

Location:

Virtual Only.

Date: Monday 9th August 2021**Time:** 2.30pm**Participants****Members**

Peter Gloyne (Chair, Industry SME)
Alan Clarke (Industry SME)
David Newns (Currenex)
Ian Dalziel (INED)
Kyle Jannece (EBS-CME)
Paul Clarke (Refinitiv Matching)

Guests

Brandon Meneguzzi (Refinitiv)
David Clark (RBSL)
Andrei Branko (LSEG)
Louise Duff (Refinitiv, Co Sec)
Tristan Long (Refinitiv)
Shirley Barrow (Refinitiv)
Wendy Trump (Refinitiv)
Ed Kendrick (Refinitiv)
David Clark (RBSL)

Apologies

1. Call to Order and Conflicts of Interest

The Chair called the meeting to order and declared a quorum.

No new Conflicts of Interest were declared.

Brandon Meneguzzi took the opportunity to introduce two guests to the Oversight Committee members; Edward Kendrick, Compliance Officer for Refinitiv, and Andrei Brenko, FTSE Compliance, both of whom welcome the opportunity to attend a hRefinitiv Benchmark Oversight Committee meeting.

a. Review and recommendation to adopt minutes as a true and accurate record

The Chair proposed the adoption of the 'long' version of the minutes from 21st June, and these minutes were duly **APPROVED** by the Committee.

The 'short' form minutes were also reviewed, with a proposal to amend section 4 to 'shared confidentially with authorities' and, subject to that change, the minutes were duly **APPROVED** by the Committee.

2. RBSL Board Update

The WMR Business Manager advised that the new Chair of the RBSL Board had chaired his first meeting at the end of July, and that three further members had recently joined, each on a like for like basis to those who had stepped down, introducing considerable strength and expertise onto the Board.

3. Update on COVID 19 and Response

The WMR Business Manager advised that the focus was now on returning to the office, with a corporate programme driving this, but maintaining a local view. The Scottish government continue to advise to work from home when possible, although restrictions have been relaxed, which suggests that WMR will return to the office in due course.

The plan for returning to the office includes a 'hybrid' approach, with confirmation that this would be role appropriate, with consideration given to the requirements of the business as well as the individual.

4. WMR Spot Rates - Methodology Review

The WMR Business Manager confirmed that the WMR paper was being advanced internally.

Discussion took place around the data analysis that once further analysis is complete, engagement with clients who have volunteered to assist will be progressed.

The Chair noted his thanks to Mr Alan Clarke for his diligence in sharing information from the media around the WMR Methodology.

5. WMR Business Updates

a. Forwards Methodology Changes

- 5.a.1. The WMR Business Manager presented the analysis included in the meeting pack seeking approval to move to a client consultation on the proposed methodology changes, namely the introduction of a calculation window and the use of standard spreads.
 - 5.a.1.1. Confirmation was sought on the requirement to quote on a bid and offer basis, with the WMR Business Manager advising that feedback on this content was that both bid and offer rates are required by the market.
 - 5.a.1.2. It was noted that volatility in tenors shorter than 1 week and longer than 1 year was high and could lead to distortions in the market data being received. Confirmation was sought as to the disclaimers included in WMR contracts, and the WMR Business Manager advised that these were included, but further consideration was prudent as part of this enhancement.
 - 5.a.1.3. The Chair confirmed the suggestion in the analysis that standard spreads will need to be flexible at times of market crisis, with confirmation that this is the intended approach.
 - 5.a.1.4. Approval to move to client consultation was given by the WMR Oversight Committee.

b. Operations Update

- 5.b.1. The WMR Operations Manager provided the Operations updates for June with no further questions on the metrics.

c. Business Update

- 5.c.1. The WMR Business Manager provided the business updates as of June.
 - 5.c.1.1. The WMR Business Manager advised the Q2 Asia Pac user group had been deferred due to holiday commitments within the group and will be combined with the Q3 meeting.
 - 5.c.1.2. In terms of market engagement, the WMR Business Manager confirmed that the Marketing and Comms team were fully briefed and were looking at opportunities with digitalisation.

d. Regulatory Update

- 5.d.1. The Refinitiv Compliance Director provided the Regulatory and Compliance updates.
 - 5.d.1.1. Outsourcing was noted as a particular focus in the coming weeks, with the Outsourcing Framework to be reviewed post LSEG integration and mindful of Cloud migrations.
 - 5.d.1.2. Discussion around the upcoming external audit, with confirmation from the Refinitiv Compliance Manager that the engagement letter with Deloitte was being finalised
 - 5.d.1.3. Confirmation that the internal Operational Resilience review was being brought back into focus post pandemic, noting the FCA engagement through the issuance of an Operational Resilience questionnaire, and also an Information Security questionnaire.

e. Governance Update

- 5.e.1. The WMR Operations Manager provided the governance reports for June.

5.e.1.1. Confirmation was sought on whether a calculation window for Forwards would see an additional number of institutions contributing to those benchmarks, with the WMR Operations Manager noting that as data is presently captured continuously on a 2min snap basis it is not our belief that we are missing contributors, and therefore no increase is expected.

6. Monitoring & Surveillance Reporting

a. The Refinitiv Monitoring & Surveillance team lead presented the Monitoring & Surveillance reports for June.

6.a.1. Alerts from the period were discussed, with confirmation that no further feedback was forthcoming on the recent escalation and this alert was now closed.

6.a.1.1. Confirmation was sought on the escalation process, the WMR Business Manager confirming the stepped approach which at level 5 includes FCA notification.

7. Any other Business.

None brought forward.

Meeting closed 3.40pm