

Danish Benchmarks Oversight Committee Meeting

Danish Financial Benchmark Facility, Amaliegade 7, 1256 Copenhagen K

8 September 2021 9.00 – 10.30 CET.

Minutes

Participants:

Chair: Neil Donaldson (GRSS) - voting member (ND)
Martina Mozerova (DFBF) - non-voting member (MM)
Søren Kjeldsgaard (Nykredit) – voting member (SK)
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)
Nina Byrne (independent) – voting member (NB)

DFBF Secretariat: Eva Kops (DFBF) (EK)

Invited attendees:

Andrej Chudožilov (CFBF) (AC)
Tomáš Kvapil (CFBF) (TK)
Jesper Mortensen (DFBF) (JM)

1. Introduction

- I. ND welcomed members to today's Oversight Committee meeting of the DFBF and introduced new independent member Nina Byrne. He also commented that Sandy Robertson, former DFBF compliance manager, had chosen to retire thus the position had been taken over by Martina Mozerova as of 1 August 2021.
- II. Today's meeting agenda was reviewed, and members were asked whether this presented any conflict of interest – none were registered.
- III. There was also formal acknowledgment that given today's attendance, the quorum for the meeting had been met.
- IV. The minutes to the meeting of 02 June 2021 were approved with confirmation that all the action items arising had been completed.

2. Determination Methodology

- I. AC presented the Metrics report for the period 27 May – 1 Sep 2021 for the four respective benchmarks.
- II. For the CITA benchmark there was mention of one incident by which a Panel Bank had submitted rates without undertaking a '4-eye' check with the submission being discarded as evidence of a review by second person was not given. The matter was

discussed by members with the conclusion being that DFBF Compliance will undertake a review to see if further clarification is required.

3. Governance, Regulatory & Supervisory Issues

- I. DFBF Compliance Reports
One case of erroneous input data for 6m CITA/CIBOR on 14 July 2021 due to a technical issue. The Panel Bank had reported the incident to the helpdesk. The post-calculation showed that the error had no material impact on CITA/CIBOR for the day. The incident will be published on DFBF website.
- II. Anomalous data - Nothing to report.
- III. Review of governance artefacts and other documentation
CIBOR & T/N changes to CoC have come into effect on 3 Aug 2021 and all PBs have afterwards submitted signed Declarations of Compliance. The renewed Declarations of Compliance with CITA & SWAP CoC have been submitted by PBs as well.

4. Evolution of Danish Benchmarks

- I. Status on public consultation regarding potential cessation of CIBOR tenors.
The process is ongoing, and the PC ends on 15 Sep 2021. So far, DFBF has received two responses and they do not intervene with the suggestions put forward. DFBF will schedule a meeting with DFSA before the result is published on DFBF website in the middle of October.
- II. An update on DESTR Working Group.
Last week a meeting was held where recommendations were presented by the WG for transition, a final report is on the way and once published the WGs and main stakeholders have until 20 Sep 2021 to comment on the recommendations. Thereafter, the DCB will announce a Public Consultation on their website (expected during Q4 2021). DESTR is expected to go live on 1 Apr 2022. During the transition period T/N will run in parallel with DESTR in the form of DESTR + a fixed spread.

5. Board & Stakeholder Communication

- I. DFBF will meet with DFSA concerning the ongoing consultation. It is likely that an additional meeting will take place later in the year regarding change to T/N methodology as it relates to DESTR.

6. AOB

- I. JM mentioned that BWG met on 1 Sep, where it had been discussed if CIBOR might become a critical BM since outstanding cleared derivatives currently measure approximately EUR 350bn (LCH), hence combined with the floating rate mortgage bonds of approximately EUR 50bn, the total volume is now just above the soft 400bn threshold which applies to critical benchmarks. The annual review of the BMs at year-end might prove a good time to consider this point.

Next meeting is scheduled for 8 Dec 2021

The meeting ended at 10.20 hrs.