

## **Extraordinary Danish Benchmarks Oversight Committee Meeting**

Conference call

25th March 2020: 12.15 – 13.30 CET

### **Minutes**

#### **Participants:**

Chair: Neil Donaldson (GRSS) - voting member (ND)

Sandy Robertson (DFBF) - non-voting member (SR)

Søren Kjeldsgaard (Nykredit) – voting member (SK) in meeting until 12.46 hrs

Steen Qvist Jørgensen (Jyske Bank) – voting member (SQJ)

Morten Frederiksen (FIDA) – voting member (MF)

Gregory Campbell (independent) – voting member (GC)

Christine E. Habel (independent) – voting member (CEH)

DFBF Secretariat: Eva Kops (DFBF) (EK)

Invited attendees:

Jesper Mortensen (DFBF) (JM)

#### **Agenda**

1. Markets update
2. Proposal regarding non – quorum
3. Changes in the thresholds for pre-calculation flagging
4. AOB

Today's meeting was called to provide members with an update given the recent exceptional circumstances that have prevailed due to the situation with Covid19. Furthermore, following the discussion that took place at the last OC meeting of 5th March, a proposal has been submitted regarding alternative contingency measures, where the quorum required for the fixing is not met.

Finally, given the current level of market volatility, a temporary change is proposed to the threshold levels applicable to all four Danish benchmarks.

#### **1) Markets update**

JM provided a brief overview on the market situation, given the issues presented by Covid19.

## **2) Proposal regarding non-quorum**

JM submitted a proposal regarding an alternative contingency measure where the quorum was not met for the four Danish benchmarks.

In brief this was replacing the current methodology of simply using the previous days' fixing with using the aggregate benchmark fixing rate from the previous day, as a replacement into the calculation as if contributed by a Panel Bank, for each Bank that was missing from the required quorum.

Importantly, the minimum number of Panel Banks contributing is set at two, on the premise that one only would be deemed insufficient. Under such circumstances the previous day's fixing would be used.

The formal proposal was accepted by the OC and this will then be presented to the DFBF Board for approval before being subject to the public consultation exercise to have the wording of section 2.3 of the respective Calculation Methodology documents updated to reflect this change.

## **3) Changes in thresholds for pre-calculation flagging**

JM explained that given the current volatile market conditions and the fact that the Danish Central Bank has been, and will most likely continue to be, active in the market this will have a strong influence on the tests being performed on bank's contributions. For this reason, the DFBF think it prudent to temporarily adjust the threshold levels.

The OC members agreed.

## **4) AOB**

There was no other business.

The meeting was closed at 13.30 pm