



Minutes

SONIA Advisory Committee

11 December 2017

Location: Bank of England

Members: Sarah John (Chair)
Alex McDonald
David Clark
Philip Chilvers
Ian Mair
Will Parry
Rob Thurlow
Philip Whitehurst

Attendees: Paul Burton
Steve Wright

Apologies: Brad Jeffery
Peter Weston

Minute no.	Minute	Action
1.	Minutes of 18 September meeting The Committee agreed the minutes of the previous meeting. WMBA confirmed that the statement of compliance with the IOSCO principles had been published on their website.	N/A
2.	Review of the SONIA Dashboard The Committee reviewed the SONIA Dashboard covering the period of September to November 2017. SONIA had behaved in line with expectations throughout the period. The month end behaviours were in line with previous month ends. It was noted that daily trading volumes had remained at heightened levels, with the daily average volumes being greater than £16bn throughout the quarter. The MPC raised Bank Rate by 0.25% to 0.5% on 2 November. SONIA reflected the Bank Rate change and behaved as anticipated. The published SONIA rate for 2 November was slightly lower due to morning trades prior to the announcement.	N/A
3.	Reformed SONIA Go Live Announcement The Bank attendees updated the Committee on the plans for the reformed SONIA, effective from 23 April 2018. As outlined in the SONIA Key features and policies document, The SONIA Oversight Committee reviews and provides challenge on all aspects of the	N/A

benchmark determination process and provides scrutiny of the administration of SONIA. Adverts had been placed to recruit two external members to this Committee, who will bring an independent perspective.

Supporting the SONIA Oversight Committee will be the SONIA Stakeholders Advisory Group, a group of relevant SONIA stakeholders selected on the basis of their expertise and relevant market knowledge. The SONIA Stakeholders Advisory Group will be chaired by one of the external members of the SONIA Oversight Committee. It is likely that the first meeting of the SONIA Stakeholders Advisory Group will be in September 2018.

The group will provide market views on whether the relevant market continues, and is expected to continue, to function sufficiently well and have sufficient volumes to form the basis for a robust and credible benchmark, and also whether the methodology continues to appropriately measure the underlying interest.

The Bank attendees also asked for views from the Committee on how to ensure a smooth transition to reformed SONIA. In particular how to promote awareness that no SONIA rate will be published on Monday 23 April 2018; the rate for 23 April will be published at 9am on Tuesday 24 April 2018.

The Committee agreed on the importance of getting front, middle and back offices on board with the changes. Firms' current focus was on MiFID II implementation, therefore it would be sensible to reinforce the message after January. The wires services should be engaged to help promote the reformed SONIA go live on their forthcoming changes bulletins, and trade associations can be used to publicise the change. SONIA licensees have had communication from the Bank so should have a good level of awareness of the change.

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| 4. | Other business
The final meeting of the SONIA Advisory Committee will be held on 7 March 2018. | N/A |
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