

## EMMI LAUNCHES A PUBLIC CONSULTATION ON METHODOLOGY FOR EONIA

**Brussels, 20 March 2019** – Today, the European Money Markets Institute (EMMI) announced [a public consultation](#) on the change in the methodology of the Euro OverNight Index Average (EONIA), as [recommended](#) by the Working Group on euro risk-free rates. By conducting this consultation, EMMI intends to raise awareness of the implications of the suggested changes, and ensure a timely preparation for the upcoming changes by EONIA’s users.

The Working Group on euro risk-free rates was established to identify and recommend a risk-free rate that could serve as an alternative to EONIA. The Working Group has recommended [the euro short-term rate \(€STR\)](#) as the alternative euro risk-free rate and published a [report](#) exploring different transition scenarios from EONIA to the €STR.

Given the systemic importance of EONIA—classified as a critical benchmark under the EU BMR—for the financial markets, EMMI would like to consult the public on the following [recommendations](#), endorsed by the Working Group during its meeting on 14 March 2019:

- Implementation of the recalibrated methodology for EONIA, whereby EONIA will be defined as the €STR plus a spread;
- The continued publication of EONIA under the current methodology until the €STR starts being published;
- Projected implementation date of EONIA’s recalibrated methodology on 2 October 2019;
- Transition of the market away from EONIA to the €STR following the discontinuation of EONIA on 3 January 2022.



Due to the dependencies between the recalibration of EONIA's methodology and the ECB's production plans for the €STR, which stem from the recommendations of the Working Group, the market and other users of EONIA will have to adapt to a move in the publication time of EONIA from day T to day T+1 in a short timeframe. As a result, EMMI is seeking feedback on the following measures:

- Preparation and implementation of changes in IT or valuation systems prior to the first publication of EONIA under the recalibrated methodology on 2 October 2019;
- Proposed publication time at or shortly after 11:00 a.m. CET on day T+1 for EONIA under the recalibrated methodology.

The consultation period closes on **Monday, 15 April 2019 at 5:00 p.m. CET.**

EMMI will evaluate all responses and prepare an anonymised feedback summary. This summary will be published on EMMI's website on Friday, 31 May 2019. Final details on the implementation plan will also be announced on that date.

This consultation will not have any impact on the ongoing EURIBOR [reform](#).

*Note for the editor:*

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The European Money Markets Institute – EMMI is an international non-profit making association based in Brussels (56, Ave des Arts, 1000 Brussels). It manages European financial benchmarks such as EURIBOR®/EONIA® along with the Short Term European Paper (STEP) transparency initiative.