

24th STEP MARKET COMMITTEE MEETING
- Brussels, 6 June 2017, 10.30-15.30 CET -

Final Minutes

1. APPROVAL OF THE MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting on 13th December 2016 are approved.

2. UPDATE ON THE RENEWAL OF MEMBERS' MANDATES

Ms TORRES reminded that the 2-year term of the STEP Market Committee members came to an end in December 2016. Members of the General Assembly have been invited to appoint the members of the STEP Market Committee under EMMI quota for January 2017 to December 2018. She informed members that all members have been appointed by EMMI General Assembly and Euribor ACI General Assembly. The STEP Market Committee will be composed by the following members.

EU	Guido RAVOET	EMMI
NL	Marnix BRUNING	EMMI
UK	Dennis GEPP	EMMI
ES	Carlos MUÑIZ MORELL	EMMI
UK	Jean-Luc SINNIGER	EMMI
IT	Fabrizio TALLEI	EMMI
EU	Tim O'CONNELL	Euribor-ACI
CH	Philippe BILLOT	Euribor-ACI
DE	Michael SCHNEIDER	Euribor-ACI
FR	Richard CORDERO	Euribor-ACI
FR	Franck HEBEISEN	Euribor-ACI
FR	Patrick SIMÉON	Euribor-ACI

3. SECRETARIAT REPORT ON STEP LABELLING

Mr TORRES explained that 164 programmes remained active in the STEP database at the last STEP Market Committee (13 December 2016). Since then, 7 programmes have been withdrawn from the STEP Directory and 2 new programmes have been added. The 7 withdrawals are due to the fact that SNCB Holdings withdrew its 4 programmes in the beginning of the year, following a cost assessment. Ubibanca also withdrew its two programmes.

Members considered the possibility to have a package for issuers with several programmes. This initiative could potentially avoid some withdrawals; nevertheless, an assessment of the financial impact is required.

As announced in previous meetings, the STEP Secretariat has adopted a more proactive stance towards late updates. As a result, no programme is currently beyond the 3 years and 3 months limit established for renewals.

The members were also updated on improvements to be introduced in the database to enable specific monitoring of French programmes (requiring annual updates of the Information Memorandum).

Mr. COWEN presented some of the recent work done in the Secretariat on the annual risk assessment and in particular on enhancing data quality monitoring. The first part of the presentation focused on analysing the operational requirements that the STEP initiative places on the Secretariat. Mr. COWEN showed the quarterly incidence of new programmes applying for a STEP label, withdrawals from the STEP label and the monthly incidence of programme updates. In conclusion, the applications for new labels show no signs of seasonal variation, whereas the withdrawals are often linked to the sending of STEP invoices, usually during Q1.

Programme updates are concentrated in the summer months, due most likely to the timing of annual reports publications, the updates of French programmes at the Banque de France and the preferences of law firms. Mr. SCHNEIDER commended the fact that on average the programmes issue updates every 2 years, and therefore the information should be up-to-date and suggested displaying this statistic to stakeholders.

Mr. COWEN explained that the overall workload has high variance due to these seasonal effects; in the summer months a staff member would dedicate almost all of their time on STEP. On top of the direct workload from managing the programmes, the Secretariat uses resources on general inquiries on STEP, supporting governance, maintenance of the STEP website, invoicing and promotional activities as well as attending events.

In the second part of the presentation, Mr. COWEN presented the main risks arising from the annual risk assessment on STEP and remedial actions. The main operational risk that was identified is the possibility of disseminating out-of-date or incorrect information via the STEP directory. This includes discrepancies between external data sources; mainly the Bloomberg terminal and the ECB statistics website. Another minor risk that was identified is the possibility of insufficient staff coverage during vacations or absences. This has already been mitigated to a large extent through staff trainings and backups.

Mr. COWEN finished by informing the Committee of data quality management tools currently being developed by the Secretariat to address the risk of displaying incorrect information. These include a prototype tool that compares the data from the STEP directory with data sourced from Bloomberg and the ECB, and testing links in the directory by a monthly sampling of programmes. Mr. GEPP mentioned the possibility of setting up alerts in Bloomberg for changes in credit ratings. A further discussion point was contacting Bloomberg/issuers/dealers in order to have all programmes display a mention to STEP in their screen on Bloomberg.

4. ECB REPORT ON STEP STATISTICS

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

Figures are all based on a snapshot of STEP data as of 26 May 2017.

The ECB observes a decreasing trend in the issuance of STEP papers (following an important increase of outstanding amounts in the two first months of 2017). Owing to similar developments observed in the worldwide issuance of Euro-denominated debt securities, the relative share of the STEP market remained stable compared to the previous STEP market committee meeting.

In May 2017, the share of STEP papers denominated in EUR was 61.9%, compared to 22.8% for USD. The latter issuance of STEP papers denominated in USD significantly decreased over one year (-16%).

Regarding the operations for the production of the STEP statistics, Mr. PETIT underlined that the cooperation with the STEP Secretariat remains very satisfactory and both parties keep on working together in order to enhance the information flows. Mr. PETIT also mentioned that the STEP production environment at the ECB is planned to go through a major IT release to bring servers to the highest performance standards. Following this release, the production platform will also be able to receive the new programme format (new CP) from the STEP Secretariat. Finally, Mr. PETIT mentioned that the ECB STEP team has increasingly contacted security settlement systems due to data quality issues. Unfortunately the answer rate is not satisfactory and further steps may be needed. If any, they will be discussed in the next meeting.

Finally, following a request from the committee held in December 2016, Mr. PETIT presented statistics on public access to STEP information as published by the ECB. In the first half of 2017, the STEP section of the ECB website was visited on average 500 times per month. Additionally, an average of 1000 STEP time series were downloaded directly from the ECB SDW on a monthly basis, by 70 to 240 unique visitors.

5. IMPROVEMENTS TO THE STEP WEBSITE

Mr GIL explained that the STEP Secretariat has decided to undertake an upgrade of the technical features of the platform in order to align with current trends in web design. More specifically, the first action has been to develop a responsive website for testing purposes.

Ms CERRATO explained that, when a website is responsive, the layout and/or content responds or adapts based on the size of screen they are presented on. A responsive website automatically changes to fit the device used to access the website. Typically, there have been four general screen sizes that responsive design has been aimed at: the widescreen desktop monitor, the smaller desktop (or laptop), the tablet and the mobile phone.

Once adopted in early July, the new website will adopt further to publish the STEP promotional video and to improve the referencing on Google. Once the STEP website will be able to adapt to different types of devices, the contents need to be adapted before the website can be considered mobile-ready. The structure of the contents of the responsive websites needs to be optimized for the usage patterns of devices with smaller screens.

In that context, the STEP website has been redesigned to be more minimalistic. Furthermore, some of the existing menus have been merged in order to avoid excessive clicks that make the navigation burdensome.

The members of the STEP Market Committee were invited to provide comments of the beta version in a test environment before the end of the month of June.

6. ADVERTISING CAMPAIGN

Ms. P. DE DEYNE gave the floor to Mrs. P. RONVAUX who recalled that following previous decisions of the STEP Market Committee, it was decided to create a short video explaining the main features of the STEP label. She presented the different ways considered by the STEP Secretariat to use the video as a starting point to promote its STEP activity and increase the awareness about the label.

She explained that the video would be posted on the homepage of STEP website and that it should therefore be uploaded on major video-sharing platforms (Vimeo or YouTube). She then focused on the importance of referencing in search engines by using strong keywords and adequate title and description for the video in order to increase the visibility. She also mentioned that subtitles might also be considered at a later stage to enlarge the audience.

Mrs. P. RONVAUX further developed that the STEP Secretariat first envisaged to focus on a totally free way by sharing the video through EMMI account on LinkedIn so that the video could be “re-shared” by STEP Market Committee members, EMMI employees and amongst EMMI employees’ network throughout their personal LinkedIn account. She specified that the choice of LinkedIn was based on the possibility to segment the audience through different criteria (country, continent, type of company, position, age). Similarly, she went on that partner associations could include the link of the video in their newsletters and that the STEP Secretariat could send the video by e-mail to its own contacts.

She finally added that the STEP Secretariat also considered a real campaign on LinkedIn ads through two types of ads: the *Text Ads* and the *Sponsored Content*. She presented the features of both types and explained that when creating a campaign, a daily budget and a total budget had to be set for at least 10 USD; and that CPC (cost per click when a user clicks on the ad) or CPM (cost per 1000 “impressions” when the ad is shown 1000 times) had to be defined. CPC and CPM should at least amount to 2 USD.

Following that presentation of the future campaign, Mr. R. CORDERO suggested to issue a press release about the STEP campaign and also to share it with journalists. Regarding the choice of the platform (Vimeo or YouTube), members had no particular preference but concluded that YouTube was more well-known and insisted on the importance of defining a good title and description. Mr. M. SCHNEIDER also recalled to be careful to well select the audience since the target was especially issuers and investors. Mr. D. GEPP specified that it would certainly be more difficult to find the video on YouTube while in LinkedIn, as it is a professional network, it would be more selective and would attract more people.

Mr. F. HEBEISEN then recalled that the initial purpose of the video was to give a clear representation of STEP and that the video would be further used as a marketing tool to speak about STEP. He also suggested to generate a pop-up window on the website offering to watch the video.

STEP Market Committee members concluded that this campaign would be a very interesting point and confirmed they were all in its favour. Following a question from Mr. R. CORDERO on when the campaign would be launched, Mr. A. GIL BONET answered that it would start in September but that it would be very progressive. Mr. A. GIL BONET concluded that STEP Market Committee members would be updated in the coming months about the progress of the campaign and would receive analytics about the activity on YouTube and LinkedIn.

7. MARKETING OF THE STEP LABEL

Mr HEBEISEN explained that he will present the video and a short presentation on STEP during the Money Market Fund Forum on 13 & 14 June 2017 in London.

Some members suggested to identify big programmes which are not STEP compliant and contact them in order to convince them joining the STEP Initiative.

Mr COWEN also mentioned that the FCA RegTech could be interested in STEP and proposed that the STEP Secretariat has a slot during a future meeting they might organize.

Mr SCHNEIDER suggested to invite some dealers during the next STEP Market Committee meeting in order to exchange views on the STEP Initiative.

Mr GEPP also suggested to put the STEP Secretariat in contact with Mr Peter CRANE who will organize the Money Fund conference in Paris in September 2017.

8. AOB

The next meeting will be organized during in November/December 2017, possibly in London.