ICE Benchmark Administration
Redacted Minutes

Meeting: ISDAFix Oversight Committee

Date: Thursday 22nd January, 11:00

Location: Boardroom, IBA Offices, Chiswell Street

Attendees:

Stephen Pickford (Chair)
Deborah Land (secretary)
David Clark
George Handjinicolaou
Finbarr Hutcheson
Mary Miller
Emma Vick

Attendees for IBA:

Antonios Gkoulousis
Matthew Glenville
Andrew Hill
Stelios Tselikas

Apologies: None

Circulation: IBA Website

Agenda Items/Questions Raised

Mary Miller was welcomed to the Committee and introductions were made.

1. **Minutes of the meeting held on 11th December 2014 – for approval**
   The minutes were agreed.

   IBA were asked to provide an update on ISDAFix Oversight Committee Members?
   The Committee were informed that IBA were in discussions with several firms that had showed interest but no more members were confirmed at this point in time. It was expected that when the new methodology was released Companies would be more comfortable to become members.

2. **Terms of reference – updated for approval**
   ToR were discussed and agreed at the last Committee meeting but were shared for reference.

3. **Dashboard – for review**
   IBA ran through the dashboard highlighting several of the tests that they run, what these mean, how they are run and what can be seen from the results. IBA shared timings of publication and how errors affect that; IBA run an activity log at 11:05 from which errors will be flagged, the bank in question would be contacted by 11:10 and the window closed at 11:10 after which submissions have to be uploaded by IBA on behalf of the submitter. Publication would take place at 11:15 and IBA would record comments on any interaction.

   To date there have been a small number of errors flagged but generally submitters have not changed their rate as their initial submission was as they intended.

   It was agreed that a dashboard would be produced for the new methodology whilst dual running was taking place.

4. MTF Transition Update – Methodology and Legal Opinion

Methodology

IBA explained that the methodology had been changed slightly. Previously IBA did not intend to publish a tenor if it failed checks on the spread of the VWAMP but now they think it best to publish a rate wherever they can fill the standard market size (i.e. generate a price) and will also publish transparency statistics on how liquid the rate was.

IBA explained that they are finalising how to handle crossed order books in the calculation methodology. (A normal order book has all the offer prices higher than all the bid prices. In a crossed order book some of the offer prices would be lower than some of the bid prices – which means that you could make money risk-free). This can happen in theory because order books are being combined from multiple trading venues. The Committee discussed that it would probably be sensible to exclude these order books because they would not be representative and should only exist for a moment.

IBA agreed to include details on crossed order books in their documentation.

IBA outlined their intention to include a link on the IBA website to the methodology document by the time that the press release is put out.

Legal opinion

IBA updated the Committee, stating that the legal opinion had not yet been received but that they were working with their lawyers to finalise this.

5. Panel Bank Forum 20th January – oral update

IBA summarised proceedings from the penultimate ISDAFix Panel Bank Forum on the 20th January. At this forum submitters were made aware that IBA were on track for 16th Feb switch over to MTF based rates. After this date they will no longer be classed as submitters by the FCA as they aren't expressing an opinion; it is on screen and factual information.

IBA informed the Committee that a new consultation document had been released towards the end of 2014 outlining which benchmarks would become regulated. All Benchmarks will have submissions but not all will have submitters.

IBA expressed that they were on schedule to have MTFs on-board for go-live.

6. Review of IOSCO compliance – paper for information

Some minor comments were received and the paper agreed.

7. **Meeting schedule – Calendar of items, frequency and time to discuss**

It was agreed that the Committee would next meet on the 2nd February, just prior to the last ISDAFix Panel Bank Forum.

8. AOB

IBA informed the Committee that ISDAFix will be renamed ICE Swap Rate as from 1st April (or 31st March).

9. Proposed date and time of next meeting

14:00 – 15:00, 2nd February 2015, IBA Boardroom.