



Euribor ACI

P Jeanne

March 2011

Agenda

- 1 Euribor ACI
- 2 STEP
- 3 European Commission Contact Group
- 4 Money Market and Liquidity Working Group
- 5 Derivatives Working Group

Euribor ACI

- ✓ Euribor ACI was created in 1999 by 13 countries members of Euro
- ✓ It is an association dedicated to the development of Euribor markets (it initiated the EURIBOR and EONIA references)
- ✓ Euribor ACI sponsors or co-sponsors several important market initiatives, and working groups of market professionals
- ✓ Our Head Office is in Brussels

Working Groups

Sponsored by Euribor ACI

- ✓ Money Market and Liquidity working group
- ✓ Derivatives Working Group
- ✓ European Commission Contact Group:
 - ✓ Enhances communication between market professionals and the EC
 - ✓ Works with EC on regulatory topics

Working Groups

Co-sponsored by Eurobor ACI and the European Banking Federation, and supported by the European Central Bank

- ✓ **STEP Label:** is now an official label for Short Term Paper in Euro, for programs that comply with the STEP Convention

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STEP

**Chairman
Franck Hebeisen**

March 2011

History and Goal of the STEP initiative

- ✓ Promoting the development of the short term paper market in Europe
- ✓ Achieving European integration through convergence of existing markets
- ✓ Market defined standard features and best practices Euribor ACI, EACT (European Association of Corporate Treasurers), ICMA (International Capital market Association), investors,...
- ✓ A tool to foster convergence towards the STEP label
- ✓ Institutional sponsors: ECB/ESCB, European Banking Federation and ACI



The joint statement from ACI The Financial Markets Association and the European Banking Federation

- ✓ ACI and FBEBF have made several statements (including a joint letter to European Commission) to underpin the importance of :
 - enforcing all the transparency criteria
 - applying in the same manner the criteria whatever the issuer category (no difference between corporates, financials, ABCPs)
 - creating an environment which is favorable to the market development without jeopardizing a vital source of funding for banks by allowing full deregulation

ECB Eligibility : STEP Labelled programs as collateral for refinancing operation

- Single list since 1 January 2007 / 2 Tier list
- Eligibility Criteria
- Press release ECB / Publication of statistics
- STEP Market non-regulated market accepted by ECB
- Corporate / Sovereign
- Banks :
 - Listed bank paper eligible (regulated market)
 - Non listed bank paper (non regulated) not eligible after end of temporary measure, ie 31st December 2010
- Discussion pending with ECB to get STEP label accepted for Banks

STEP statistics on the ECB website

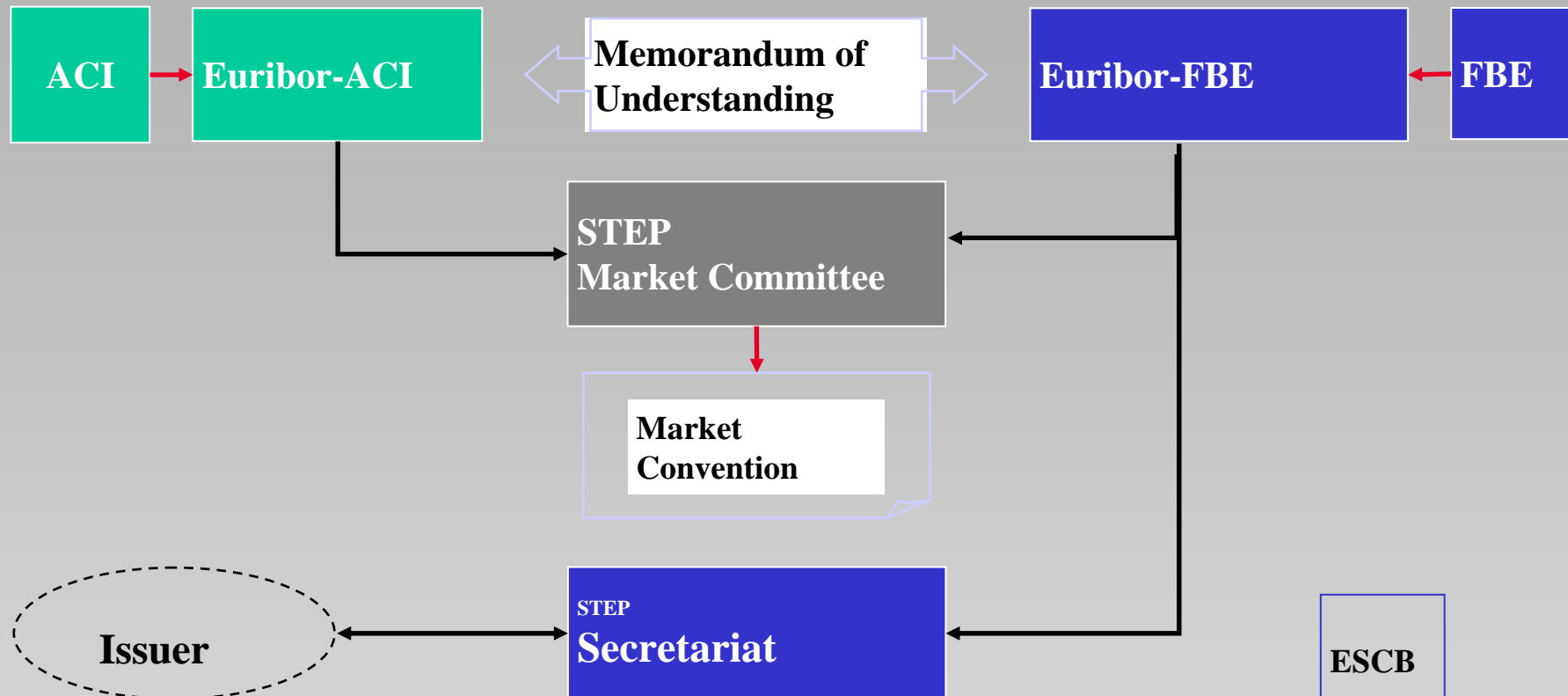
The outstanding amount and program ceiling of all STEP issues is provided. Goals are :

- ✓ Promoting the development of the short term paper market in Europe
- ✓ Achieving European integration through convergence of existing markets
- ✓ Market defined standard features and best practices Euribor ACI, EACT, ICMA, investors,...
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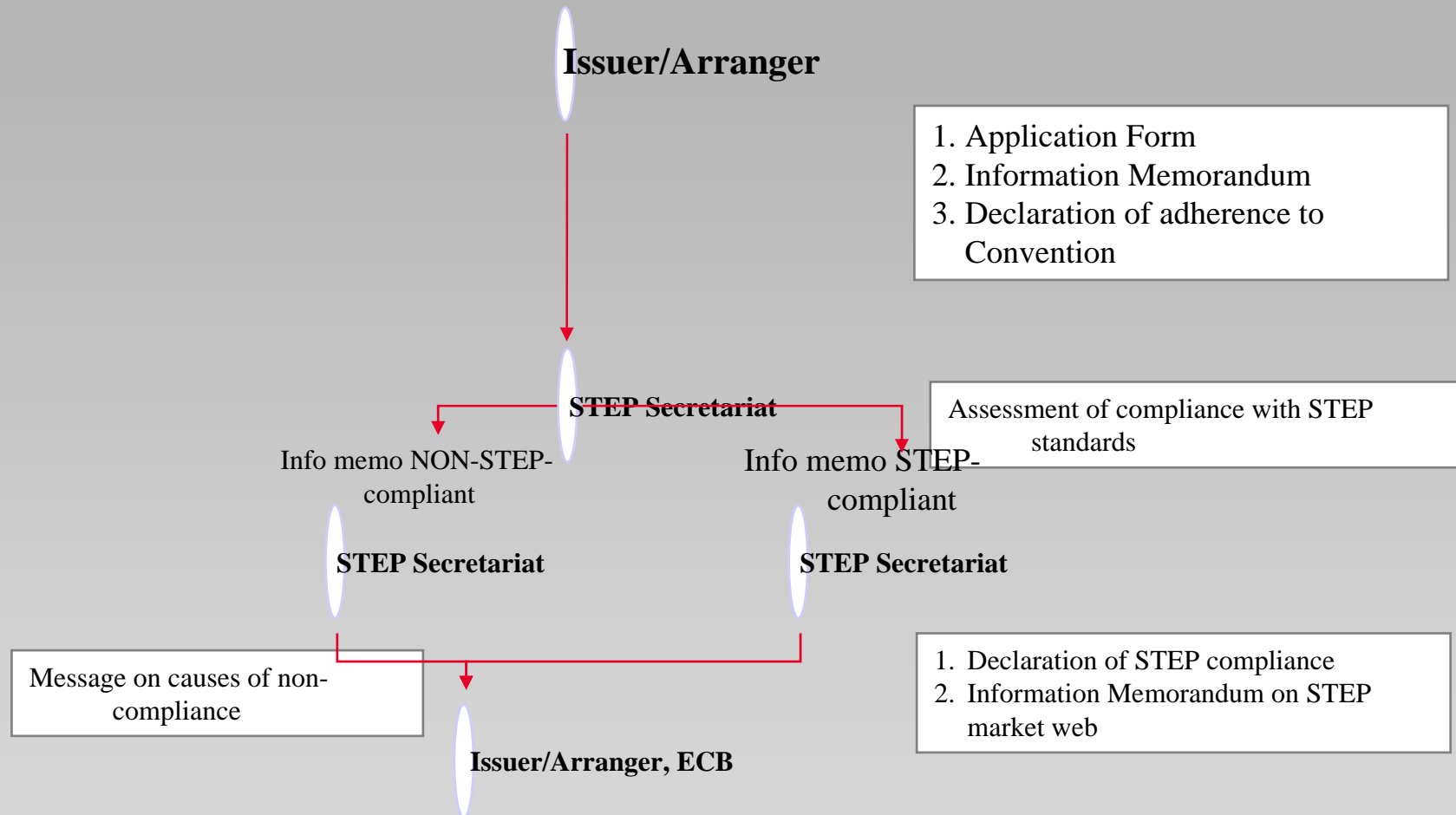
www.ecb.int/stats/money/step/html/index.en.html



STEP governance



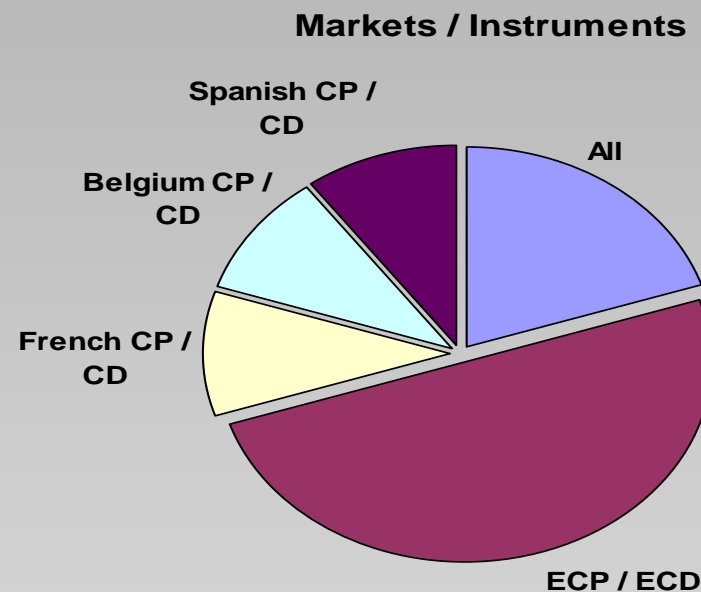
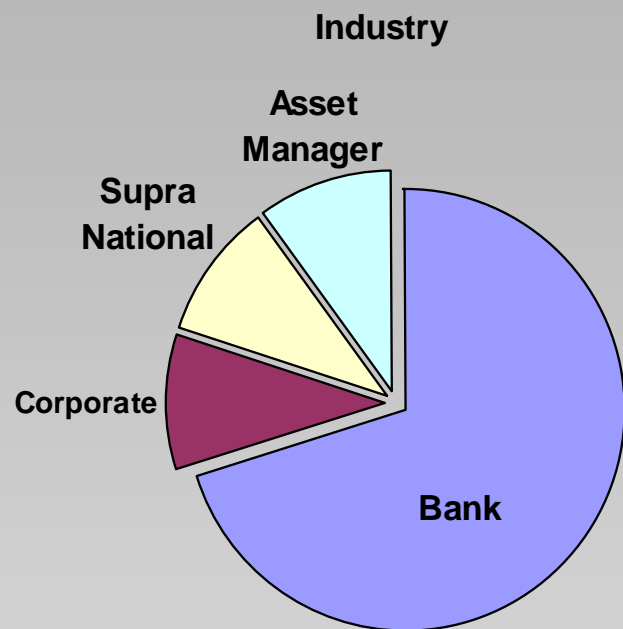
STEP label process



STEP Market Committee : composition and mission statement

- ✓ A group representing 10 market professionals appointed by the FBE (5 with 1 casting vote) and ACI (5) on a personal status representing the issuers, dealers and investors community, chaired by the FBE General Secretary
 - Finalize and update details of the STEP market convention
 - Implement the STEP market convention
 - Amend provisions of the STEP market convention from time to time
 - Revise features of the standard information memoranda from time to time
 - Liaise with market supervisors and supranational bodies
 - Set parameters for compliance of securities settlement systems
 - Be ultimately responsible for STEP publications and label attribution/withdrawals

STEP Market Committee : representatives



STEP : conclusion

- ✓ Cheap and easy way to ensure full (or more) conformity to transparency criteria.
- ✓ Standardization of Info Memorandum means easier, faster and cheaper (less “case by case” legal work) setting up and updates of programmes
- ✓ Full and free benefit of an integration process set up by Banks (European Banking Federation and ACI) for their own needs with no additional cost on which ESCB (European System of Central Banks) commits strongly

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EURIBOR ACI EUROPEAN COMISSION WORKING GROUP (ECWG)

Chairman
Enrique Prados del Amo

March 2011

ECWG Members

José Brito
Vincent Desmet
Etienne Jardel
Enrique Prados (Ch)
Aly Kohll
Rainer Thuer
Paolo Bosio

Caixa Gr. Dep. Lisbon
Axa Bank Brussels
Soc. Générale Paris
Gesmosa – GBI Madrid
Bq d'Es. d'Etat Lux
UBS Zurich
Banca MPS Italy Milano

ECWG Main Objectives

- To represent ACI at The European Commission and CESR.
- To promote meetings with Financial Authorities.
- To participate in the Public Consultations when affecting to Financial Markets.

ECWG Recent Participation on Public Consultations

- **MIFID REVIEW EUROPEAN COMMISSION CONSULTATION DOCUMENT.**
(Also on behalf of ACI International and Euribor ACI)
- **Enhancing of resilience of OTC derivatives markets.**
(Also on behalf of Euribor ACI).
- **Market Abuse Directive:**
No answer as was not affecting our markets.
- **CESR Technical Advice to EC – Non Equity markets transparency.**
Answered through the group of Association

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ACI EURIBOR Money Market & Liquidity Working Group

Jürgen Sklarczyk
Deutsche Bank AG

Frankfurt, 21 March 2011

MMLWG --- An Overview

- First working group within the ACI Euribor established in July 1999 at the ACI Milan congress
- Group of professionals to address issues related to money markets, liquidity and regulations in the Eurozone and beyond
- 15 members currently representing most EUR countries and two associated members (UK and Switzerland)
- ECB participates in MMLWG meetings as an observer
- MMLWG meets three to four times a year and sets-up conference calls if urgent matters need to be discussed and addressed

MMLWG --- Our Members

Chair of the MMLWG

Jürgen Sklarczyk

Deutsche Bank Frankfurt

Members:

Miguel Angel Monzon

Jose Villaverde

Maria Cristina Lege

Michael Santer

Alexandre Seignat

Stefaan van de Mosslaer

Zinia Hatzibei

Mirco Brisighelli

Miguel Gomes Silva

Baris Eren

Thierry Cazaux

Jaana Sulin

Michael Schneider

Finbarr Dowling

BBVA Madrid

CECA Madrid

Intesa San Paolo SpA Milan

Erste Bank Vienna

Credit Agricole Paris

Fortis Bank Brussels

National Bank of Greece

UniCredito Italiano SpA Milan

Montepio Lisbon

Royal Bank of Scotland London

Pollak ETC Paris

Nordea Bank Finland Helsinki

DZ Bank Frankfurt

Allied Irish Bank plc Dublin

Observer:

Holger Neuhaus

ECB Frankfurt (observer)

MMLWG --- Main Topics

- Market developments in the Eurozone
- unsecured and secured money market products in the Eurozone
- cash & liquidity management issues and concerns in the Eurozone and beyond
Regulatory issues on liquidity and money markets in the Eurozone
- Benchmark reference rates
- Systems (e.g. TARGET2, T2S, CCBM II, electronic trading platforms)

MMLWG --- Main Topics

- ECB: EURO framework, monetary policy, collateral framework, open market operations, money market study, etc.
- Co-operation with other contact groups (e.g. ECB MMCG) and working groups on an European (e.g. Derivatives) as well as national level (e.g. national ACI working groups)
- Provide constructive input and feedback to central banks, regulators, other associations and working / contact groups

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Derivatives working group

- Group under reconstruction
- Derivatives are important products and have significant singularities that have to be addressed
- Regulation posing specific questions to derivative users

Members

| Country | Name | Financial Institution |
|-------------|----------------------------|-------------------------------|
| Belgium | Geert Pacolet | KBC Bank |
| UK | Eric Duclos | BNP Banque Nationale de Paris |
| Netherlands | Peter Jongmans | Rabobank |
| Italy | Fabrizio Tallei | Banca Intesa |
| France | Michael Zrihen | Credit Agricole Lyonnais |
| Austria | Hugo Neuhold | BankAustria Vienna |
| Spain | Francisco Javier Fernandez | BBVA Madrid |
| Germany | Lothar Matzat | Deutsche Postbank |
| Germany | Ralph Weidenfeller* | ECB |
| Switzerland | Yvan Ducrot | UBS AG Zurich |
| Ireland | Alan Malone | Allied Irish Dublin |
| Belgium | Nico Van Hiel | Fortis Bank Brussels |
| UK | Nicolas Dechosal | BOA London |
| Italy | Marco Aschieri | HVB (Unicredito) Milan |
| UK | Philippe Moryoussef | RBS London |
| Germany | Michael Winkel | Commerzbank AG |
| UK | Olesya Skofenko | Deutsche Bank London |
| Portugal | Rui Correia | Barclays Bank, Plc |