

## **Interim LIBOR Oversight Committee (“ILOC”)**

Minutes of the meeting held 1500 – 1700 UK, 20<sup>th</sup> June 2013, at the offices of the British Bankers’ Association, Pinner’s Hall, 105-108 Old Broad Street, EC2N 1EX.

### **In Attendance:**

David Clark  
Fred Sturm  
Guy Sears  
Joanna Perkins  
Kevin Ludwick  
Kieran Smyth (Chair for meeting)

Mirka Gastaldello  
Paul Watson  
Richard Metcalfe  
Sally Scutt

Annabel Murday (Secretariat)  
Kalli Tsangaris (Secretariat)

### **Apologies:**

Andrew I Gray  
Michael Davie

Mark Ibbotson  
Paul Fisher (Observer)

### **1. Agree Previous Minutes:**

The chair welcomed new attendees to the committee.

*Those attending who were also present at the previous meeting approved the previous meeting’s minutes as representative of that meeting.*

### **2. Agree Terms of Reference for Interim LIBOR Oversight Committee:**

The committee discussed the revised terms of reference focusing on the different roles of members, observers and the benchmark administrator.

*A small number of changes were agreed and the Terms of Reference were approved.*

### **3. Conflicts of Interest & Confidentiality.**

The majority of Members have forwarded signed copies of the Confidentiality Deeds, however there are a few who have yet to finalise these, work is on-going to resolve this before the next meeting.

Potential and actual Conflicts of Interests were then discussed. Most of the committee members had noted conflicts. It was agreed all declared conflicts could be managed at this time.

Confidentiality agreements for the Central Banks who fall into the category of Observers rather than Members was discussed. It was agreed the Secretariat would work to finalise a suitable confidentiality agreement for Central Bank Observers.

*It was agreed that all information shared would, as far as possible, be on an anonymised basis. BBALL will finalise the confidentiality arrangements for Observers.*

#### **4. Update on LIBOR changes:**

On 31<sup>st</sup> May BBALL ceased publication of CAD and AUD LIBORs, and eight LIBOR tenors (2 week, 4,5,7,8,9,10 and 11 months).

From 1<sup>st</sup> July publication of individual bank submissions will be embargoed for 3 months: from 1<sup>st</sup> August, the publication of "same day" EUR LIBORs for 1w, 1m will cease.

At the request of one LIBOR submitting bank, BBALL have canvassed views across the Submitting Banks (SB) of ceasing to publish Spot EUR LIBOR rates. The responses to date have been split with some 8 SBs still to respond. An update will be discussed at a later meeting.

#### **5. Draft Error / Re-fix Policy:**

The FCA has asked that a formal policy is put in place to deal with occasions when errors are made. ILOC was asked to consider a draft Error / Re-fix Policy suggested by BBALL.

The policy focuses on the severity and timing of errors in rate submissions. Key points of discussion were:

- Risk and hedging positions of market participants based on published LIBOR rates may change if a LIBOR rate could be republished, therefore any policy which contemplated recalculation or republication could create uncertainty;
- If any errors are identified in a LIBOR rate after publication the original publication of incorrect rates could potentially be construed as misleading the market about the rates on a particular day;
- If any LIBORs were to be republished then any settlements which had already been made may need to be unwound or recalculated, creating operational costs for users.

Historically, LIBOR rates have been infrequently republished - the last time was on 5<sup>th</sup> October 2011 17:01pm when a technical issue which led to a mistake in the calculation meant the rates for USD were republished at 1701 hrs.

*Members agreed that further discussion and investigation was required before a new policy could be agreed. BBALL undertook to recirculate a revised draft error policy and members undertook to discuss this with colleagues and LIBOR users before recommending a revised policy to the FCA.*

*Decision deferred until a later meeting.*

#### **6. Draft Whistleblowing Policy:**

*Draft Whistleblowing Policy was agreed subject to 2 minor amendments.*

## **7. Agree items for Publication:**

### **a) Interim LIBOR Oversight Committee Terms of Reference**

*Agreed these should be published*

### **b) Interim LIBOR Oversight Committee Minutes from meeting on 22<sup>nd</sup> May 2013**

Focus of the minutes should be on agreements, key disagreements and decisions. Action points should be removed.

*Agreed these can be published and can include Names of individuals*

### **c) Details of ILOC members and attendees.**

*Agreed these can be published and can include Names, and nominating organisations with a clear note stating that individuals do not attend as representatives of their employers but attend the ILOC for the common good.*

## **8. Deferred items for Publication:**

### **a) Conflicts of Interest Register**

### **b) Quarterly Stats**

*Agenda items deferred until a later meeting.*

## **9. Any Other Business**

*As the next scheduled meeting is not until September, it was agreed that a meeting would be scheduled after the Hogg Committee announcement of the new Administrator had been made.*

## ***Confidential section of the meeting: Minutes Redacted***

There being no other business the meeting closed at 5.30pm

All correspondence of comments on these minutes etc should be sent to [libor@bballibor.com](mailto:libor@bballibor.com)