

**ICE Benchmark Administration Limited (“IBA”)**  
**Redacted Minutes**



**Meeting:** LIBOR Oversight Committee (the “Committee”)

**Date:** Tuesday 26<sup>th</sup> January 2016, 14:00 - 15:30

**Location:** Teleconference

**Attendees:**

Mary Miller (Chairwoman)	Deborah Land (Secretary)
David Bowman (Observer) (T)	David Clark (T)
John Grout (T)	John Harding (T)
Brad Hurrell (T)	Finbarr Hutcheson
Richard Kennedy (T)	Kevin Ludwick (T)
Rod Paris (T)	Will Parry (Observer) (T)
Silvio Shumacher (Observer) (T)	Frederick Sturm (T)
Robert Thurlow (T)	Emma Vick
André Villeneuve (T)	

**Apologies:**

Clare Dawson	George Handjinicolaou
Michel Prada	Guy Sears

**In attendance from IBA:**

Dorota Gajeka	Andrew Hill
Stylianos Tselikas	Carolyn Van den Daelen

**Circulation:** IBA Website

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**Agenda Items/Questions Raised**

The Chairwoman welcomed all members to the Committee and ran through the meeting agenda, highlighting the open issues for discussion.

**1. Update on bilateral panel bank meetings**

The Chairwoman invited IBA to give an update on their bilateral meetings with the panel banks.

The Committee were informed that IBA had visited the majority of the Panel Banks to discuss LIBOR Evolution and to ascertain their potential to move to Phase II. All the banks that have been seen so far are keen to move forward with implementation and anxious to get parameters signed off so they can begin developing their systems.

The Chairwomen asked the Committee if anyone had any questions on this subject. None were raised.

**2. Update on LIBOR Evolution Legal Opinion**

The Committee were reminded that IBA had engaged external legal advisers and that these external lawyers had been investigating if there were likely to be any implications following the proposed changes to the LIBOR methodology. To date, IBA understands that the lawyers do not anticipate that the proposed changes to the LIBOR methodology would result in contract frustration or discontinuity.

**3. Recommendations for approval**

**i. Transaction Weighting**

IBA gave the Committee Members some background on this area stating that IBA produce the rate at 11:00 and publish at 11:45 but use a 24 hour window to capture this. Transactions traded on the

morning of submission should be volume weighted at 100% and transactions from the previous evening should be volume weighted at 75% in the VWAP calculation. This applies to Level 1 submissions only.

No objections were raised to this approach.

#### **ii. Eligible Transaction Types**

The Chairwoman asked the Committee members if anyone had any objections to Eligible Transaction Types.

No objections were raised.

#### **iii. Trade Notional Thresholds**

IBA informed the Committee that they were trying to ensure that submitting bank's feedback was accurately reflected to the Committee. The 1<sup>st</sup> proposal was from consultation, and the 2<sup>nd</sup> had been proposed by some panel banks:

1. *Two trades of 10 Million each (1bn for JPY) with different counterparties or*
2. *One trade of a bigger notional (e.g. 50 or 100 Million (5 or 10bn for JPY)*

The merits of the two options were discussed; '*Two trades of 10 Million each (1bn for JPY) with different counterparties*' was approved.

#### **iv. Funding Centres**

IBA shared a list of current funding centres but suggested postponing decision making on these centres pending more information on the extent of usage. The Chairwoman asked that IBA provide the Committee with a list of volumes that go through any additional centres to enable the Committee to form a view.

#### **v. Submissions Waterfall**

The Chairwoman asked the Committee for their comments on the waterfall.

No comments were received and this item was approved.

#### **vi. Adjustment for Exceptional Market Events**

The Committee's attention was drawn to IBA's proposal to produce a narrative to describe Exceptional Market Events, with the objective of protecting the quality and integrity of LIBOR. In discussion, several drafting comments were offered.

The Chairwoman asked for confirmation that there was general agreement for a narrative rather than a prescriptive list.

As there were still open elements to the allowance for exceptional market events, the Chairwoman asked for the draft Roadmap to be updated and issued to the OC and another call arranged to review. A call was subsequently scheduled for the 8<sup>th</sup> February.

#### **vii. Submission Embargo**

No comments received.

#### **4. Timetable**

Deferred

#### **5. Proposed time and date of next meeting**

Call: 8<sup>th</sup> February, 11:30 – 13:00 GMT

Meeting: 6<sup>th</sup> April, 15:00 – 17:00 GMT

#### **6. AOB**

There being none the meeting was closed.