

## Danish Benchmarks Oversight Committee Meeting

Danish Financial Benchmark Facility, Amaliegade 7, 1256 Copenhagen K  
7 September 2022 09.00 – 11.00 CET

Agenda:

### I. Introduction

- a) *Introductory remarks by Chair*
- b) *Overview of agenda*
- c) *Declaration of potential conflicts of interest with respect to meeting agenda*
- d) *Welcome to new OC member Nicolai Larsen and thank you to members who are stepping down, Gregory Campbell & Steen Qvist Jørgensen*
- e) *Review of action items from Committee meeting of 14th June 2022 – there were none*

### II. Determination Methodology

*Operational Metrics report – AC*

### III. Governance, Regulatory & Supervisory Issues

- a) *Compliance Report*
- b) *EY audit*
- c) *Public Consultation – CITA Reformation*
- d) *Update of Governance artefacts June 2022:*
  - I. **Post Publication Re-determination Policy** – threshold for re-determination was increased for CIBOR
  - II. **Benchmark Review Policy** – back testing and stress testing sections were added
  - III. **CITA SWAP Benchmark Statement** – section Expert Judgement was added

### IV. Evolution of Danish Benchmarks

- a) *WG meeting at Danmarks Nationalbank - JM*
- b) *New contact person at DFSA - JM*
- c) *BWG meeting postponed - JM*
- d) *Market Maker Agreement on DESTROIS – JM*

### V. Board & Stakeholder Communication

*Delayed data behind login on DFBF.dk – status - EK*

### VI. AOB

## Minutes

### Participants:

**Chair:** *Nina Byrne (independent)* – voting member **(NB)**  
*Martina Mozerova (DFBF)* - non-voting member **(MM)**  
*Nicolaj Verdelin (Nykredit)* – voting member **(NV)**  
*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)**  
*Tomáš Kvapil (CFBF)* – non-voting member **(TK)**  
*Neil Donaldson (GRSS)* - voting member **(ND)**  
*Nicolai Platen Rasch Larsen* – voting member **(NL)**

**DFBF Secretariat:** *Eva Kops (DFBF)* **(EK)**

### **Invited attendees:**

*Jesper Mortensen (DFBF)* **(JM)**  
*Andrej Chudožilov (CFBF)* **(AC)**

## **I. Introduction**

### *a) Introductory remarks by Chair*

NB welcomed the OC members and commented on recent events in the market and how the situation in Ukraine continues to have an impact.

NL was welcomed as a new member to the OC and NB thanked GC and SQJ for their time and efforts during their membership periods as they would both be stepping down after the meeting.

### *b) Overview of agenda*

### *c) Declaration of potential conflicts of interest with respect to meeting agenda*

None were registered. Quorum was met.

### *d) Review of action items from Committee meeting of 14 June 2022 – none were registered.*

## **II. Determination Methodology**

*Operational Metrics report – AC*

### **CIBOR**

There had been spike flagging of all PBs like last reporting period, however, this trend has stopped after the adjustment of pre-calculation thresholds. Extensive flagging was seen on 22 Jul for all PBs, same date as the DNB made rate increases. On mentioned observations it was suggested to take no further action which the OC agreed to. In general, multiple market factors are causing great volatility and this applies to all PBs.

### **CITA**

Same spike movements as on CIBOR, static movement especially on longer tenors. The pattern is the same across PBs and the proposed solution is to adjust thresholds if/when required.

### **SWAP**

There is generally high volatility which correlates with increased volatility in the EUR IRS market.

NB enquired how often the thresholds had been changed since last OC meeting, it was advised that three changes had taken place during the period. JM shared test values from August 2022 and confirmed that ongoing monitoring is taking place and action will be taken if deemed necessary.

## **III. Governance, Regulatory & Supervisory Issues**

### *a) Compliance Report May-Jul 2022*

No complaints received, no cyber-attacks and no whistleblowing registered. There were no new CoI registered with declarations handed in Jul 2022. Erroneous input data had not been registered during the period covered by the compliance report, but on 6 Sep a notification was received from a PB that erroneous data had been submitted and the appropriate documentation was requested and received.

### *b) EY audit*

On 24 Aug the final audit report was received without comments. The audit report captures the situation as of 30 Jun 2022.

### *c) Public Consultation – CITA Reformation*

PC ended 2 Sep. DFBF will prepare final publication of feedback and conclusion for the website. The OC confirmed their agreement.

### *d) Update of Governance artefacts June 2022:*

- I. **Post Publication Re-determination Policy** – threshold for re-determination was increased for CIBOR*
- II. **Benchmark Review Policy** – back testing and stress testing sections were added*
- III. **CITA SWAP Benchmark Statement** – section Expert Judgement was added*

## **IV. Evolution of Danish Benchmarks**

### *a) WG meeting at Danmarks Nationalbank – JM*

Status on DESTR, all in all things are as expected. The discussion on market adoption of DESTR concerned establishing a market for DESTR OIS, ISDA definitions and fallback where DESTR is added as Floating Rate Option while DESTR is also becoming fallback for CIBOR in Q4 2022. DNB will establish financial market contact groups; one will be for the banking sector and another for the buy-side.

### *b) New contact person at DFSA – JM*

Daniel Elnegaard has been appointed as new DFSA contact person for DFBF.

### *c) BWG meeting postponed – JM*

New meeting date set for 1 Nov 2022.

d) *Market Maker Agreement on DESTROIS – JM*

Discussions are ongoing.

**V. Board & Stakeholder Communication**

*Delayed data behind login on DFBF.dk – status - EK*

The analysis of user registration data is ongoing. MF mentioned that private users should maintain free access to the delayed data. This was confirmed by JM.

**VI. AOB**

No topics were brought up.

Next meeting is scheduled for 7 December 2022 at 1000-1300 hrs.

The meeting ended at 10.10 hrs.