



Legal consequences of introducing a Transaction-based Euribor

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INTRODUCTION. INITIATIVES AND CURRENT SITUATION

- Principles for financial benchmarks
 - ESMA-EBA Principles for Benchmark-Setting Processes in the EU
 - IOSCO Principles for Financial Benchmarks
- Enhancement of the governance of the the Euribor
- Situation of the Panel of contributors to the Euribor
- EU Draft Regulation of Benchmarks and Indices
- UK reponse
 - The Wheatley Review of LIBOR
 - New regulation

EURIBOR. TOWARDS A NEW INDEX

➤ Feasibility of a new index based on real transactions

- Data collection exercises
- Conclusions

➤ Options

- Enhancement of the current Euribor
- New index based on transactions
 - Introduction of the new index
 - Big bang
 - Transitional period. Coexistence of Euribor with new index

➤ Introduction of the new index

Wide range of operations

- Derivatives, Capital Markets, home loans, etc

Risks

- Financial instability
- High-scale litigation

➤ Continuity of contracts

- **Regulatory response**
 - EU level
 - National level
- **No regulatory response**
 - Contractual provisions (fall- back provisions, substitutes for Euribor)
 - Involvement of interested parties, sponsors etc
 - Court decisions

MATTERS FOR DISCUSSION

 **LEGAL ISSUES**

 **FOLLOW-UP WORK**

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