

Brussels, 26 November 2014

Progress on Euribor+: An Enhanced Benchmark for the Euromarkets

As announced previously, EMMI is working on the development of a Euribor+, an enhanced version of the Euribor reference interest rate benchmark supported by transaction data. EMMI is currently defining the methodology and specifications for the benchmark. In doing so, it is aligning the design of Euribor+ with the recommendations set out in the Financial Stability Board's Report on Reforming Major Interest Rate Benchmarks¹ published on 22 July 2014.

With the aim to assess a transaction based methodology for Euribor+, a broad data sample has been collected and analysed with the support of the European Central Bank, spanning over 50 banks and more than one year of transaction data.

In June 2014 EMMI presented the preliminary Euribor+ methodology to the banking community. The response was largely supportive of this initiative recognising that it would facilitate compliance and reduce operational risks particularly for panel banks

In October 2014, the project was also presented to representatives from end-user associations². Guido Ravoet, Secretary General of EMMI and Chair of the October workshop said: "*End-users as well as the banking community understand the regulatory context and the expected benefits of a Euribor+ supported by transactions. We must of course work to address the concerns with respect to ensuring contractual continuity during a transition period*".

"EMMI registers a broad desire among banking community and end-users alike for a legal act or supervisory guidance to facilitate and support the transition while acknowledging the role of the industry to implement the change", added Guido Ravoet.

EMMI and the Euribor+ Task Force expect to finalise the index design proposal in the coming months taking the feedback from the recent stakeholder workshops into consideration. A broad consultation process on the proposed Euribor+ methodology and transition issues will be scheduled shortly.

In parallel, EMMI is assembling a Transition Task Force to develop a full transition plan and to provide expertise and advice on all transition related topics. EMMI is following the indicative timeline outlined in the FSB report for a launch early 2016.

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 which are involved in the Eurozone. It manages European interbank benchmarks such as Euribor®/Eonia®/Eurepo®, along with the Short Term European Paper (STEP) transparency initiative.

¹ FSB Report on Reforming Major Interest Rate Benchmarks

http://www.financialstabilityboard.org/wp-content/uploads/r_140722.pdf?page_moved=1

² The list of participants in the 4th stakeholders workshop is available at

<http://www.emmi-benchmarks.eu/emmi/euribor-european-end-user-workshop.html>