

Minutes of the Meeting of the Working Group on Sterling Risk-Free Reference Rates
Thursday 4 May 2017
Barclays Offices – 5 North Colonnade

Obligations under competition law

1 The Chair reminded all members of the Group of their responsibilities in relation to compliance with competition law and the importance of taking their own independent competition law advice.

Review of RFR vote result

2 Since the previous meeting, by written procedure, members had agreed to recommend SONIA as the RFR for sterling markets. The Chair shared the aggregated voting results with the Group: twelve members had voted in favour of SONIA as their preferred RFR, with the remaining four preferring £SONET. The vote in favour of SONIA therefore exceeded the two-thirds super majority required by the Group's Terms of Reference.

3 Of the four whose preference was £SONET, three were willing to support the majority view in favour of SONIA. SONIA therefore received near unanimous support as the sterling RFR. The Chair thanked Group members for their engagement and constructive debate in reaching this milestone.

Next steps for the Group

4 The next steps for the Group would be to: consult on its recommendation and potential adoption strategies; solicit additional feedback from stakeholders by hosting a roundtable; and review the composition and structure of the Group, reflecting the changing nature of the work towards a focus on adoption.

5 The Group's recommendation, together with proposed steps toward an adoption plan, would be subject to a broad market consultation to be held in the middle of 2017, launched by the publication of a white paper.

6 In order to support engagement with a broad cross-section of stakeholders, the Group agreed that part of the consultation process should include a roundtable event, hosted by the Bank of England. The aims of the roundtable would be to:

- Raise awareness of the benchmark reform agenda with a broad set of stakeholders;
- Articulate the rationale for the Group's recommendation and provide an opportunity for constructive feedback; and
- Communicate SONIA adoption objectives and elicit input on potential adoption strategies.

7 Some members noted that they had received queries from clients following the announcement of the preferred sterling RFR, highlighting the importance of clear communications and provision of channels for end-users to participate.

8 Looking further ahead, the Chair proposed an expansion of the representation on the Working Group to reflect the changing nature of the work. Given that implementation of the RFR as an alternative to sterling Libor would depend on market-led adoption, members agreed that the structure and composition

of the Group could better reflect this. The Group discussed how ongoing participation from a wider set of stakeholders could be achieved. A more detailed proposal would be developed for the Group's consideration.

Private sector attendees

Nick Sagers	BAML
Francois Jourdain	Barclays (Chair)
Farah Mansoor	Barclays (Chair's office)
Andreas Giannopoulos	Barclays (Chair's office)
Mike Manna	Barclays
Adrian Averre	BNP Paribas
Stephen Randall	Citigroup
Alain Verdickt	Citigroup
Arif Merali	Credit Suisse
John Hilty	Deutsche Bank
Michael Graham	Goldman Sachs
Glenn Handley	HSBC
Kari Hallgrimsson	JP Morgan
Steve Bullock	Lloyds
Freddie Napier	Morgan Stanley
Mike Curtis	Nomura
Toby Stevenson	RBS
Mark Thommason	RBS
Paul Barnes	Santander
Stephane Cuny	Société Générale
Phil Whitehurst	LCH Ltd (Observer)
Rick Sandilands	ISDA (Observer)

Official sector attendees

Tim Taylor	Bank of England
Will Parry	Bank of England
Ed Ocampo	Bank of England
Rob Harris	Bank of England
Renée Horrell	Bank of England
Sakshi Gupta	Bank of England
David Geen	Bank of England
Harriet Hunnabell	Financial Conduct Authority
Devid Mazzonetto	Financial Conduct Authority
Heather Pilley	Financial Conduct Authority