

# WORKING GROUP ON SHORT-TERM REFERENCE RATE

## 5. MEETING - MINUTES

28 September 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. Presentation of final recommendation by Workstream 2 on the adoption of DESTR and transition from T/N fixing to DESTR

As presented at the meeting 2 September 2021 by Workstream 2 (WS2) the preferable transition for the Danish krone market is a transition similar to the EONIA/€STR transition.

The Working Group unanimously supported the conclusions from WS2. The final report and consultation on the transition is published 4 October 2021 on Danmarks Nationalbank's [website](#).

The Working Group proposes the following transition away from Tom/Next to DESTR: Once DESTR is launched on 1 April 2022 at the latest, the Tom/Next will be recalibrated to DESTR plus a spread adjustment. The spread should be based on the historical daily differences between DESTR and Tom/Next observed from 19 March 2021 until a date prior to the launch of DESTR. The specific end date for the observation period will be decided by Danish Financial Benchmark Facility, the administrator of Tom/Next. No trimming should apply for the spread calculation.

Once DESTR is launched and Tom/Next has been recalibrated, a transition period will follow in which market participants should start trading DESTR related instruments instead of Tom/Next. It is the Working Group's recommendation that the transition period ends on 1 January 2026, where the recalibrated Tom/Next will hence cease to exist.

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

The Working Group will consider all comments received by 3 November 2021. An anonymised summary of the comments and the final recommendation from the Working Group will be published shortly thereafter.