



The European
Money Markets
Institute



Terms of Reference of the STEP Market Committee

November 2023

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1. Introduction

As part of the STEP institutional framework, The European Money Markets Institute (EMMI) and the ACI Financial Markets Association (ACI FMA) have adopted those Terms of Reference in order to ensure the transparency and the efficiency of the work of the STEP Market Committee (“the Committee”) and the STEP Secretariat.

The Terms of Reference sets out the rules on the composition and functions of the Committee and the appointment of its members.

2. The STEP Market Committee

2.1. Purpose

EMMI and ACI FMA have set up the STEP Market Committee to implement the STEP initiative.

The STEP Market Committee shall monitor market developments.

The STEP Market Committee shall establish and review the standards on which the STEP label is based. The Committee may amend the provisions of the STEP Market Convention in accordance with the Article 7 of the STEP Market Convention.

The STEP Market Committee shall provide guidance on the appropriate and consistent interpretation of the STEP Market Convention’s provisions.

2.2. Composition

The STEP Market Committee shall consist of 12 voting members.

The Chief Executive Officer (CEO) of EMMI shall be a member ex-officio and Chairperson of the STEP Market Committee. The Chairperson shall have the right to designate alternate chairperson in case of unavailability.

Six voting members, including the CEO of EMMI, shall be appointed by EMMI and six voting members shall be appointed by ACI FMA.

2.3. Mandate and revocations rules

The CEO of EMMI shall be a permanent voting member of the STEP Market Committee under the EMMI quota.

The other voting members of the STEP Market Committee shall have a mandate of three years. This mandate is renewable.

If a member of the Committee leaves office before the expiry of a three-year term, a new member shall be nominated by the appropriate Association in order to complete the ongoing three-year mandate.

A member who does not attend more than three consecutive meetings shall be replaced.

2.4. Selection criteria for STEP Market Committee members

The voting members of the STEP Market Committee shall be persons of recognised standing and professional experience in the functioning of the European markets for short-term securities.

All voting members of the STEP Market Committee shall declare their adherence to the principles set out in the Terms of Reference (see Annex 1 - Declaration of Adherence to the Terms of Reference of the STEP Market Committee).

2.5. Representative character of the STEP Market Committee

The composition of the STEP Market Committee shall ensure a fair representative of the major markets.

The Chairperson of the STEP Market Committee shall also ensure that the Committee is adequately representative in terms of the diversity of the members' roles in the market.

2.6. Independence

All the voting members of the STEP Market Committee shall be independent and shall not seek or take instructions from public bodies, companies or from any other body.

2.7. Voting rules

Each voting member of the STEP Market Committee shall have one vote. Decisions of the Committee shall be taken by a simple majority of the votes of the members present at meetings. If there is a tied vote, the Chairperson shall have the casting vote.

Changes to the Convention shall be approved by at least seven votes of the members present at the meeting.

Any member of the STEP Market Committee who is prevented from attending the Committee meeting may give a written proxy to another member before the meeting. Each member of the STEP Market Committee shall not have more than two proxies.

2.8. Observers

When appropriate, the Chairperson of the STEP Market Committee may invite observers to attend the meetings of the Committee and contribute to its working. Observers do not have voting rights.

A representative of the ECB and of the Banque de France shall be invited to participate in the STEP Market Committee as observers.

2.9. Procedural rules

The STEP Market Committee shall meet at least three times a year. Meetings can take place physically or via video conference.

The STEP Market Committee may adopt its own internal procedural rules. In the event of a conflict or inconsistency between these Terms of Reference and internal procedure of the Committee, the Terms of Reference shall prevail.

3. STEP Secretariat

The STEP Secretariat is responsible for granting, withholding or withdrawing the STEP label at its own discretion in accordance with the criteria and requirements laid down in the STEP Market Convention.

The STEP Secretariat shall make available the electronic format of the STEP-labelled programmes' information memoranda and related information on the STEP website, administer the STEP Market website, provide certain data to the ECB and the eligible data providers to produce STEP statistics and provide secretarial and administrative assistance to the STEP Market Committee.

The STEP Secretariat is composed of persons meeting high standards of integrity and these persons are not subject to instructions from the issuers or any other parties.

The STEP Secretariat shall be under the supervision of EMMI's CEO.

4. Review of the Terms of Reference

The CEO of EMMI, the President of ACI FMA or any voting member of the STEP Market Committee may propose to the STEP Market Committee an amendment to these Terms of Reference.

Proposed amendments shall be approved by at least seven votes. Once these amendments are approved by the STEP Market Committee, each party will adopt the proposed amendments according to its own procedures.

The Terms of Reference shall be reviewed every two years by the STEP Secretariat.

Annex 1

Declaration of Adherence to the Terms of Reference of the STEP Market Committee

I, _____, the undersigned, Member of the STEP Market Committee, confirm that:

- have read, understood and agree to comply with the Terms of Reference of the STEP Market Committee.
- am appointed to the STEP Market Committee on a personal basis, and am not subject to instructions from the company /organisation with which I am affiliated.
- am personally responsible to recuse from relevant decision making and/or advice functions in the event a conflict of interest situation might arise.

Name and position:

Date:

Signature: