

**Public Minutes of a Meeting of the
ICE Swap Rate & Term SONIA Reference Rates Oversight Committee of
ICE Benchmark Administration Limited (IBA)
hosted as Zoom Meeting on
Wednesday, 20 October 2021 - 16:00 UK**

PRESENT: Stephen Pickford, Chairman
David Clark
Philippe Dudon
John Lima
Daniel Marcus
Alexander Miller
Edward Ocampo
Stelios Tselikas
Emma Vick

IN ATTENDANCE: Amanda Adams
Tim Bowler
Julia ten Elsen (Committee Secretary)
Scott Gandy
Lee Hogarth
James Wright

APOLOGIES: George Handjinicolaou

CIRCULATION: IBA website

	<p>Welcome and apologies for absence The Chairman welcomed the Members to the Zoom meeting of the ICE Swap Rate & Term SONIA Reference Rates Oversight Committee.</p>
	<p>Declaration of conflicts of interest None of the Committee Members had any new conflicts to declare.</p>
	<p>ISROC Minutes Full Minutes The full minutes of the ICE Swap Rate & Term SONIA Reference Rates Oversight Committee meeting held on 21 July 2021 were considered and approved.</p> <p>Public Minutes The public minutes of the ICE Swap Rate & Term SONIA Reference Rates Oversight Committee meeting held on 21 July 2021 were considered and approved for publication.</p> <p>Matters Arising The Chairman noted that all matters arising were closed or would be covered during the meeting.</p>
	<p>Dashboards IBA presented the ISR and TSRR Dashboards for the period from July to September 2021 and highlighted market events that had impacted the rates over different tenors and currencies.</p> <p>The Committee discussed the Dashboards, noting that LCH's clearing switch for GBP LIBOR contracts at the close of business on 17 December 2021 could lead to a higher number of No Publications thereafter in December.</p> <p>The Committee also noted that it would need to consider the cessation timeline of USD LIBOR</p>

	ICE Swap Rate in due course but thought that it would be premature at this stage.
	<p>Incidents IBA confirmed that there had been no incidents since the last meeting.</p>
	<p>Underlying Market Liquidity Update IBA provided the Committee with an update about the Underlying Market Liquidity, covering IRD market size, vanilla products, Central Limit Order Book (CLOB) vs. Request for Quote (RFQ), IBOR vs RFR, clearing houses and cleared vs non-cleared trades.</p>
	<p>SOFR ISR Update IBA provided the Committee with an update about SOFR ISR, noting that IBA had started publishing daily indicative USD SOFR and USD SOFR Spread-Adjusted ISR in 'beta' form on 01 October 2021.</p> <p>The Committee discussed USD SOFR ISR 'beta' testing and agreed with the planned launch date in early November provided the testing phase continued to be successful.</p> <p>The Committee noted that IBA had started publishing indicative GBP SONIA Spread-Adjusted ISR 'beta' settings in May 2021 and was looking to launch the actual benchmark in January 2022.</p>
	<p>Periodic Review ISR and TSRR The Committee considered and agreed the periodic review of the Benchmark Statement for ISR and TSRR as well as the Committee Role, Procedures & Terms of Reference for ISR and TSRR as complete.</p> <p>IBA presented to the Committee the periodic review of the Standard Market Size (SMS) for ISR, concluding that based on feedback from the trading venues and IBA's market dynamics assessments, the thresholds remained appropriate across all tenors and currencies with the exception of 1-year LIBOR and SONIA swaps, which should be increased to 75m, aligning them with 12-month Term SONIA.</p> <p>The Committee noted that IBA had assessed the current SMS levels for TSRR as appropriate and recommended to maintain them for the time being.</p> <p>The Committee considered and endorsed IBA's recommendations.</p>
	<p>Definition, Methodology & Setting of TSRR IBA presented to the Committee the document, noting that IBA had performed the required review of the definition, methodology and setting of the Term SONIA Reference Rates and considered them fit for purpose.</p> <p>The Committee considered and agreed the review as complete.</p>
	<p>How ISR Weathers Interest Rate Event IBA advised the Committee that potential "black swan" scenarios could be separated into two categories:</p> <ol style="list-style-type: none"> 1. events that may impact IBA's infrastructure, technology and operations; and 2. events that may impact the liquidity available to IBA. <p>Mr Tselikas highlighted that IBA had a tried and tested business continuity plan in place, which would apply in the event of any infrastructure, technology or operations issues.</p>

	<p>Regarding liquidity issues, the Committee noted that IBA had detailed policies and procedures in place which would lead to a No Publication if there was insufficient liquidity to produce a rate.</p> <p>IBA added that it was considered potentially more confusing if IBA started producing a rate with insufficient liquidity, since end-users are accustomed to following the fallback language in their contracts.</p> <p>IBA agreed to run further tests to ascertain the potential numbers of No Publication if ISR liquidity dropped.</p>
	<p>Any Other Business</p> <p>The Chairman noted that the next scheduled in-person meeting would be on 17 January 2022.</p> <p>With there being no further business to discuss, the meeting was closed.</p>

Stephen Pickford
Chairman