

Teleconference of the working group on euro risk-free rates

Tuesday, 11 May 2021, 14:00-15:00 CET

SUMMARY

1. **Introductory remarks, approval of the agenda and obligations of the working group members under competition law**

Tanate Phutrakul (Chair) opened the call, specifying that the main purpose of the meeting was to finalise the recommendations on both EURIBOR fallback trigger events and €STR-based EURIBOR fallback rates following the voting procedure among working group members.

Mr Phutrakul welcomed **Thomas Vlassopoulos (ECB)**, who joined the group on behalf of the ECB, replacing Cornelia Holthausen.

Mr Phutrakul reminded the members of the working group of their obligations under EU competition law, as described in the guidelines on compliance with EU competition law published on the ECB's website.

2. **Outcome of the working group vote on the EURIBOR fallback recommendations**

Simon Forsyth (ECB) informed the working group of the outcome of the vote on the EURIBOR fallback recommendations. The outcome for both recommendations was unanimous, with all 21 working group members approving the two final recommendations. The final recommendations were published immediately during the meeting.

Mr Phutrakul (Chair) welcomed the unanimous outcome and thanked all working group members for their help with their institutions' votes.

3. **Update by subgroup 7 on communication actions for promoting the recommendations on EURIBOR fallback provisions**

María Teresa Bermúdez Tejero (Santander) presented the actions on the promotion of the EURIBOR fallback trigger events, including a slide deck for use by working group ambassadors and stakeholders. The latest newsletter from the working group will be updated to include the outcome of the vote as well as the published recommendations.

4. **Update administration and terms of reference of the working group**

Iliana Lani (ESMA) presented the updated terms of reference of the working group to become effective after the publication of the final EURIBOR fallback recommendations. She noted that the European Securities and Markets Authority (ESMA) intends to launch a call for interest for a small number of additional working group members to expand membership to a wider range of market infrastructure providers. The new Chair of the group has not yet been appointed, although the appointment is expected to be confirmed shortly. The secretariat for the working group will now move from the ECB to ESMA.

Working group members were invited to comment on the terms of reference of the new working group. One member noted that any new infrastructure providers, who may also be benchmark administrators, should be mindful of possible conflicts of interest and recuse themselves from sensitive discussions accordingly. Another member noted that the working group should continue to be ambitious about its objectives going forward and focus on further strengthening the €STR-based infrastructure and ecosystem, not only to promote €STR-based products and market liquidity but also to be well prepared for an eventual discontinuation of EURIBOR. In addition, it was felt that the subgroup format had worked well in order to focus on specific topics and could be continued if needs be. With respect to the composition of the

working group, it was suggested that it should consider a potential expansion to include members and representatives from non-bank and non-financial corporates, as the feedback from risk-free rate working groups for other currencies (e.g. GBP) has been very positive. Several members suggested a €STR first initiative (to help facilitate transition to the €STR in derivatives markets) something which had worked well in other jurisdictions. **Ms Lani (ESMA)** agreed that all infrastructure providers should be subject to the same conflict of interest rules. She also agreed that the subgroups had done useful work. While no subgroups were planned at this stage, this model is not ruled out to deal with specific topics in future. The idea of promoting €STR usage through a €STR first initiative will be considered by the working group.

Outgoing **Chair Mr Phutrakul (ING)** thanked the working group and subgroup members and respective chairs and secretariats for their work during ING's tenor as Chair. The working group had delivered a decision on the new euro risk-free rate (€STR), completed multiple workstreams on transition from EONIA to €STR and, most recently, finalised the recommendations on EURIBOR fallbacks. These achievements come alongside many other meetings, letters, consultation papers and recommendations.

On behalf of the outgoing secretariat, **Helmut Wacket (ECB)** thanked ING for chairing the group and for their tireless work in pushing forward the risk-free rate agenda in the euro area.

List of participants

Participant's organisation

Name of participant

Chairperson

ING

Mr Tanate Phutrakul

Ms Marjolein de Jong-Knol

Voting members

Bank of Ireland

Barclays

Bayerische Landesbank

BBVA

BBVA

BNP Paribas

BNP Paribas

BPCE/Natixis

CaixaBank, S.A.

CaixaBank, S.A.

Crédit Agricole

Crédit Agricole

Deutsche Bank

Deutsche Bank

DZ Bank

DZ Bank

Erste

Erste

Eurobank SA

HSBC

HSBC

ING

Intesa Sanpaolo

KfW Bankengruppe

KfW Bankengruppe

LBBW

Nordea

Santander

Santander

Société Générale

Société Générale

UniCredit Bank

Mr Barry Moran

Mr Joseph McQuade

Mr Harald Endres

Mr José Carlos Pardo

Mr Adolfo Fraguas

Ms Dominique Le Masson

Mr David Gorans

Mr Olivier Hubert

Mr Javier Pano

Mr Francesc Xavier Combis Comas

Ms Florence Mariotti

Mr Yann Marhic

Mr Christian Gau

Mr Juergen Sklarczyk

Mr Philipp Nordloh

Mr Michael Schneider

Mr Neil McLeod

Mr Rene Brunner

Mr Dimitris Psychogios

Ms Nathalie Gay Guggenheim

Mr Geoffroy Bertran

Mr Jaap Kes

Ms Maria Cristina Lege

Mr Ingo Ostermann

Mr Markus Schmidtchen

Mr Jan Misch

Ms Jaana Sulin

Mr Javier Pareja

Ms María Teresa Bermúdez Tejero

Mr Stephane Cuny

Mr Mathieu Casadevall

Mr Umberto Crespi

Non-voting members

European Money Markets Institute
European Fund and Asset Management Association
International Capital Market Association
International Swaps and Derivatives Association
Loan Market Association

Ms Petra de Deyne
Ms Agathi Pafili
Ms Katie Kelly
Mr Rick Sandilands
Ms Kam Mahil

Invited institutions

European Investment Bank
European Investment Bank

Mr Nikolaos Tzoldos
Mr Thomas Schröder

Observers

European Central Bank
European Central Bank
European Commission
European Commission
European Securities and Markets Authority
European Securities and Markets Authority
European Securities and Markets Authority
European Securities and Markets Authority
Financial Services and Markets Authority

Mr Thomas Vlassopoulos
Mr Helmut Wacket
Ms Alessandra Atripaldi
Mr Rik Hansen
Ms Iliana Lani
Mr Lelio Lapresa
Mr Michele Mazzoni
Mr Cristian Weststeijn
Mr Randy Priem

Secretariat

European Central Bank
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European Central Bank

Ms Letycja Steinkamp
Mr Simon Forsyth
Mr Pascal Nicoloso
Mr Vladimir Tsonchev