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Eonia Code of Conduct

Introduction

The reference rate is referred to as Eonia® (Euro OverNight Index Average).

Eonia® is computed as a weighted average of all overnight unsecured lending transactions in the interbank market, undertaken in the European Union and European Free Trade Association (EFTA) countries by the Panel Banks. It is reported on an act/360 day count convention and is displayed to three decimal places.

The Eonia® Code of Conduct was drawn up by the European Banking Federation (EBF), the Financial Markets Association (ACI), the European Savings Banks Group and the European Association of Cooperative Banks. It was approved by the European banking industry on 15 December 1997.

The Code of Conduct stipulates the rules that apply to Eonia® and to the Panel Banks. It ensures transparent and efficient management of the panel of banks.

A Steering Committee, composed of nine recognized market practitioners and the Chief Executive of the EBF, oversees the compliance with the Code of Conduct and monitors market developments.

Code of Conduct

Article 1 NUMBER OF PANEL BANKS

The panel of reporting banks will be the same as for Euribor® ("Euro Interbank Offered Rate").

Article 2 OBLIGATIONS OF PANEL BANKS

1. Panel banks must report via the screen service provider retained for Euribor® to the European System of Central banks:

- the aggregate volume of all overnight unsecured lending transactions undertaken by panel banks in the European Union and European Free Trade Association (EFTA) countries during the business day (i.e. before the closing of RTGS systems) in the interbank market without exceptions, i.e. all

transactions in the interbank market shall be reported irrespective of the credit quality or location of the counterpart;

- the weighted average lending rate applied.

Should a panel bank not have any transaction falling under the EONIA definition, it should contribute a “0” volume using the regular reporting system.**2.** Panel banks must report on a daily basis (except on Saturdays, Sundays and Target holidays) and no later than 6.30 p.m. Frankfurt time. The amount of lending transactions shall be reported by panel banks as the rounded amount to the nearest 1 000 000 euro, and the individual average interest rates shall be reported with three (3) decimals.

3. Panel banks must make the necessary organisational arrangements to ensure that the reporting referred to in Article 2 (1) is possible on a permanent basis without interruption due to human or technical failure.

4. Panel banks must take all other measures which may be reasonably required by the Steering Committee, as referred to in the Code of Conduct for Euribor®, or the screen service provider in the future to establish Eonia®.

5. Panel banks must subject themselves unconditionally to this Code and its Annexes, in their present or future form.

Article 3 Euribor® - CODE OF CONDUCT

All the Articles, except Article 4 "Obligations of panel banks", of the Euribor® Code of Conduct shall apply mutatis mutandis to the Eonia® panel banks.



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Introduction

The Euribor® Code of Conduct was drawn up by the European Banking Federation (EBF), the Financial Markets Association (ACI), the European Savings Banks Group and the European Association of Cooperative Banks. It was approved by the European banking industry on 15 December 1997.

The Code of Conduct stipulates the rules that apply to Euribor® and to the Panel Banks. It ensures transparent and efficient management of the panel of banks.

A Steering Committee, composed of nine recognized market practitioners and the Chief Executive of the EBF, oversees the compliance with the Code of Conduct and monitors market developments.



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Euribor® - CODE OF CONDUCT

(hereafter "the Code")

PREFACE

The Euro Interbank Offered Rate - "Euribor®" - is the money market reference rate for the euro. This Code lays down the rules applicable to Euribor® and the banks which quote for the calculation of Euribor®.

Euribor® is the rate at which euro interbank term deposits are being offered within the EMU zone by one prime bank to another at 11.00 a.m. Brussels time ("the best price between the best banks"). It is quoted for spot value (two Target days) and on actual / 360 day basis.

ARTICLE 1 CRITERIA TO QUALIFY FOR AND STAY ON THE Euribor® PANEL

1. Banks can qualify for the panel (hereafter "panel banks") if they are active players in the euro money markets in the euro-zone or worldwide and if they are able to handle good volumes in euro-interest rate related instruments, especially in the money market, even in turbulent market conditions. When considering an application, only consolidated figures are accepted; moreover, internal operations within non-consolidated networks will be excluded if market conditions are not applied to such operations.

2. More specifically, the following items will be considered:

On-balance sheet interbank items:

Assets

- Loans up to one year
- Money market paper (e.g. Certificate of Deposits and Commercial Paper)
- Reverse repurchase agreements

Liabilities

- Deposits up to one year
- Money market paper (e.g. Certificate of Deposits and Commercial Paper)
- Repurchase agreements

and, to a lesser extent, the following:

Off-balance sheet items

- Derivatives referring to a Euribor® underlying denominated in the currencies of countries participating in EMU (OTC and exchange traded)
- Foreign exchange swaps (one leg in EMU-countries' currencies)

3. Panel banks must be banks of first class credit standing, high ethical standards and enjoying an excellent reputation.

4. Banks wishing to apply for a seat on the panel must disclose all relevant information on the items considered for the selection. As a matter of convenience, the applicants could turn in the quarterly figures notified to the national central banks/ European Central Bank.

5. The information mentioned above will be treated by the Steering Committee, as defined in Article 7, on a strictly confidential basis.

ARTICLE 2: NUMBER OF PANEL BANKS

The number of panel banks must be both high enough to reflect faithfully the geographic diversity of the still segmented money market in the euro zone and low enough to ensure an efficient manageable panel.

Rules to apply to the international banks from non-EU countries and the banks from EU countries which do not participate in EMU from the outset are attached and form an integral part of this Code (Annex 1).

Banks belonging to the same group are invited to provide one consolidated set of data. Intra-group transactions (e.g. branches and subsidiaries) shall not be included in the contribution of such group. The Steering Committee will control the list of banks submitted by the national banking communities in order to ensure the strict application of this rule. An exception to this rule is only possible if otherwise a country would not be adequately represented on the panel.

ARTICLE 3: REVIEW OF THE PANEL

The list of the panel banks is periodically reviewed by

- the Steering Committee to ensure that the selected panel always truly reflects money market activities within the euro zone in accordance with the criteria laid down in Article 1. At this time,
- consideration will also be given to the geographic diversity of the origins of panel banks and to a supportive attitude towards Euribor®.

ARTICLE 4: OBLIGATIONS OF PANEL BANKS

1. Panel banks must quote the required euro rates:

- to the best of their knowledge, these rates being defined as the rates at which euro interbank term deposits are being offered within the EMU zone by one prime bank to another at 11.00 a.m. Brussels time ("the best price between the best banks")
- for the complete range of maturities as indicated by the Steering Committee
- on time as indicated by the screen service provider
- daily except on Saturdays, Sundays and Target holidays
- accurately with two digits behind the comma

2. Panel banks must commit themselves to transmit to the European System of Central Banks all the necessary figures to establish an effective overnight euro rate, and in particular their aggregate loan volume and the weighted average interest rate applied.

3. Panel banks must make the necessary organisational arrangements to ensure that delivery of the rates is possible on a permanent basis without interruption due to human or technical failure.

4. Panel banks must take all other measures which may be reasonably required by the Steering Committee or the screen service provider in the future to establish Euribor®.

5. Panel banks must subject themselves unconditionally to this Code and its Annexes, in their present or future form.

6. Panel banks must promote as much as possible Euribor® (e.g. use Euribor® as reference rate as much as possible) and refrain from any activity damageable to Euribor®.

ARTICLE 5: STEERING COMMITTEE

Euribor® EBF and Euribor® ACI, two international associations under Belgian law, have created a Steering Committee as referred to in this Code.

The Steering Committee will consist of 10 members, 7 from the Euribor® EBF side, 3 from the Euribor® ACI side. The members must be experienced market practitioners, i.e. people who are directly involved in market operations (money markets, FX markets, interest rate derivatives) or who bear direct responsibility in their bank for it. The Chief Executive of the European Banking Federation will be a permanent member of the Steering Committee under the Euribor® EBF quota. The other members have a mandate of 2 years. This mandate is renewable. All the members must be independent and not subject to instructions from the companies or organisations to which they belong.

The members of the Steering Committee shall be directly appointed and revoked by the General Assemblies of Euribor® EBF and Euribor® ACI under the rules laid down in their respective Articles of Association. Each association appoints and revokes the members of its side independently. In case a member is revoked, or stops being a member for any other reason before the expiry of his mandate, he or she may be replaced by another member from the same association.

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

Each member has one vote. Decisions in the Steering Committee will be taken by a simple majority of the votes of the members present at meetings. In case of a tie vote, the Chief Executive of the European Banking Federation has a casting vote. A decision to exclude a bank from the panel or admit a new bank to the panel must be taken by a qualified majority of seven votes.

ARTICLE 6: TASKS AND RIGHTS OF THE STEERING COMMITTEE

The Steering Committee may at any time request panel banks to demonstrate and prove that their relevant market activities (see Article 1) still qualify them for a seat on the panel.

The Steering Committee also reviews, in accordance with Article 3, new applications for a seat on the panel and may decide to suspend or remove a bank from the panel if the criteria laid down in Article 1 are no longer met.

The Steering Committee also periodically reviews whether, in the light of market development, a reduction of or an increase in the number of panel banks is warranted.

The Steering Committee will also control whether the panel banks fulfill their obligations under this Code (see article 4 of this Code of Conduct: Obligations of panel banks).

ARTICLE 7: SANCTIONS

The Steering Committee may take the following sanctions if panel banks do not comply with the obligations under this Code:

- issuance of a warning to remedy the situation quickly;
- if such warning is ignored, suspension or exclusion of a panel bank from the panel.

ARTICLE 8: PROCEDURAL RULES

Before the Steering Committee takes a decision, it gives the parties concerned the opportunity to expose their opinion. If the Steering Committee decides to remove a bank from the panel, it will provide a written explanation for such decision to the bank concerned.

ARTICLE 9: AMENDMENTS

Euribor® EBF and Euribor® ACI can decide jointly to amend this Code, whenever such a request is brought before them by at least one half of the members of the Steering Committee.

Amendments to this Code are not subject to the approval of the panel banks. Panel banks are, of course, free to leave the panel if they do not wish to abide by the amended Code.

Annex 1

This Annex, dated 15th of December 1997, lays down the rules applicable to the international banks of third countries which participate in the panel, as well as the banks from the EU countries that do not participate in EMU from the outset.

The current composition of the panel of reporting banks is available on the Panel Banks page of this Website.

RULES TO APPLY TO THE INTERNATIONAL BANKS FROM NON-EU COUNTRIES AND THE BANKS FROM EU COUNTRIES WHICH DO NOT PARTICIPATE IN EMU FROM THE OUTSET (HEREAFTER "THE INTERNATIONAL BANKS")

1. NUMBER OF INTERNATIONAL BANKS

If certain EU countries do not participate in EMU from the outset, the number of international banks may be increased.. The definitive decision on the number of international banks to be invited by the Steering Committee (as referred to in Article 5 of the Code of Conduct) to join the panel will depend on the number of EU countries not participating in EMU from the outset.

If an EU country does not participate in EMU from the outset, banks with their head office in those countries may be part of the group of international banks, but rotation shall not be possible.

2. CHOICE

The international banks will be chosen amongst banks on the basis of their market activity, together with the banks of the euro zone. The international banks from non-EU countries will be approached, and chosen, directly by the Steering Committee.

Banks from EU countries not participating in EMU from the outset will be approached, and chosen, by their respective national banking associations with the approval of the Steering Committee.

Applicant banks with their head office in EU countries not participating in EMU from the outset will be required to qualify, and their market activities will be compared to this end to the market activity of the other applicant banks from EU countries not participating in EMU from the outset, prior to a decision being taken on which banks are to be accepted.

3. CRITERIA TO QUALIFY FOR THE Euribor® PANEL

The international banks must be able to handle good volumes in euro-interest related instruments, especially in the money market, even in turbulent market conditions. They also must have at least one establishment (branch or subsidiary) in one country of the euro zone.

Basically, the Steering Committee will consider interbank transactions in euro worldwide. When considering an application, only consolidated figures are accepted; moreover, internal operations within non-consolidated networks will be excluded if market conditions are not applied to such operations.

More specifically, the following items will be considered:

On-balance sheet interbank items:

Assets

Loans up to one year

Money market paper (e.g. Certificate of Deposits and Commercial Paper)

Reverse repurchase agreements

Liabilities

Deposits up to one year

Money market paper (e.g. Certificate of Deposits and Commercial Paper)

Repurchase agreements

and, to a lesser extent, the following:

Off-balance sheet items:

Derivatives referring to a Euribor® underlying denominated in the currencies of countries participating in EMU (OTC and exchange-traded)

Foreign exchange swaps (one leg in EMU-countries' currencies)

The international banks must be banks of first class credit standing, high ethical standards and enjoying an excellent reputation



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4. OBLIGATIONS OF THE REFERENCE BANKS

The international banks will subject themselves unconditionally to the Code of Conduct; especially, they shall fulfill the obligations as stipulated in the Code of Conduct for panel banks.

5. EXCLUSION FROM THE GROUP OF INTERNATIONAL BANKS AND PROCEDURAL RULES

In the light of the development of activities in the euro money markets, the Steering Committee will review regularly the list of international banks. Before the Steering Committee takes a decision, it gives the parties concerned the opportunity to expose their opinion. If the Steering Committee decides to remove a bank from the panel, it will provide a written explanation for such decision to the bank concerned.