



Update on Euribor

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FSB Report, “Reforming Major Interest Rate Benchmarks” (July 2014) recommendations:

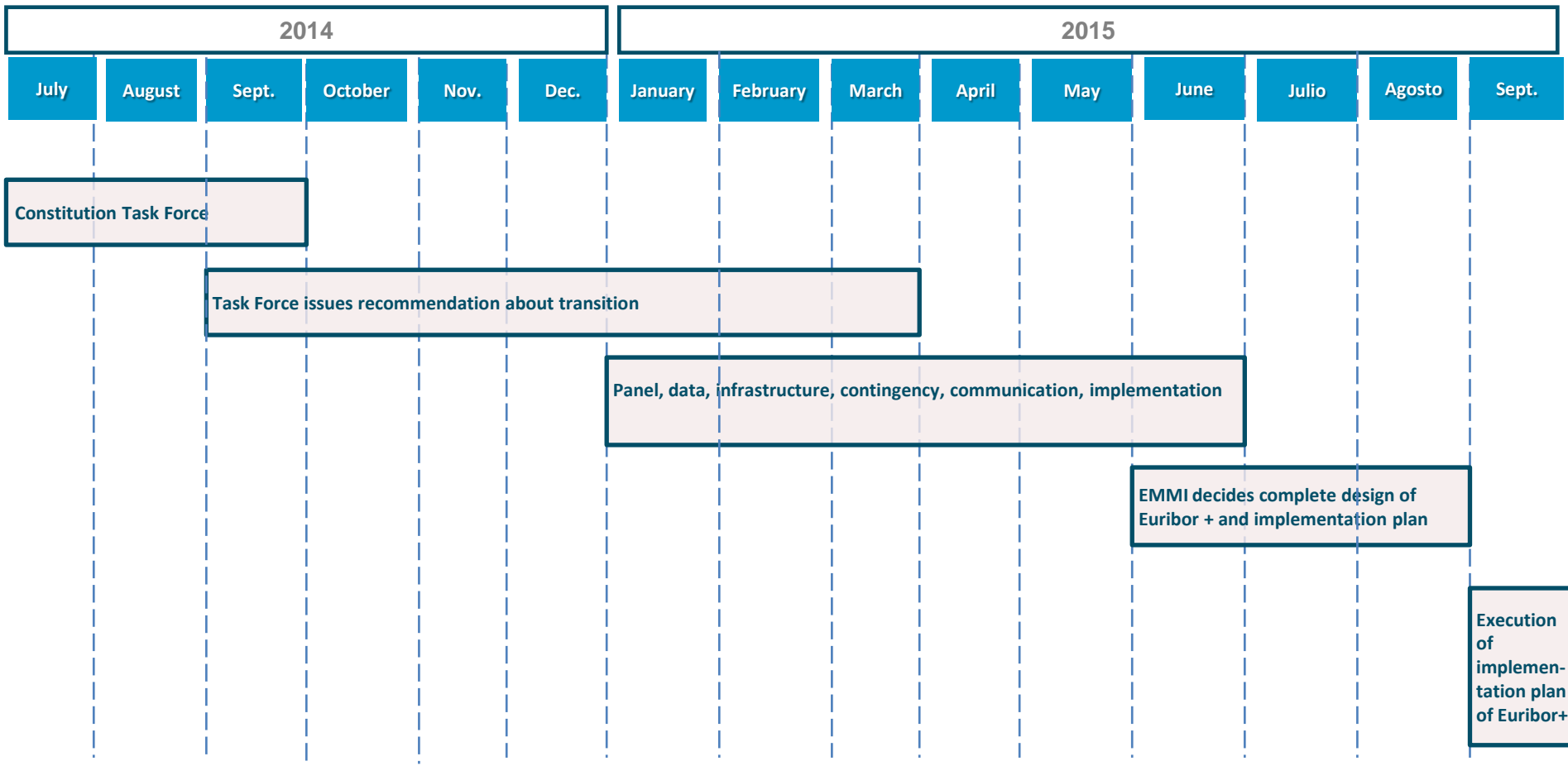
- **Strengthening existing IBORs based on unsecured bank funding costs by underpinning them to the greatest extent possible with transaction data**
- **Developing alternative, nearly risk free rates, for certain financial transactions, including derivatives**

Review of the standards and principles for sound benchmarks, including an assesment of the major interest rate benchmarks against the IOSCO principles for financial benchmarks:

- **All (three) relevant administrators (Euribor, Libor and Tibor) have made significant progress in implementing the majority of the Principles (most of the governance related Principles)**
- **However further progress is needed in ensuring that the Prirnciples on benchmark design, data sufficiency and transparency of benchmark determinations are implemented (Principles 7, 9, 13 y 18)**
- **Next revision: July 2015**

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Illustrative roadmap for the implementation of EURIBOR+



June 2014. Euribor-EBF becomes EMMI (European Monetary Market Institute):

- **New administrator of Euribor and other indices**

July 2014. New calculation agent:

- **GRSS (Global Rate Set Systems), takes over the calculation of Euribor from Reuter**

Panel Banks:

- **Composed of 25 Banks, all of them have provided EMMI with their Declarations of Adherence to the Euribor Code of Conduct**

Further work:

- **“The Euribor definition should be adjusted for more clarity. In particular the term “prime bank” needs a clear definition. The term “interbank transactions” also needs to be clarified and if needed to be broadened and adjusted” (EBA-ESMA Recommendation 4, 20 feb 2014)**

Gathering the end-user community

Aim at:

- Presenting to End-users a proposed methodology for a transaction-based euro unsecured money market benchmark.
- Participants had the opportunity to review the design of the new benchmark and
- to provide input on features to promote the acceptance and use of the benchmark in the general marketplace

EFMLG letter (25.9.14) on the legal consequences of the introduction of a new index replacing the Euribor to the Commission, Council and Parliament, was copied before the meeting to the European Money Markets Institute (EMMI)

Participants:

- BEUC (Bureau Européenne des Unions de Consommateurs)
- Deutsche Börse AG
- EFAMA (European Fund & Asset Management Association)
- EMF (European Mortgage Federation)
- EUSIPA (European Structured Investment Products Association)
- FESE (Federation of European Securities Exchange)
- ISDA (International Swaps & Derivatives Association)

- EIB (European Investment Bank)
- EC (European Commission-DG ECFIN y DG MARKT)
- EBA (European Banking Authority)
- ESMA (European Securities & Markets Authority)
- ECB (European Central Bank)
- Several representatives of working groups (Euribor+Task force)
- Several representatives of Euribor Steering Committee
- EMMI (European Money Markets Institute)



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