

Czech Financial Benchmark Facility (“CFBF”) Redacted Minutes

Meeting: PRIBOR Oversight Committee Meeting

Date: 1 Mar 2022, 15:30 – 17:00 CET, via teleconference

Premises: Czech Financial Benchmark Facility, Vodičkova 30, 110 00 Praha 1

Participants:

Chair: Daniel Heler (CLCF) - voting member (DH)
Neil Donaldson (GRSS) - voting member (ND)
Andrej Henžel (KB) - voting member (AH)
Petr Budinský (VSFS) - voting member (PB)
Josef Jeřicha (CFMA & ČSOB) - voting member (JJ)
Pavel Štěpánek (VŠE) - voting member (PS)
Miloš Smáha (CFMA & UniCredit Bank) - voting member (MS)
Andrej Chudožilov (CFBF) - non-voting member (AC)

CFBF Secretariat: Klára Ivanovič (CFBF) (KI), Pavel Bakovský (CFBF) (PB)

Apologies:

Daniel Maděra (CFMA & CSAS) - voting member (DM) - Proxy granted to Miloš Smáha

Invited attendees:

Tomáš Kvapil (CFBF) – CFBF Managing Director (TK)
Mark Beaumont (GRSS, CFBF Board member) – (MB)
Ladislav Slaník (CNB) – observer (LS)
Martina Mozerova (CFBF) – CFBF Compliance Officer (MM)

Circulation: Published on the CFBF website www.cfbf.cz

1. Introduction

- The Chairman welcomed all attendees. The quorum for the meeting was declared.
- No members present declared any conflict of interest in respect to the agenda.
- The Chairman noted that the Minutes from the last Committee meeting were circulated and accepted by Oversight Committee members.
- Action points from the last meeting were reviewed.

2. Oversight & Determination Methodology

- MM presented the CFBF Quarterly Report stating that all reporting was completed and there was no complaint, no new conflict of interest and no whistleblowing reported, further no breach report was received. Annual updates of Declarations of Conflict of Interests have been received from the members of PRIBOR Oversight Committee. All of them are uploaded to CFBF website. There are no confirmed conflicts declared. No downtime was experienced during the fixing time and no cyber or security related issues have been reported during the period under review.
- MM informed that there are new Commission Delegated Regulations, applicable from 1 January 2022, published in the Official Journal of the European Union (3 of them are applicable for CFBF: no. 2021/1350; 2021/1351, 2021/1352).
- PRIBOR Operational Metrics based on pre and post calculation tests were presented and discussed. None of the presented was found suspicious input data.

3. Governance, Regulatory & Supervisory Issues

- MM informed that two documents (PRIBOR OC Rules and Procedures and PRIBOR OC Terms of Reference) have undertaken an update. The OC acknowledged the documents updates.
- MB expressed thanks on behalf of CFBF Board to all members of the OC for their valuable work and noted that since when the rates has been hiked by CNB, the CFBF Board wishes to convey to all panel banks, to remind them of their obligations to check flagged rates and to provide assurance of their legitimacy despite the unusual market conditions experienced, particularly through the period of October to end December.
- OC discussed potential risks to PRIBOR basis the escalating situation in the Ukraine. The consensus of OCM was that no action is necessary for the time being.

4. Evolution of PRIBOR

- TK presented a presentation on the STIBOR reform and the context of changes made to other ibors and explained the most important differences between benchmarks where bid transactions are used (Euribor, STIBOR, NIBOR) and where not (CIBOR, PRIBOR).
- As emphasized during last OCM, the potential use of bid transactions would require a change of the methodology. DH noted that there is a need to monitor the situation around PRIBOR, however currently there is no actual bid side transaction need from the point of view of the general economy situation in Czech Republic. DH and MS agreed that the Sweden reform could be a good inspiration for future development of the PRIBOR and lessons learned will be taken into consideration.

5. Board & Stakeholder Communication

- N/A

6. Any other Business

- The next four regular OC meetings are planned as follows: 7.6.2022, 6.9.2022, 6.12.2022 and 7.3.2023.

Meeting formally closed