEI – Virtually J.C. CUEVAS – Virtually A. KOZHEVNIKOVA – Virtually D. LE MASSON – On site T. MILLION – Virtually T. MIRONCZUK – Virtually M. SCHNEIDER – On site M. VERHEIJEN – On site L. VLAMINCK – On site J-L. SCHIRRMANN (EMMI CEO) – On site</p> <p>The European Money Markets Institute:</p> <p>J. FELDKAMP, A. FANEA, G. OBOOTH, A. GUZZARDI, C. BERGAMASCHI</p> <p>Guest:</p> <p>J-F. PONS (Board of the EMMI Board of Directors; observer)</p>
Quorum	11 voting members

Agenda item

Welcome	The Chair Mr A. COVIN welcomed the Members to the 89 th Oversight Committee meeting. Mr J-F. PONS informed that his mandate as Chair and Member of the EMMI Board of Directors will expire in July 2022. He thanked the Members of the Oversight Committee for their great work in all these years to ensure a robust oversight of the EURIBOR benchmark.
Item 1 Conflict of interest	<p>Discussion points:</p> <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>The members had no conflicts of interest to declare.</p>



Item 2 Minutes of the previous meeting	<p>Discussion points:</p> <p>The Members reviewed the minutes of the previous meeting of the Oversight Committee that took place on the 15th of March 2022.</p> <p>Ms Z. CHATZIMPEI highlighted a typo in one of the bullet points on page 5 item 6.</p> <p>Decision and votes:</p> <p>The minutes of the previous meeting were approved unanimously.</p> <p>EMMI to amend the typo mentioned above and to publish the minutes on the EMMI website.</p>
Item 3 Regulatory update	<p>Discussion points:</p> <p>Ms A. FANEA provided the Members with an update on the latest regulatory and supervisory topics:</p> <ul style="list-style-type: none"> Regular exchanges with ESMA: In January 2022, ESMA took over EMMI's supervision. EMMI prepared a supervisory reporting framework which includes reporting of all meeting materials and minutes going forward for all EMMI's governance bodies, including the Oversight Committee. On March 2022, the first quarterly bilateral meeting between EMMI and ESMA took place in which EMMI presented the status of current projects. ESMA statement on Ukraine: ESMA announced that it is closely monitoring the impact of the Ukraine crisis on financial markets and is prepared to use its relevant tools to ensure the orderly functioning of markets, financial stability and investor protection. Meeting of the ARRC: The Alternative Reference Rate Committee (ARC) met on 23 March 2022 discussing: <ul style="list-style-type: none"> federal LIBOR legislation (signed into law on 15 March 2022, Consolidated Appropriations Act, 2022) momentum towards the Secured Overnight Financing Rate (SOFR), results from the latest sentiment survey of ARRC members work evaluating 1-year Term SOFR. <p>Ms A. FANEA informed that the current EU sanctions against Russia, in the context of the conflict between Russia and Ukraine, are not applicable to EMMI services. EMMI is following the developments on this matter closely.</p> <p>Mr J-F. PONS added that ESMA had stressed the importance they put on the development of EURIBOR V3 in a recent meeting he had with the supervisor.</p>
Item 4 EURIBOR Oversight Report	<p>Discussion points:</p> <p>Mr A. GUZZARDI presented the EURIBOR Oversight Report for March 2022. In the observed period, EURIBOR was always published on time and according to the input data received. The report showed quantitative and qualitative indicators to monitor EURIBOR.</p>
Item 5 Report on the 2nd Annual Methodology Review	<p>Discussion points:</p> <p>Mr A. GUZZARDI gave a presentation on the proposed changes for the 2nd Annual Review of the EURIBOR Methodology. Mr A. GUZZARDI pointed out that the goal is to ensure EURIBOR's constant market representativeness and improve the</p>



	<p>quality of the EURIBOR benchmark, its robustness and reliability, and to comply with legal obligations. He highlighted that EMMI suggests the implementation of four changes. These were consistent with financial theory and should increase the volumes and number of representative transactions used to determine EURIBOR, without inducing unwanted volatility.</p> <p>The Members of the Committee approved the four changes proposed by EMMI for the EURIBOR 2nd Annual Methodology review. Following the rules and internal EMMI procedures, Members agreed that these changes do not represent a material change and improve the quality of EURIBOR, its robustness and reliability.</p> <p>Decision and votes:</p> <p>The Members of the Committee approved the changes for the EURIBOR 2nd Annual Methodology review.</p>
Item 6 EURIBOR V3 project	<p>Discussion points:</p> <p>Mr G. OBOTH updated Members on the developments of the EURIBOR V3 project: the potential centralisation of the determination and the calculation of the Level 3 at the administrator. The next meeting of the EURIBOR V3 Working Group will take place on 7 July 2022. EMMI is currently testing five concepts and the preliminary results will be presented to the Panel Banks during the meeting.</p>
Item 7 Level of activities of current Panel Banks	<p>Discussion points:</p> <p>Mr G. OBOTH gave a presentation on the analysis of the Panel Banks' balance sheet in 2020. Following the discussion at the Oversight Committee meeting in November 2021, Members asked to analyse the level of activities of current Panel Banks following section 7 of the Benchmark Determination Methodology. G. OBOTH showed the following data:</p> <ul style="list-style-type: none">Ranking of the Panel Banks within their countryTotal balance sheet – deposit for banksDeposits from banks – short term <1 yearRating of the Panel banks <p>The IFRS position "deposits for banks" is not consistent among Panel Banks. They can include central bank transactions, foreign exchange deposits and repo transactions. More detailed information per Panel Bank, based on public documents, is not retrievable. Members highlighted that it is important to have a diverse spectrum of banks in the EURIBOR Panel. The geographic aspect should also be taken into consideration when new joiners would apply to become Panel Bank.</p>
Item 8 Review Terms of Reference of the Oversight Committee	<p>Discussion points:</p> <p>Ms C. BERGAMASCHI presented proposed changes on the review of the Terms of Reference of the Oversight Committee: an amendment to the voting quorum for changes in the Panel and another on the competence to appoint the Chair, which will lay with the CEO. The Terms of Reference of the Oversight Committee should be reviewed at least every two years.</p> <p>Decision and votes:</p> <p>The Members of the Oversight Committee approved the changes in Terms of Reference.</p>
Item 9	<p>Discussion points:</p>



Money Market report Q1 2022	The Members of the Oversight Committee received the Money Market report for the period Q1 2022.
Item 10 Composition of the Panel	Discussion points: It was confirmed that there were no changes to the composition of the EURIBOR Panel since the last meeting of the Oversight Committee.
Item 11 Any Other Business	Discussion points: N/A

