

Danish Benchmarks Oversight Committee Meeting

Danish Financial Benchmark Facility, Amaliegade 7, 1256 Copenhagen K
6 December 2023 10.00 – 12.00 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) Review of action items from Committee meeting of 6th September 2023*

- II. STIBOR**
 - a) Presentation by Catharina Hillström*

- III. Determination Methodology**

Operational Metrics report (AC)

- IV. Governance, Regulatory & Supervisory Issues**
 - a) DFBF Benchmarks - Quarterly Report Aug 23 – Oct 23*
 - b) Governance artefacts – none*
 - c) Review of 3rd parties involved in provision of the Danish Benchmarks*
 - d) Review of procedures for cessation of Danish Benchmarks*

- V. Evolution of Danish Benchmarks**
 - (a) Annual review of the Danish Benchmarks' definition & methodology 2023 (MM & NB)*

- VI. Board & Stakeholder Communication**
 - (a) Recap of BWG meeting 28 Nov (NB)*

- VII. AOB**

- VIII. Next meeting**

Minutes

Chair: JP Neergaard (*independent*) – voting member (**JPN**)
Martina Mozerova (DFBF) - non-voting member (**MM**)
Jacob Ramskov (*Danske Bank*) – voting member (**JR**)
Morten Frederiksen (FIDA) – voting member (**MF**)
Christine E. Habel (*independent*) – voting member (**CEH**)
Tomáš Kvapil (CFBF) – non-voting member (**TK**)
Neil Donaldson (GRSS) - voting member (**ND**)

Apologies: Nicolaj Verdelin (*Nykredit*) – voting member (**NV**)

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

Invitees:

Nina Byrne (DFBF) (**NB**)
Andrej Chudožilov (CFBF) (**AC**)

I. Introduction

a) Introductory remarks by Chair

The Chairman gave a brief market update. Inflation seems to be decreasing steadily. If we take into account the unprecedented downward move of 100 bp in the last 60 days in the US, the Danish market has fared remarkably well despite the continued volatility.

b) Overview of agenda

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

No conflicts were declared. Quorum was met for the meeting and minutes from the previous meeting were approved. The Chairman reminded the OC members to submit their DoI before 15 December.

d) Review of action items from Committee meeting of 6th Sep 2023

II. STIBOR

Catharina Hillström, Managing Director of SFBF, made an introduction of STIBOR.

III. Determination Methodology

Operational Metrics report – AC

The report covers the period 31 Aug 2023 to 29 Nov 2023.

CIBOR

The BM had been stable during the period, but JPN mentioned that there had been quite some uncertainty in the market around rate hikes and therefore any deviation could be caused by this.

CITA

Flagging seen for some PBs around DNB rate hike, this was in line with expectations.

SWAP

There had been flagging of multiple PBs on 24 Oct and 2 Nov, this has happened regularly and since there was consistency amongst the PBs no further action was deemed necessary. NB suggested to expand to e.g. euro zone when assessing critical movements to determine if there is correlation in a broader context.

T/N

No issues to discuss related to this benchmark.

Back-testing took place as part of the annual review.

IV. Governance, Regulatory & Supervisory Issues

a) Compliance Report Aug 23 – Oct 23

There were no significant comments to the report.

In Oct 2023 an EC proposal on BMR amendments was published. The expectation is to implement the changes as of 1 Jan 2026. More information will follow as the matter develops. NB added that this change is primarily taking place to ensure that non-EU BMs can still be used within the EU after 2026.

On 8 Sep a minor system error caused a 14 min delay in publishing the SWAP rates. The issue was immediately escalated in accordance with guidelines. No complaints were received in this respect. DRP tests were carried out twice during the period, there was nothing to comment in this regard. A software release had taken place during the period.

b) Governance artefacts

i. None were presented.

c) Review of 3rd parties involved in provision of the Danish Benchmarks

Over the year there had been no change to 3rd parties involved in providing the Danish BMs.

d) Review of procedures for cessation of Danish Benchmarks – no changes compared to the previous year.

V. Evolution of Danish Benchmarks

a) Annual review of the Danish Benchmarks' definition & methodology 2023 (MM & NB)

MM shared the document which had been prepared for the annual "fit for purpose" review of the Danish BMs. The document includes an assessment of each BM and

describes the underlying market. Back-testing has since 2022 been a part of the annual review.

NB explained that by end of 2022 the DNB had stopped publishing their usual market data report, but recently a similar type of statistics had emerged in a new format including data from the nine largest banks in DK (excluding transactions from foreign banks). The data was reviewed by the OC.

MM went through the back-testing figures where no anomalies were detected.

The OC agreed that all BMs are still found fit for purpose in regard to their definitions and methodologies.

VI. Board & Stakeholder Communication

a) Recap of BWG meeting 28 Nov 2023 (NB)

NB informed that all PBs are doing well despite much volatility in the market over the year.

VII. AOB

None

VIII. Next OC meeting

Scheduled for 6 Mar 2024 at 09.00-11.00 hrs. It will be a Teams meeting.

The meeting ended at 11.40 hrs.