

MINUTES OF THE 7th MEETING OF THE EUREPO STEERING COMMITTEE
- Conference Call, 13 September 2005 -

1. WELCOME

In the absence of Mr G. RAVOET, it was suggested and agreed that Mr T. van de WERVE (Secretariat) would chair the meeting.

A list of participants is attached.

2. ADOPTION OF THE MINUTES OF THE PREVIOUS MEETING

The Secretariat received no written comments on the minutes of the previous meeting (Secretariat letter 0272 of 25 April 2005).

The Committee adopted the said minutes.

3. MATTERS ARISING FROM THE PREVIOUS MINUTES

None.

4. REVIEW OF EUREPO PANEL

The Committee reviewed the composition of the panel of reference banks. It was satisfied therewith and had no specific comments.

5. COMPLIANCE OF PANEL BANKS WITH THEIR OBLIGATIONS

The Committee was satisfied with the compliance of panel banks with their obligation to provide their data on a daily basis.

6. DEFINITION OF EUREPO / RIGHT OF SUBSTITUTION

The Committee felt that reviewing the definition of EUREPO was premature.

7. ACCEPTANCE, USE AND LEVEL OF EUREPO

The Committee noted that EUREPO was still mainly used for internal purposes (mark-to-market) and had yet to be used for external transactions. The abundant liquidity in the market and the low volatility of the Euribor/Eurepo spread could explain why this was so. The Committee was confident however this would not last for ever as market conditions would, sooner or later, change. Also it was anticipated that the new capital adequacy framework would have a positive impact on the use of secured products such as repos and would boost the use of independent fixings, such as EUREPO, for marking to market transactions,

The Committee was of the opinion that EUREPO was quoted at the right level although, on occasions, the 9 & 12 months might be higher than expected due to that end of the market not being very liquid.

Mr A. MASCIOVECCHIO felt that adding a third decimal would make EUREPO more accurate and reliable. Others concurred. Mr. G. DE VIDTS proposed to raise this issue at the next ERC meeting and report back to the Committee. This was agreed.

As far as the EUREPO visibility was concerned, it was agreed that the Secretariat would advertise ERC's annual Repo seminar on the Eurepo website and that reference would be made to EUREPO at the said seminar.

8. OVERNIGHT MARKET

The members thought that the time was not yet ripe for creating an overnight repo rate given the existing technical hurdles and the resulting absence of an overnight repo market at European level.

9. ANY OTHER BUSINESS

Telerate

Following Telerate's takeover by Reuters, the Committee thought that panel banks should be allowed to contribute their data via their Reuters terminal. The Secretariat was tasked with discussing that possibility with Reuters. Asked whether the Secretariat could play a role in the data collection process, Mr T. van de WERVE replied that this was unlikely to be accepted by the Executive Committee.

10. DATE AND PLACE OF NEXT MEETING

The Committee decided that the next meeting would be held in March 2006 in Paris, on the same day as Euroclear's planned Triparty Conference. The Secretariat was asked to confirm the meeting date as soon as possible.

7TH MEETING OF THE EUREPO STEERING COMMITTEE

- Conference Call, 13 September 2005, 11:00 a.m. CET -

LIST OF PARTICIPANTS

Members

Mr DE VIDTS , Godfried	Fortis Bank
Mr EVENEPOEL , Johan	Dexia Bank
Mr MASCIOVECCHIO , Andrea	Banca IntesaBci
Mr van de WERVE , Tanguy	FBE (representing G. RAVOET)
Mrs ZAMFIRESKO , Fabienne	Calyon

FBE Secretariat

Ms MARQUES DOS SANTOS, Gaëlle