

# **SG#7 - Communication and education**

**Presentation for the Working Group on euro risk-free rates  
Meeting**

4 July 2019

# Agenda

1. Objectives
2. Organisation and Composition
3. Next steps

# 1. SG7 ToR - Objectives and output

PRELIMINARY

- to establish a **clear communication strategy** for the working group, with a particular focus on how to approach, inform and educate market participants and improve the visibility of the working group, possibly through designing common communication tools;
- to act as an **editorial committee** for general public enquiries, i.e. responding on behalf of the working group to questions about the benchmark reforms and the role of the working group;
- to address the **challenges of communicating** with retail and less sophisticated market participants.

# 1. Objectives: preliminary tasks overview

PRELIMINARY

A set of tasks are being defined by SG7 in order to raise awareness of working group activities:

## 1 Define Communication strategy and tools

Action plans to consider<sup>1</sup>

- Define clear objectives related to EONIA €STR transition and EURIBOR fallback
- Identify key stakeholder groups and other audiences to engage on EONIA €STR transition and EURIBOR fallback
- Engage with other subgroups as appropriate to understand and support their communication priorities
- Draw up comms strategy and plan, articulated by segment
- Define Roadmap for the Group
- Produce comms and education materials on key transition issues for wider readership

## 2 Engagement with stakeholders

Action plans to consider:

- Establish a procedure for media requests, media questions and public enquiries to ECB
- Coordinate WG's engagement with media and other jurisdictions

<sup>1</sup>Action plans related to addressing the challenges of communicating with retail and less sophisticated market participants are included in the first task

## 2. Organisation and composition

### Members:

**Chair:** Santander - Maite Bermudez

**Alternate:** Santander – Javier Pareja

**Secretariat:** ECB

### Banks

- Bank of Ireland
- Barclays
- Bayerische Landesbank
- BBVA
- BPCE/Natixis
- CaixaBank
- Citigroup
- Crédit Agricole
- Deutsche Bank AG
- Landesbank Württemberg (LBBW)
- Eurobank - Ergasias SA
- HSBC
- ING
- Natwest Markets Plc
- Société Générale
- VUB bank
- Wells Fargo Bank
- Banco Santander S.A

### Association and others

- European Association of Corporate Treasurers (EACT)
- European Money Markets Institute (EMMI)
- Association Française des Trésoriers d Entreprise (AFTE)
- International Capital Market Association (ICMA)
- Loan Market Association (LMA)
- European Fund and Asset Management Association (EFAMA)
- German Association of Corporate Treasurers
  
- Eurex Clearing AG
- Generali

### Consulting & Accounting Firms

- Ernst & Young
- Deloitte Consulting GmbH
- KPMG
- PricewaterhouseCoopers

## 2. Subgroup communication needs: high level planning for 2019

Euro RFR Subgroups	Communication Priorities
<b>Subgroup 2 - €STR based term structure methodologies as fallback to EURIBOR</b>	<u>Discuss and publish on:</u> <ul style="list-style-type: none"><li>- Call for interest potential administrators for recommended €STR based forward-looking term structure methodology</li><li>- Consultation on spread methodology</li><li>- €STR based backward-looking term structure methodologies</li></ul>
<b>Subgroup 3 - Contractual robustness for legacy and new contracts</b>	<u>Discuss and publish on:</u> <ul style="list-style-type: none"><li>- Results consultation EONIA legal action plan</li><li>- Final recommendations EONIA legal action plan by end-July</li><li>- Consultation EURIBOR legal action plan</li><li>- Recommendations EURIBOR legal action plan</li></ul>
<b>Subgroup 5 - Cash products &amp; Derivatives</b>	<u>Discuss and publish on:</u> Report and recommendations on EONIA to €STR transition <ul style="list-style-type: none"><li>- Recommendations how to develop an €STR derivatives market</li><li>- Recommendations EURIBOR fallback solutions for cash products &amp; derivatives</li></ul>
<b>Subgroup 6 - Financial accounting &amp; risk management</b>	<u>Discuss and publish on:</u> <ul style="list-style-type: none"><li>- IASB letter on material IFRS accounting issues for IBOR transition, to be sent/published by mid-July</li><li>- Report re financial accounting &amp; risk management impact for EONIA transition and EURIBOR fallbacks</li></ul>

## 2. Communication plan: key aspects

PRELIMINARY

### 1 Key stakeholders for communication plan execution

ECB

European institutions & Other regulators

Associations

Banks (European & international)

Euro RFR WG

### 2 Key topics to be covered by Euro RFR working group

*From October 2019 to December 2021*

- EONIA to €STR transition
- EURIBOR fallback
- Engagement with other jurisdictions?

### 3 Key targets (audience)

- Clients and counterparties
- Investors (debt and equity)
- Third-party vendors
- Clearing houses
- Regulators
- Industry working groups?

# 3. Next steps

## Next steps

1. Define concrete goals, targets and tasks for the SG7
2. Define workstreams and chairs
3. Allocate participants to each substream according to
  - individual expertise
  - diversity of the represented institutions
  - geographical criteria
4. Determine mode of operation, division of labour and governance
5. Roadmap for subgroup and substreams

## Next actions:

- Questionnaire submission Due date: 5 July 2019
- Communication procedure for media requests Due date: 5 July 2019 (first draft)
- Set up roadmap
- Organise in-person meeting