

# WORKING GROUP ON SHORT-TERM REFERENCE RATE

## 4. MEETING - MINUTES

September 2 2021, 13:00 – 15:00 CET

### 1. Welcome

Welcome by Danmarks Nationalbank where it was reiterated that information that could be regarded as competitively sensitive, should not be disclosed or exchanged during the meeting.

### 2. Brief update on DESTR by Danmarks Nationalbank

Danmarks Nationalbank stated that data for pre-DESTR will now be updated weekly on the website (link) following the daily reporting from the banks. Further, data has been collected covering the period from May and onwards.

The first publication of DESTR fixing has previously been communicated to be Q1 2022, which was reiterated at the meeting. Depending on the transition approach, the timing of the first publication will be adjusted to accommodate the best possible transition.

### 3. Presentation of final draft by Workstream 2 on the adoption of DESTR and transition from T/N fixing to DESTR

Workstream 2 (WS2) made a thorough presentation of the conclusions and consultation questions from WS2 regarding the transition from T/N fixing to DESTR.

The initial thoughts from WS2 on the transition from the Tom/Next rate to DESTR from the last meeting was reconfirmed. The conclusions from WS2 was that the preferable transition for the Danish market would be similar to the approach used in the EONIA to €STR transition.

However, WS2 also presented differences between the euro market and the Danish market, especially the Danish mortgage bond market. In the opinion of WS2 it implies a rather long transition period of up to 4 years to accommodate the needs in the Danish mortgage bond market.

#### **4. Next meeting and next steps**

The next meeting will be held September 28 2021, where the final recommendation and consultation paper will be presented. If agreement is reached on the meeting, the consultation will be sent out in public to shortly thereafter.