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## **ECB, ACI and Euribor-EBF launch new STEP Market Convention**

The European Central Bank, the Financial Markets Association (ACI) and Euribor-EBF launched today the new market convention which redefines the respective roles of the three sponsors in the STEP initiative.

STEP - Short Term European Paper – is a successful joint initiative of the European Banking Federation (EBF) and the ACI, supported by the European Central Bank (ECB). The initiative aims to create market standards; it does so by creating a label of transparency and integration of the markets, thereby enhancing the liquidity of the market. STEP now covers issued short term paper with an outstanding amount of EUR 430 billion.

The ECB and the Eurosystem have supported the STEP initiative since its inception in 2001 by facilitating interaction among market participants, contributing to the development of the STEP Market Convention and by raising public awareness.

Following the successful launch of the STEP market in June 2006, and the first market convention, the Eurosystem has continued its support in two ways: first, the ECB provides statistics on the STEP market; second, the Eurosystem assisted the STEP Secretariat in the labelling of STEP paper until June 2010, while the ultimate responsibility for granting and withdrawing the STEP label rests fully with the STEP Secretariat, hosted by Euribor-EBF.

The new STEP Market Convention is a compromise between different market practices on the one hand, and between dealers, issuers and investors' requirements on the other. It is more flexible than the original one.

“The new market convention means that the ECB will let Euribor-EBF run the STEP project independently, explained Guido Ravoet, Secretary General of the EBF. We take this as a sure sign that the STEP market has matured over the last few years, and that it has become a true reference. It is a sign of confidence from the ECB.”

The European Central Bank will however continue to publish the detailed statistics for STEP, on the basis of the information produced by the eligible data providers\*.

\* <http://www.ecb.int/stats/money/step/html/index.en.html>

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