



# 94<sup>th</sup> EURIBOR Oversight Committee Meeting minutes



## Meeting minutes

<b>Meeting title</b>	94 <sup>th</sup> Oversight Committee Meeting
<b>Date and time</b>	16 <sup>th</sup> of March 2023, 09.30-13.10
<b>Location</b>	Conference call

<b>Attendees</b>	<p><b>Members:</b></p> <p>A. COVIN (Chair)</p> <p>Z. CHATZIMPEI</p> <p>J.C. CUEVAS</p> <p>M. GERANIO</p> <p>A. KOZHEVNIKOVA</p> <p>D. LE MASSON</p> <p>T. MILLION</p> <p>J. O'FARRELL</p> <p>M. SCHNEIDER</p> <p>M. VERHEIJEN</p> <p>L. VLAMINCK</p> <p>J-L. SCHIRMANN (EMMI CEO, non-voting ex-officio member)</p> <p><b>The European Money Markets Institute:</b></p> <p>A. FANEA, G. OBOU, F. NUNZIANTE CESARO, T. DUFRESNE, J. FELDKAMP, R. CAPPARELLI, G. DILLEN, E. BUTLER</p> <p><b>Observer:</b></p> <p>P. MUTI (Member of the EMMI Board of Directors)</p>
<b>Excused</b>	M. BRIZEE
<b>Quorum</b>	11 voting members

## Agenda items

<b>Welcome</b>	<p>The Chair Mr A. COVIN welcomed the Members to the 94<sup>th</sup> Oversight Committee meeting.</p> <p>J-L. SCHIRMANN informed the members that M. Schneider was appointed as chairman of the Euribor Oversight Committee as of 1 June 2023 following A. COVIN ending his mandate in May.</p>
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	J. FELDKAMP reminded members the meeting was recorded with no objections.
<b>Item 1 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>The members had no conflict of interests to declare.</p>
<b>Item 2 Minutes of the previous meeting</b>	<p>The Members reviewed the minutes of the previous meeting of the Oversight Committee that took place on the 26<sup>th</sup> of January 2023.</p> <p><b>Decision and votes:</b></p> <p>Unanimous agreement to amend the minutes to include the revised sentence and approved them unanimously.</p>
<b>Item 3 Update on EMMI's strategy</b>	<p>J-L. SCHIRMANN presented an update on EMMI's strategy.</p> <p>Members welcomed the presentation.</p>
<b>Item 4 Regulatory update</b>	<p>A. FANEA provided an update on the regulatory development and the supervisory framework for EMMI for 2023. The committee discussed the supervisory role of the ESMA and the results of its assessment. A further update on ESMA's supervisory role will be delivered at the next meeting.</p>
<b>Item 5 Oversight Committee Self-Assessment: Draft Survey</b>	<p>J. FELDKAMP stated that as the Terms of Reference require a self-assessment every two years, a self-assessment survey (online service tool) is due this year and will be sent out to the Oversight Committee next week with the same questions as last time, with a month-time to answer to. The findings of this survey will be reported at the May meeting of the Oversight Committee.</p>
<b>Item 6 PBCG update</b>	<p>F. NUNZIANTE CESARO presented a report on the Panel Bank Contact Group and analysis of the EURIBOR vs OIS spread.</p> <p>EMMI analyzed the matter thoughtfully. In particular, EMMI confirms that the EURIBOR-OIS negative spreads observable in the 1 week, 1 month and 3 months tenors are not caused by the EURIBOR waterfall methodology and that the EURIBOR fixings are representative of its underlying market. The current phenomenon of negative spreads at the shorter end reflects an established discrepancy between the cash and derivative markets. Such discrepancy, and EURIBOR's recent volatility, is amplified by the interest rate hikes announced by the ECB and the still ample excess liquidity in the market (TLTRO, PEPP, APP). In particular, it is not unusual that banks use derivatives to hedge their positions and to protect themselves from the rate hikes. At the same time, banks' liquidity ratios are still significantly above the minimum, pushing borrowing rates lower. Similar patterns have been reported by other investors.</p>
<b>Item 7 Update on centralisation of Level 3</b>	<p>J. FELDKAMP presented an update on the status of the centralisation of Level 3 at the administrator project.</p>

	The Committee evaluated the suitability of EFTERM as a fallback rate, over which EMMI expressed confidence in its methodology and basis for application.
<b>Item 8 EURIBOR Oversight report</b>	F. NUNZIANTE CESARO presented the EURIBOR Oversight Report for February 2023. The Committee discussed its contents, including the method of calculation of trade volume featured in the report.  Members approved the EURIBOR Oversight Report unanimously.
<b>Item 9 Annual Declarations of Adherence (Panel Banks)</b>	J. FELDKAMP presented a report on the Annual Declarations of Adherence to the Code of Obligations of Panel Banks. A. COVIN noted it is comforting to know all Panel Banks have confirmed their adherence.
<b>Item 10 Composition of the EURIBOR Panel</b>	J. FELDKAMP informed the Committee of the unchanged composition of the EURIBOR Panel.
<b>Item 11 Audit report: IA on BM Administration</b>	T. DUFRESNE presented the internal audit report by Deloitte of the EURIBOR administration process.  Members took note of the report.
<b>Item 12 Risk Assessment: EURIBOR administration</b>	T. DUFRESNE presented the findings of the Risk Assessment of the processes for EURIBOR administration. The Committee were satisfied that following these findings, in particular that there was no findings on the daily calculation of EURIBOR.
<b>Item 13 Any other business</b>	Farewell to D. LE MASSON who is retiring from the Oversight Committee.