Legal consequences of introducing a Transaction-based Euribor

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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 response
- The Wheatley Review of LIBOR
- New regulation
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