



European Money Markets Institute

## REVISIONS TO THE EURIBOR CODE OF CONDUCT EFFECTIVE AS OF 1 JUNE 2016

### Steering Committee: Article A.1.

Former Code of Conduct text	Proposed change
<b>Article A.1.2</b>	
	<p><i>The Steering Committee is an independent committee composed of a balanced representation of stakeholders, including end-users and contributors that exercises an independent oversight of all aspects, including the governance and methodological aspects, of the provision of the Euribor benchmark.</i></p> <p><b>Clarification of the terminology Steering Committee in alignment with the oversight function as established in the EU Benchmarks Regulation.</b></p>
<b>Article A.1.3</b>	
The EMMI General Assembly shall be responsible for approving membership nominations to the Euribor Steering Committee.	<p>The EMMI General Assembly shall be responsible for approving nominations <b><i>of the Members, including the Chairman,</i></b> to the Euribor Steering Committee.</p> <p><b>Clarification of appointment rules for Members of the Steering Committee, including the Chairman.</b></p>
<b>Article A.1.4</b>	
The Secretary General of EMMI is the permanent Member and Chairman of the Steering Committee. All other members of the Euribor Steering Committee are appointed to a two year mandate, which can be renewed only once.	<p><b><i>The Chairman and all other members of the Euribor Steering Committee are appointed to a three year mandate, which can be renewed only once.</i></b></p> <p><b>The reference in the Code that established that the Chairman of the Steering Committee should be the EMMI Secretary General has been removed. Reviewed to establish an end term for Chairman's mandate.</b></p>

**Article A.1.6**

The meetings of the Steering Committees are called by the Chairman, ~~on average every two months~~, and are attended in person or by electronic means (e.g. teleconference and/or video conference).

The ~~Secretary General~~ may decide to appoint one or more persons to serve the Steering Committee as a guest on an *ad hoc* basis or observer to provide their expertise and technical input on specific topics.

The meetings of the Steering Committees are called by the Chairman, ***at least on a quarterly basis***, and are attended in person or by electronic means (e.g. teleconference and/or video conference).

***The Chairman*** may decide to appoint one or more persons to serve the Steering Committee as a guest on an *ad hoc* basis or observer to provide their expertise and technical input on specific topics. These representatives shall not have voting capacities.

***Frequency of meetings aligned with EU Benchmarks Regulation.***

**The reference in the Code that established that the Chairman of the Steering Committee should be the EMMI Secretary General has been removed.**



## Tasks and rights of the Steering Committee: Article A.2

Former Code of Conduct text	Proposed change
<b>Article A.2.2.2.</b>	
<p>i. To design and monitor the benchmarks' definition and methodology and make recommendations to EMMI General Assembly;</p> <p>ii. To define what constitutes a "material change" of the Euribor benchmark, ensure that stakeholder consultation procedures concerning material changes of the Euribor benchmark are performed in accordance with the EMMI Benchmarks Consultation Policy, and to approve and monitor and oversee the implementation of proposed changes.</p> <p>iii. To adopt, review and update the contribution process of Euribor;</p> <p>iv. To adopt, review and update the control framework for the process of determining and publishing Euribor;</p> <p>v. To ensure that the Euribor setting process remains transparent;</p> <p>vi. <del>To review the reports on back testing of the quoted rates;</del></p>	<p>i. To design and <b>review</b> the benchmarks' definition and methodology <b>at least annually</b> and make recommendations to EMMI General Assembly;</p> <p>ii. To define what constitutes a "material change" of the Euribor benchmark, ensure that stakeholder consultation procedures concerning material changes of the Euribor benchmark are performed in accordance with the EMMI Benchmarks Consultation Policy, and to approve, monitor and oversee the implementation of proposed changes.</p> <p>iii. To adopt, review and update the contribution process of Euribor;</p> <p>iv. To adopt, review and update EMMI's control framework for the process of determining and publishing Euribor, <b>including the Code of Conduct and Code of Obligations for Panel Banks;</b></p> <p>v. <b>To oversee all third parties involved in the benchmark provision, including the Calculation Agent;</b></p> <p>vi. To ensure that the Euribor setting process remains transparent;</p> <p>vii. <b>To review and recommend fallback procedures and contingency arrangements in the event that the Euribor benchmark cannot be published, as well as any procedures for the cessation of the benchmark including a consultation as per the EMMI Benchmarks Consultation Policy;</b></p> <p>viii. <b>To monitor the input data and contributors and the EMMI's actions in challenging or validating contributions (previously vi)</b></p>

	<p>ix. <i>To report to the relevant competent authority any misconduct by contributors, or administrators, of which the Steering Committee becomes aware, and any anomalous or suspicious data;</i></p> <p>Tasks and rights of Steering Committee Members have been reviewed in alignment with the Oversight Function’s requirements in the EU Benchmarks Regulation.</p>
<p><b>Article A.2.2.4.</b></p>	
<p>i. To address complaints following the procedure mentioned in Article A.4;</p> <p>ii. To enforce this Code of Conduct by adopting the necessary measures and sanctions available.</p> <p>iii. <del>To oversee any remedial actions, which are related to the Euribor benchmark governance and design, the integrity of the Euribor benchmark determination and/or the Euribor control framework, developed in response to any key findings or recommendations identified in the Administrator’s internal or external reviews.</del></p>	<p>i. To address complaints following the procedure mentioned in Article A.4;</p> <p>ii. To enforce this Code of Conduct by adopting the necessary measures and sanctions available <i>in respect to any breaches of this Code of Conduct.</i></p> <p>iii. <i>To assess EMMI’s internal and external audits, and monitor the implementation of recommendations or remedial actions related to the</i> Euribor benchmark governance and design, the integrity of the Euribor benchmark determination and/or the Euribor control framework, identified in those reviews.</p>

**Control Framework: Article A.3**

Former Code of Conduct text	Proposed change
<p><b>Article A.3.1</b></p>	
<p>The Steering Committee shall adopt the control framework for the process of determining and publishing Euribor with the objective of ensuring its compliance to ensure the integrity and quality determination of the benchmark...</p>	<p>The Steering Committee shall adopt the control framework for the process of determining and publishing Euribor with the objective of ensuring its <b>compliance with regulatory standards</b> in ensuring the integrity and quality determination of the benchmark...</p> <p><b>Reviewed to clarify that EMMI’s control framework shall be in line with the EU Benchmarks Regulation, IOSCO Principles for Financial Benchmarks and any other regulatory recommendations.</b></p>



**Conflict of Interest Policy: Article A.4**

Former Code of Conduct text	Proposed change
<b>Article A.4.2</b>	
<p>The policy shall contain measures for the identification, <del>avoidance</del> or management, of conflicts of interest and their disclosure and monitoring, as appropriate.</p>	<p>The policy shall contain measures for the <b>prevention</b>, identification, and management, of conflicts of interest <b>situations</b> and their disclosure and monitoring, as appropriate.</p> <p><b>Wording revised according to the Conflict of Interest Policy and Procedure approved by the Euribor Steering Committee and by the EMMI General Assembly</b></p>
<b>Article A.4.3</b>	
<p>The Policy shall identify potential conflicts of interest to which the Steering Committee, the panel banks and the calculation agent may be a party, including those:</p> <ul style="list-style-type: none"> <li>a. Within the Steering Committee;</li> <li>b. Between the Steering Committee and panel banks;</li> <li>c. Between the panel banks and the Calculating Agent.</li> </ul>	<p>The Policy shall <b>establish procedures</b> to identify potential conflicts of interest <b>situations</b> to which the Steering Committee, the panel banks and the calculation agent may be a party, including those:</p> <ul style="list-style-type: none"> <li>a. Within the Steering Committee;</li> <li>b. Between the Steering Committee and panel banks;</li> <li>c. Between the panel banks and the calculating agent.</li> </ul> <p><b>Revised according to the Conflict of Interest Policy and Procedure approved by the Euribor Steering Committee and by the EMMI General Assembly</b></p>

**Article A.4.5**

The Steering Committee shall liaise with the Conflicts of Interest Oversight Committee (CIOC)<sup>5</sup> established by EMMI Board that is responsible for identifying and managing conflicts of interests at EMMI level (including those within EMMI, between the Steering Committee and EMMI, and between the calculation agent and EMMI) to ensure ~~overall coherence in the Conflicts of Interest Policies.~~

The Steering Committee shall liaise with the Conflicts of Interest Oversight Committee (CIOC) established by EMMI Board that is responsible for identifying and managing conflicts of interests at EMMI level (including those within EMMI, between the Steering Committee and EMMI, and between the calculation agent and EMMI) to ensure **the implementation** of the Conflict of Interest Policy.

**Revised according to the Conflict of Interest Policy and Procedure approved by the Euribor Steering Committee and by the EMMI General Assembly. This Policy integrates the Euribor Conflict of Interest Policy and the EMMI Conflict of Interest Policy that were previously approved.**

**Record keeping policy: Article A.7**

Former Code of Conduct text	Proposed change
<b>Article A.7.5</b>	
	<p><i>Records must be retained in such a manner that complies with relevant confidentiality requirements.</i></p> <p><b>Included to be aligned with the Record Keeping policy and procedures for EMMI Benchmarks</b></p>
<b>Article A.7.6 (previously art A.7.4)</b>	
<p>Physical and electronic records <del>should be retained for a minimum</del> period of five years. Voice communication records should be retained for a minimum period of <del>two</del> years.</p>	<p>Physical and electronic records shall be kept for at least five years. <b>Records of telephone conversation or electronic communications shall be kept for a period of three years.</b></p> <p><b>Voice record keeping requirement reviewed in accordance with EU Benchmarks Regulation. Wording updated accordingly.</b></p>

**Article A.7.7 (previously art A.7.5)**

Records to be retained by EMMI as Administrator include:

- a. Minutes of all governance meetings, including those of the Euribor Steering Committee and Oversight Panel;
- b. Communications between EMMI and the Calculation Agent and/or Panel Banks;
- c. Data submitted by Panel Banks, including records of non-submittal;
- d. A register of the designated individuals authorized by Panel Banks to submit quote data or to approve such submissions;
- e. A register of the individuals authorized by the Calculation Agent to oversee and/or operate the daily submission and calculation processes at the Calculation Agent;
- f. Descriptions of determination methodology, including records of changes;
- g. Periodic and special review reports of Euribor benchmark quality;
- h. Periodic and special audit reports, including those required under this Code, of the conduct of Euribor benchmark activities at the Calculation Agent and Panel Banks.

Records to be retained by EMMI as Administrator include:

- a. All input data including its use; *(previously letter c)*
- b. The methodology used for the determination of the benchmark; *(previously letter f)*
- c. Any exercise of expert judgement or discretion by EMMI in the benchmark determination, including the reasoning for the judgement or discretion;**
- d. The disregard of any input data, in particular where it conformed to the requirements of the benchmark methodology, and the rationale for such disregard;**
- e. Other changes in or deviations from standard procedures and methodologies, including those made during periods of market stress or disruption;**
- f. The identities of the submitters and of the natural persons employed by EMMI for determining Euribor; *(previously letter d and e)*
- g. All documents relating to any complaint and whistleblowing, including those submitted by the complainant as well as EMMI's records;**
- h. Telephone conversations or electronic communications between EMMI and the Calculation Agent and/or Panel Banks; *(previously letter b)*
- i. Minutes of all governance meetings, including those of the Euribor Steering Committee; *(previously letter a)*
- j. Any queries and responses relating to data inputs;**
- k. Periodic and special review reports of Euribor benchmark quality, including those reports provided to EMMI by the Calculation Agent; *(previously letter h)*
- l. Periodic and special audit reports, including those required under this Code, of the conduct of Euribor benchmark activities at the

	<p>Calculation Agent and Panel Banks. <i>(previously letter g)</i></p> <p><b>Record-keeping requirements have been reviewed according to the EU Regulation on Benchmarks and IOSCO Principles on Financial Benchmarks.</b></p>
<p><b>Article A.7.8 (previously art A.7.6)</b></p>	
<p>The record-keeping obligations of the Calculation Agent shall be detailed in a Service Level Agreement between the Agent and EMMI. Records to be retained include:</p> <ul style="list-style-type: none"> <li>a. Communications between the Calculation Agent and EMMI, the Publishing Agent and Panel Banks;</li> <li>b. A register of the designated individuals authorized by Panel Banks to submit quote data or to approve such submissions;</li> <li>c. A register of the individuals authorized by the Calculation Agent to oversee and/or operate the daily submission and calculation processes at the Calculation Agent, including those who are permitted to enter submitting data on behalf of Panel Banks if staff at the Banks are unable to do so;</li> <li>d. Records of all data used in the daily determination of Euribor, including data submitted by Panel Banks and records of non-submittal;</li> <li>e. Records of individuals who input or approve each daily submission, at the Panels Banks and/or at the Calculation Agent.</li> </ul>	<p>The record-keeping obligations of the Calculation Agent shall be detailed in a Service Level Agreement between the Agent and EMMI. Records to be retained include:</p> <ul style="list-style-type: none"> <li>a. Communications between the Calculation Agent and EMMI, <b><i>the Information Vendors</i></b> and Panel Banks;</li> <li>b. A register of the designated individuals authorized by Panel Banks to submit quote data or to approve such submissions, <b><i>which is provided to the Calculation Agent by EMMI;</i></b></li> <li>c. A register of the individuals authorized by the Calculation Agent to oversee and/or operate the daily submission and calculation processes at the Calculation Agent, including those who are permitted to enter submitting data on behalf of Panel Banks if staff at the Banks are unable to do so;</li> <li>d. Records of all data used in the daily determination of Euribor, including data submitted by Panel Banks and records of non-submittal;</li> <li>e. Records of individuals who input or approve each daily submission, at the Panels Banks and/or at the Calculation Agent;</li> <li><b><i>f. Any intervention to the daily determination of the Euribor benchmark including (not limited to) contribution “on behalf”, the disregard of any input data and the rationale for such disregard and other changes in or deviations from standard procedures (e.g. activation of BCP/DRP);</i></b></li> </ul>



	<p><i>g. All documents relating to any complaint and whistleblowing alerts;</i></p> <p><i>h. Any reports to be provided to EMMI by the Calculation Agent, including daily and monthly reports on the quality of the Euribor rate-setting process;</i></p> <p><i>i. All documents, including policies, procedures, protocols and operational guides, providing guidelines and/or describing Calculation Agent activities.</i></p> <p>Revision of Calculation Agent’s record-keeping obligations to ensure EMMI’s oversight of third parties as per the EU Benchmarks Regulation.</p>
<p><b>Article A.7.9</b></p>	
	<p><i>The records to be retained by the Calculation Agent are subject to the same retention duration as EMMI.</i></p> <p>Revision of Calculation Agent’s record-keeping obligations to ensure EMMI’s oversight of third parties as per the EU Benchmarks Regulation.</p>
<p><b>Article A.7.11</b></p>	
	<p><i>These record-keeping principles are aligned with the Record Keeping Policy and Procedures for EMMI Benchmarks.</i></p> <p>Included to ensure alignment with the Record Keeping policy and procedures for EMMI Benchmarks.</p>

**Obligations of Panel Banks: article B.2**

Former Code of Conduct text	Proposed change
<p><b>Article B.2.5</b></p>	
<p>Panel Banks should confirm compliance with the COPB to EMMI, as part of their annual acknowledgement of compliance with the overall Euribor Code of Conduct.</p>	<p>Panel Banks should adhere to the Code <i>on a continuous basis</i>, confirm compliance with the COPB to EMMI as part of their annual acknowledgement of compliance with the overall Euribor Code of Conduct, <i>and in case of changes in it.</i></p>



	Reviewed to ensure alignment with EU Benchmarks Regulation.
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**Responsibilities of the Calculation Agent: Article C.1**

Former Code of Conduct text	Proposed change
<b>Article C.1.4.h</b>	
	<p><i>The Calculation Agent shall cooperate with the relevant competent authority in connection with the outsourced activities, and the administrator and the relevant competent authority shall have effective access to data related to the outsourced activities, as well as to the business premises of the Calculation Agent, and the relevant competent authority shall be able to exercise those rights of access.</i></p> <p>Reviewed to ensure alignment with EU Benchmarks Regulation.</p>

**Publication of Euribor: Article C.3**

Former Code of Conduct text	Proposed change
<b>Article A.3.2</b>	
<p>At the same time, the underlying Panel Bank rates will be published on a series of composite pages which will display all the rates by maturity.</p>	<p>The underlying Panel Bank rates <i>for each tenor will also be made available to all subscribers and authorized data vendors.</i></p> <p>Reviewed in accordance with the Euribor Intraday Re-fixing Policy</p>
<b>Article A.3.4</b>	
<p>The Steering Committee will define the circumstances under which Euribor® may be refixed. Refixing will only take place under exceptional circumstances such as when a systemic error in the calculation has been detected. The Steering Committee shall determine the processes and general parameters, including time limitations, by which a refixing shall be undertaken.</p>	<p><i>The Steering Committee has adopted the Euribor Intraday Re-fixing Policy that defines the circumstances under which Euribor® may be refixed.</i></p> <p>Reviewed in accordance with the Euribor Intraday Re-fixing Policy</p>