



Minutes of the 3rd Meeting of the STEP Market Committee Frankfurt, 1st February 2007

List of attendants:

Market Committee Members:

Present

- Claudia Benci
- Philippe Billot
- Olivier Brissaud
- Franck Hebeisen
- Francesco Galiana
- Michael Schneider
- Pepijn Sigtermans
- Colin Withers¹

ECB (non-voting member):

- Marco Laganá European Central Bank
- Holger Neuhaus European Central Bank

Apologies

- Guido Ravoet Chaiman
- Tim O'Connel

Secretariat:

- Didier Hermans²

Observers, Guests:

- Thierry Cazaux EURIBOR-ACI
- Marc Lejolie Nationale Bank van België / Banque Nationale de Belgique
- Frédéric Wilhelm Banque de France

¹ By phone

² By phone for parts of the meeting

0. Introduction

The STEP Market Committee thanked the DZ Bank for hosting the meeting and adopted the final agenda.

1. Approval of the minutes of the 2nd meeting

The minutes are approved by the participants.

2. Update on the labelling situation

The STEP Market Committee noted that 29 programmes had been labelled to date and that several other issuers were considering requesting a STEP label. 20 of the issuers at the beginning of February were banks (monetary financial institutions), seven non-financial corporations, two "other financial intermediaries" issuing asset backed commercial papers.

One member of the Committee reported that he had spoken with some issuers on the prospect to raise an annual fee per programme ranging between EUR 1000 and EUR 5000 to cover the costs once the Eurosystem ceases to support the labelling activities.³ The issuers contacted had regarded the amount as reasonable.

3. Update on the statistics

Holger provided an update on the statistical elements, both on the monthly as well as the daily statistics. By end January 2007, the outstanding amount stood at nearly EUR 155 bln, continuing the growth observed in December 2006.

The STEP Market Committee confirmed that that global outstanding per issuer statistics are also important as it allows the benchmark the exposure vis-à-vis the issuer, especially in the context of the UCITS eligible assets debate. The STEP Market Committee confirmed its wishes that ECB could provide as soon as possible statistics or global issuances per programme, with a frequency which could initially be monthly at Day+15.

Addressing the request for clarification from the dealer community, the STEP Market Committee confirmed that all transactions and outstanding amounts should be reported to the ECB for inclusion in its statistics on both volumes (outstanding amounts and new issues) and yields. Thus, pursuant to the STEP Market Convention, no transaction related to STEP labelled programmes should be labelled as confidential vis-à-vis eligible data providers. In turn and also in line with the STEP Market Convention, the ECB would ensure confidentiality of the yields/prices of transactions of individual issuers.⁴

4. Update on UCITS

A. UCITS eligible asset debate (draft Commission Directive implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards the clarification of certain definitions). The outcome is due for March.

³ See item 6 of the agenda of the December 2006 STEP Market Committee meeting.

⁴ See item 7 of the agenda of the December 2006 STEP Market Committee meeting.

5. Marketing aspects and transparency

During the first half of 2007, several marketing actions will be undertaken, mostly by the ACI national associations next one being in Ireland by the end of March. In addition, contacts with Bloomberg have been established to allow Bloomberg to clearly flag money market programmes that are STEP labelled. This might necessitate the transfer of some, publicly available, programme related information to Bloomberg. The technical issues would still need to be addressed. Other data providers requesting such information should receive the same treatment.

6. A.O.B

The next STEP Market Committee meeting will be held on, 24th of April in Brussels hosted by Volkswagen Belgium.