

ICE Benchmark Administration Limited (“IBA”)
Redacted Minutes



Meeting: LIBOR Oversight Committee (the “Committee”)
Date: Monday, 18 September, 15:00 – 17:00 BST
Location: Boardroom, Milton Gate, 60 Chiswell Street, London

Attendees:

Mary Miller, IBA INED (Chairwoman)	David Bowman, FRB (Observer) (T)
Steven Bullock, Lloyds Bank	David Clark, WMBA
Clare Dawson, LMA	Galina Dimitrova, The Investment Association
John Grout, Independent	Basil Guggenheim, Swiss National Bank (Observer) (T)
George Handjinicolaou, Piraeus Bank	John Harding, ICE
Finbarr Hutcheson, IBA	Richard Kennedy, UBS
Rod Paris, IBA INED	Will Parry, Bank of England (Observer)
Vinay Reddy, Barclays	Frederick Sturm, CME
Robert Thurlow, Mizuho	Emma Vick, IBA

Apologies:

None

In attendance from IBA:

Amanda Adams	Deborah Land, (Secretary)
Julia ten Elsen	Stelios Tselikas

Circulation: IBA Website

1. Chair’s welcome and apologies for absence:

The Chairwoman welcomed the Committee members and introduced a new Committee member.

2. Declaration of any conflicts of interest:

A Committee member declared a new Non-Executive Directorship and there were no objections from the other Committee members.

None of the other Committee members had any new conflicts of interest to declare.

3. Minutes:

- The full minutes of the meeting on 18 July 2017 were reviewed and approved following some minor drafting changes.
- Redacted minutes of the meeting on 18 July 2017 were reviewed and approved for publication.
- Matters arising from the Minutes
All items arising had been addressed or were being addressed at this meeting.

4. Dashboards:

IBA ran through the dashboards for July and August, which were in line with expectations and alerts that were affected by market news.

5. Incidents:

There were none to report.

6. Discussion topics:

• Future of LIBOR

The transcript of Andrew Bailey's speech on 27 July had been circulated to the Committee together with two letters from the FCA to the panel banks, which led to a Committee discussion covering and noting that:

- the Investment Association had been asked to work closely with the Bank of England and is conducting a customer survey into how LIBOR is used in mandates and into SONIA's effectiveness and usefulness.
- the Bank of England's £RFR WG, which had an initial focus on the derivatives market, had published a White Paper on its recommendations of SONIA as the preferred alternative to GBP LIBOR and also sought views on the approach to SONIA's adoption. This had been followed by a wide outreach by the Bank and FCA.
- the Loan Market Association (LMA) has been speaking to the Bank and the FCA, and is working on the assumption that LIBOR will not necessarily disappear, but that the LMA would help with contingency planning in case that in fact happens.
- corporates in particular like that LIBOR has a 'typical good bank spread' as well as maturity and liquidity elements and it will be challenging for banks to use a different rate.
- users may not have enough time to adjust to a new benchmark before 2021 and an appropriate timeframe would be 4 to 5 years from the point of knowing what the new benchmark would be.
- there is room for more than one rate and healthy competition between benchmarks.

• LIBOR evolution Phase One

IBA informed the Committee that the formal test period with all 20 panel banks has started.

• EU Benchmarks Regulation compliance

A paper had been circulated. IBA gave an overview of IBA's compliance with the EU Benchmarks Regulation (BMR) and confirmed that IBA are waiting for LIBOR benchmark to be designated as a Critical benchmark by the EU Commission.

7. Information items:

• Internal Audit report on IOSCO compliance and surveillance

The Chairwoman drew the Committee's attention to the audit report included in the documentation and commented that one IOSCO recommendation was not yet regarded as remediated, in that the banks have not yet transitioned to the Phase 1 methodology.

There were no other questions from the Committee.

8. AOB

The Chairwoman thanked the outgoing IBA president for his contribution to the LIBOR Oversight Committee over the years.

There being no further business, the Chairwoman closed the meeting.

Proposed time and date of next meeting - Tuesday, 28 November 2017, 15:00 – 17:00hrs