



10 rue Montoyer

B- 1000 Brussels

T. +32 (0)2 508 37 11 – F. +32 (0)2 511 23 28

[info@euribor-ebf.eu](mailto:info@euribor-ebf.eu) - [www.euribor-ebf.eu](http://www.euribor-ebf.eu)

## USD Euribor® Code of Conduct

[Introduction](#)

[Code of Conduct](#)

[Preface](#)

[Article 1: Criteria to qualify for and stay on the Euribor® panel](#)

[Article 2: Number of Panel Banks](#)

[Article 3: Review of the panel](#)

[Article 4: Obligations of Panel Banks](#)

[Article 5: Steering Committee](#)

[Article 6: Tasks and Rights of the Steering Committee](#)

[Article 7: Sanctions](#)

[Article 8: Procedural Rules](#)

[Article 9: Amendments](#)

[Annex 1](#)



## **Introduction**

The USD 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.

The Code of Conduct stipulates the rules that apply to USD 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.

## **USD Euribor® - CODE OF CONDUCT**

(hereafter "the Code")

## **PREFACE**

The USD Interbank Offered Rate - "USD Euribor®" - is the new money market reference rate for the international USD market.

This Code lays down the rules applicable to USD Euribor® and to the panel banks which will quote for the establishment and calculation of USD Euribor®.

USD Euribor® is the rate at which USD interbank term deposits are being offered by one panel bank to another panel bank at 11.00 a.m. Brussels time. All maturities, other than overnight, are quoted for spot value (two US Working days) and on actual / 360 day basis.

## **ARTICLE 1 CRITERIA TO QUALIFY FOR AND REMAIN ON THE USD Euribor® PANEL**

1. Banks can qualify for the panel (hereafter "panel banks") if they are active players in the International USD money markets and if they are capable of dealing in considerable volumes in USD-interest rate related instruments, even in volatile market conditions. When considering an application, only consolidated figures from a defined Banking Group are accepted; moreover, internal operations within non-consolidated networks will be excluded if open market transactions 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 USD Euribor®
- Foreign exchange swaps (one leg in USD)

3. Panel banks must be banks of good credit standing in the market, high ethical standards and an excellent market reputation.

4. Banks wishing to apply for a seat on the panel must disclose all relevant information on the items considered as part of the selection process. If convenient, the applicants can return the quarterly data notified to their national central banks/or to the European Central Bank.

5. The information outlined above will be treated by the Steering Committee, on a strictly confidential basis, (as defined in Article 6).

## **ARTICLE 2: NUMBER OF PANEL BANKS**

The number of panel banks will be sufficiently large to ensure it reflects the diversity of the international USD money market banking activity.

Banks belonging to the same group are invited to provide one consolidated set of financial 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. In the event that a geographic jurisdiction (country) visibly active in USD money markets is under represented on the panel, an exception to this rule may be considered by the Steering Committee.

### **ARTICLE 3: REVIEW OF THE PANEL**

After the initial start-up phase of a year, it will be practice for the Steering Committee to periodically review the list of the panel banks to ensure that the selected panel continues to adequately reflect International USD money market activities in accordance with the criteria laid down in Article 1.

### **ARTICLE 4: OBLIGATIONS OF PANEL BANKS**

1. Panel banks must quote the required USD euro rates:

- to the best of their knowledge, these rates being defined as the rates at which USD interbank term deposits are being offered internationally by one panel bank to another panel bank at 11.00 a.m. Brussels time
- for the complete range of maturities as indicated by the Steering Committee (overnight to 12 months)
- punctually as indicated by the screen service provider daily
- according to the USD Euribor contribution days (the calendar of USD Euribor contributions days is available in Annex 1)
- accurately to two decimal places.

2. Panel banks are obliged to make the necessary organisational and procedural arrangements to ensure that consistent and timely electronic delivery of the rates is possible without interruption due to human or technical failure .

3. Panel banks are obliged to take all other reasonable measures which may be requested by the Steering Committee or the screen service provider to establish and maintain the USD Euribor®.

4. Panel banks must adhere unconditionally to this Code and its Annexes, in their present or future forms.



5. Panel banks must promote and support as appropriate for an index contributor and representative USD Euribor® (e.g. use USD Euribor® as reference rate as much as possible) and refrain from any activity detrimental to USD Euribor®.

## **ARTICLE 5: STEERING COMMITTEE**

The USD Euribor Steering Committee will operate under the auspices of the Euro Euribor Steering Committee. The rules applying to the members of the Steering Committee are set up under article 7 of the Euribor Code of Conduct.

A Task Force composed of selected Members of the Euribor Steering Committee will prepare recommendations relating to the USD Euribor® to the said Steering Committee.

## **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 will also periodically review 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 assess 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 explain their position. Thereafter, if the Steering Committee decides to remove a bank from the panel, it will provide a written explanation for such decision to the panel 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 50% 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: USD Euribor® Fixing Calendar

In addition to Saturdays and Sundays, the USD Euribor® fixing will not be quoted on the following days:

### For all Maturities:

- New Year's Day
- Christmas Day

### For overnight only (US Bank holidays):

- Martin Luther King's Day
- President's Day
- Memorial Day
- Independence Day
- Labor Day
- Columbus Day
- Veterans' Day
- Thanksgiving Day

### Special contribution rules for Good Friday, Easter Monday, 1 May and 26 December:

On the above-mentioned dates, panel banks will be allowed to post their rates set up the day before, according to the following process:

- panel banks shall inform Thomson Reuters *via* e-mail on day-1 whether they wish to post their rates set up the day before.
- panel banks can send specific contributions *via* the system on d-day. They shall be reachable in case of need by Thomson Reuters.
- if a panel bank has not sent specific contributions by 10.30 CET, the previous contributions shall be automatically replicated.
- the number of banks allowed to post their rates set up the day before on these specific dates shall not be limited.