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EURIBOR PRE-LIVE VERIFICATION PROGRAM OUTCOME

EMMI has concluded the data analysis conducted in the context of the Euribor Pre-Live Verification Program to determine the feasibility of a seamless transition to a transaction-based Euribor. The Program has provided EMMI with a clear understanding of the market underpinning Euribor, which shows a change in the market activity as a result of the current regulatory requirements and a negative rate interest environment.

During the Pre-Live Verification Program EMMI collected transactional data of 31 banks from 12 different countries for a six-month period running from September 2016 to February 2017.

EMMI's analysis has concluded that under the current market conditions it will not be feasible to evolve the current Euribor methodology to a fully transaction-based methodology following a seamless transition path. These findings have been corroborated by analyses carried out by the Belgian Financial Services and Markets Authority (FSMA).

“EMMI has already implemented a robust governance framework for the Euribor benchmark. We remain committed to reform the benchmark methodology to anchor Euribor in real transaction market data to the extent possible, in line with the EU Benchmarks Regulation. Over the next months we will focus on developing a hybrid methodology, capable of adapting to the prevailing market conditions, and hence fit-for-purpose at all times”, said Guido RAVOET, Secretary General of EMMI.

Euribor, which is a critical benchmark of systemic importance for financial stability will be continued as a quote-based benchmark while the development of the hybrid methodology is ongoing.

“We view our reform efforts as an inclusive process where we will continue consulting with public authorities, panel banks and all market participants to ensure support for the methodological reforms”, reiterated RAVOET.

More information available in our [Report](#) and [FAQ](#).

Note for the editor:

The European Money Markets Institute – EMMI (previously known as Euribor-EBF) is an international non-profit making association under Belgian law founded in 1999 with the launch of the Euro and based in Brussels (56, Ave des Arts, 1000 Brussels). Its members are national banking associations in the Member States of the European Union. It manages European interbank benchmarks such as Euribor®/Eonia® along with the Short Term European Paper (STEP) transparency initiative. Contact: a.fernandez@emmi-benchmarks.eu