

Sixth meeting of the euro short-term rate (€STR) Oversight Committee

Held on Thursday, 15 July 2021

Summary

€STR quarterly market and methodology reporting

Attendees were given a presentation on the €STR quarterly market and methodology report, covering the first and second quarters of 2021. The report assessed whether the methodology fulfilled its objectives, i.e. first, whether it accurately measured the rate's underlying interest within the defined €STR scope, and second, whether the €STR scope remained relevant for capturing the underlying interest. Data sufficiency, rate accuracy and representativeness were assessed positively, confirming the appropriateness of the methodology for measuring the underlying interest. The rate and its main metrics had remained stable overall in the first and second quarters of 2021. The members took note of the main messages of the report.

EONIA-€STR transition update

Attendees were given a presentation on the progress of the transition from the euro overnight index average (EONIA) to the €STR, with publication of EONIA due to cease in January 2022. Improvements in the liquidity of €STR-based instruments could be observed in this transition process and it could be expected that the pace of transition would further accelerate by the end of 2021. The transition from EONIA to the €STR would continue to be monitored.

The €STR determination process and control framework

Attendees were given a presentation on the operational experience of the €STR determination process since the last meeting of the €STR Oversight Committee on 19 March 2021. It was indicated that procedures were working correctly overall.

The quarterly transparency on errors table covering the first quarter of 2021 had been published on 3 May and had included four errors related to late submissions and errors by reporting agents.

On the publication of compounded €STR rates, which had started on 15 April 2021, attendees were informed that the procedures were working correctly.

Finally, the framework for imposing sanctions for non-compliance with the ECB's statistical reporting requirements was recalled. It was clarified that the framework was primarily anchored in Council

Regulation (EC) No 2533/98, which defined non-compliance cases and the maximum size of fines pertaining to all ECB statistical collections.

Other matters

With reference to the established complaints mechanism, as provided for in Article 11 of the €STR Guideline, members were informed that, to date, no complaints had been received.

Participants

- Members of the €STR Oversight Committee
- Representatives from the Deutsche Bundesbank, the Banco de España, the Banque de France and the Banca d'Italia
- ECB officials from the Directorates General Market Operations, Secretariat and Statistics