

MINUTES - STIBOR Oversight Committee Meeting

September 15th, 2022. 8.30am – 10.00am CET

Participants

Chair: Per Henriksson (PH)
Bengt Edholm (Independent) (BE)
Tomas Ernhagen (Independent) (TE)
Per Åkerlind (Independent) (PÅ)
Fredrik Jönsson (SBAB) (FJ)

Invited attendees

Catharina Hillström (SFBF) (CH)
Jennifer Carpio Alin (SFBF) (JA)
Mika Laaja (SFBF) (ML)
Jessica Bishop (SFBF) (JB)
Rickard Eriksson (SFBF) (RE)

Not attending

Ulf Jakobson (Swedbank) (UJ)

1. INTRODUCTION:

a. Introductory remarks by the Chair

The Chair welcomed the participants.

b. Declaration of potential conflicts of interest with respect to meeting agenda

The Chair inquired if the agenda and topics to be discussed would result in a conflict of interest for any of the present members – no conflict of interest were noted. The chair also noted that the requirements to form a quorum had been met.

c. Overview of agenda

The Chair guided the participants through the agenda and enquired whether any last-minute additions should be added.

d. Follow up on action points:

- *SFBF to report on feedback, if any, regarding the Panel Bank seat rotation schedule on the Oversight Committee after discussions with the Panel Banks*

A new suggested rotating schedule of the Panel Bank was presented and discussed at the meeting. The OC supports the suggested rotation.

- *The change of Market Adjustment Factor (MAF) data source, and related, update of the STIBOR Calculation Methodology document*

SFBF gave a short recap of the recent announcement regarding the change of Market Adjustment Factor (MAF) data source. The OC was informed that the change was scheduled to take effect the 19 September, however, SFBF propose to delay the launch by one day to 20 September due to the recently announced UK bank holiday falling on 19 September. The OC supports and approves the caution taken.

2. OVERSIGHT

Determination

a. Review Operational Metrics report

ML presented the operational metrics report prepared by the Operations team and pre-circulated to the members. The report covers the period of 2022-06-08 – 2022-09-05.

The OC noted a Panel Bank deviation on the reported input data during the last two rate hikes, communicated April 28/implemented May 4, and, communicated June 30/implemented July 6, by the Swedish Central Bank, Riksbanken, as noted in the Erroneous data report. It was discussed whether STIBOR could potentially be negatively affected by the Panel Bank internal modelling being inconsistent during the rate hikes resulting in corrected contributions, due to confusion on the Riksbank policy rate change and effective date.

The OC recommends SFBF to notify all Panel Banks of the effective date/implementation date of the policy rate change(s) made by Riksbanken upon future announcement(s).

It was noted that the Oversight Committee agrees with the recommendation that no further action needs to be taken in relation to the Operational Metrics Report.

Compliance

a. Review Risk & Compliance report

JA presented the Risk and Compliance report prepared by SFBF and pre-circulated to the members. The report covers the period of 2022-03-11 – 2022-06-07.

Pursuant to the report no regulatory issues, conflicts of interests, suspicious behaviour, complaints, or whistleblowing were reported, and no other compliance issues were identified. Further, no suspected or attempted nor actual benchmark manipulation was identified by the Calculation Agent during the period. There were no identified failures to comply with the STIBOR methodology, no failures in the pre-calculation or post-calculation monitoring checks and nothing that resulted in an incorrect or late publication of STIBOR other than as noted in connection with the review of the Operational Metrics Report and as set out above.

Governance

a. Review of governance artefacts and other documentation

It is noted the members of the OC are informed of the update of the following document coming into effect on September 20: *STIBOR Calculation Methodology (version 3)*

3. SFBF UPDATE

a. FSA Update

An application for authorisation was lodged on 27 December 2021 and CH described the communication between SFBF and the SFSA since. It was noted that the application process progresses well. The OC instructed SFBF to keep the committee updated on the matter as it progresses.

b. STIBOR update

SFBF is confident the methodology is robust also in volatile markets. It is noted that although STIBOR fixing is more volatile today than last year it is still in line with the volatility on the underlying markets and is mirroring well the underlying economic reality, further described in the Market update section below.

SFBF maintains focus on analysing the market, methodology and the volatility continuously to identify needs to tweak any area to remove unnecessary or uncalled for movements/volatility.

c. Market update

The markets are continuously volatile. Recent increases in interest rate and instability on the geopolitical scene continue to generate market fluctuations. These fluctuations are mirrored in STIBOR and additional market frustration is observed on back of the perceived difficulty to model the revised methodology. SFBF is in now in continuous dialogue with market users to clarify potential misconceptions but also to receive feedback and to take necessary actions to improve transparency.

4. BOARD & STAKEHOLDER COMMUNICATION

N/A

5. AOB

N/A

Minutes approved by:

Per Henriksson

Per Henriksson, Chairperson