

26th STEP MARKET COMMITTEE MEETING
- Brussels, 5 June 2018, 10.30-14.00 –

Minutes

Following the retirement of Mr Ravoet as Secretary General of EMMI, the meeting was chaired by Ms DE DEYNE ad interim. With the appointment of Mr SCHIRMANN as new Secretary General of EMMI, he will also take over the chairmanship of the STEP Market Committee as described in the STEP Market Convention.

1. APPROVAL OF THE MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting on 16 November 2017 are approved.

2. SECRETARIAT REPORT ON STEP LABELLING OPERATIONS

Ms. TORRES explained that 162 programmes remained active in the STEP database. Since the last STEP Market Committee (16 November 2017), 4 programmes have been withdrawn from the STEP Directory and 8 new programmes have been added.

The Secretariat thanked Mr BRUNNING for its proactivity in promoting the STEP label among the issuers that he works with. Mr BILLOT noticed that most of the new programmes joining the label were issued on the ECP market. In fact, the number of programmes in the NEU CP market is growing, but the size of those programmes is typically smaller than in the ECP market. Mr HEBEISEN explained that the issuers of French mid-sized programmes do not look for foreign investors. As a result, the STEP label is less attractive for them. Mr BRUNNING confirmed that in his experience, larger issuers tend to be more interested by the STEP label.

Mr COWEN presented some improvements that the Secretariat would like to introduce to the STEP website in order to streamline the relationship with issuers. More specifically, he explained that new templates could be made available to issuers in order to make sure that the STEP documents are machine readable. Those new templates could be tested with some law firms and with issuers that work closely with the Secretariat. Mr FAURE explained that Banque de France is also working on ideas to increase digitalization in the NEU CP market.

3. ECB REPORT ON STEP STATISTICS

Mr PETIT gave a presentation on the recent and future developments of STEP statistics.

The cut-off date for all figures and charts referred to in the presentation was the end of May 2018.

Over the first months of 2018, the ECB has observed an overall increase in outstanding amounts. This trend had already started in the last quarter of 2017. For that same period, an important number of days were marked by daily issuances over EUR 10 billion, which had been much rarer in the past.

Owing to negative trends at the end of 2017 followed by large increases at the beginning of 2018 in the levels observed for the worldwide issuance of euro-denominated debt securities, the relative share of the STEP market remained stable around 28% compared to the previous STEP market committee meeting.

Mr PETIT confirmed that automatic downloads of the historical series are observed on Mondays and Tuesdays from the ECB's Statistical Data Warehouse (SDW). Some updated figures on the STEP statistics section of the ECB website may be provided at the next committee meeting.

Regarding the operations for the production of the STEP statistics, Mr PETIT underlined that the transmission and automatic handling of the new programme type (new CP) went very smoothly and is fully operational. Unfortunately, the reports from some SSS show frequent errors on the structure, or on the daily data (wrong prices or yields, erroneous currencies, double counting). Mr PETIT suggested joint letters showing the concern of the ECB and the STEP market committee should be sent if the SSS fail to tackle those issues in the near future. The members supported this approach.

Finally, Mr PETIT reported on the implementation of a platform that may allow a new dashboard for the STEP statistics to be introduced in the future.

4. MARKETING ACTIVITIES

Ms P. RONVAUX presented a background of the STEP marketing activities that have been carried out since September 2017. She then focused on the LinkedIn page that has been created to launch the advertising campaign around the STEP video. The STEP Secretariat already published 21 posts on the social media and gathered 98 followers. The STEP video reached over 1000 views on YouTube, 700.000 impressions and 2450 clicks on LinkedIn.

She explained that the 6000-euros-budget dedicated to the paid advertising campaign was almost spent and that the campaign was quite static, even decreasing when it comes to impressions and clicks. She presented different statistics on the campaign such as the top company sectors involved

and top countries. She concluded that, in light of the results, the STEP Secretariat would continue its efforts on marketing activities and would therefore envisage new ways of promotion.

Following the report of those analytics, Mr. R. CORDERO suggested to post an article when a STEP Market Committee is organised and Mr. HEBEISEN recommended to publish shorter extracts of the video, keeping the entire version of the video for specific conferences or events.

Ms P. RONVAUX then moved to the STEP website specifying that there was a slight increase in terms of number of users and sessions since January 2018, with 1800 users (82,6% of returning visitors and 17,4% of new visitors) and 2900 sessions. Regarding the countries of visits, she mentioned that they remained mainly similar compared to results provided at the last STEP Market Committee meeting with United Kingdom, France, Germany, Belgium and Spain on the top 5. She also added that desktop was still the main device used.

She finally presented the final ranking of 2017 regarding the 10 most consulted programmes on the STEP directory, with Abbey National Treasury Service plc at the first place. She further commented that the STEP Secretariat continued the ranking for 2018 and she pointed out that 6 on 10 programmes listed for the first quarter were actually new labels of November/December 2017 and March 2018.

5. IMPACT OF GDPR ON THE STEP MARKET CONVENTION AND MEASURES TO BE TAKEN

Mr GIL BONET explained that the STEP processes should be assessed in light of the entry into force of the General Data Protection Regulation (GDPR). In fact, the STEP activities involve different types of personal data from issuers, visitors of the website, etc.

EMMI has undertaken appropriate action with its general processes in order to make them GDPR compliant. In the case of STEP, the obligation for the issuers to provide contact details in the information memorandum is an issue that remains to be addressed. The members of the STEP market committee insisted on the importance of keeping direct access to individuals involved with the programme at an issuer level. As a result, the STEP secretariat will need to introduce an explicit consent from the issuers to allow the publication of these details.

Additionally, other aspects such as automatic mailing regarding programme updates and the retention periods for certain personal data still require assessment. The members asked the Secretariat to further study those issues and suggest appropriate action in the coming months.

6. IMPACT OF DISTRIBUTED LEDGER TECHNOLOGIES IN SECURITIES SETTLEMENT SYSTEMS

Mr GIL BONET briefly introduced the topic by explaining that the STEP Secretariat has been following news about several initiatives trying to introduce blockchain technology in the settlement of commercial paper.

The members were invited to share their views on the topic. The lack of technical standards was mentioned as major barrier for the adoption of these technologies. Several consortia are competing to set the industry standard and STEP should avoid aligning at this stage.

At the same time, STEP should start preparing for the industry to shift into this technology and the accreditation process for new SSS should be assessed in order to understand if adaptations are required to handle new securities settlement systems based on this new technology.

The members and the Secretariat agreed to continue monitoring the developments in that area.

7. ANY OTHER BUSINESS

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