

LIBOR®

BENCHMARK STATEMENT

Date of initial publication: 14 May 2018

Last update: 02 April 2024

1 **Introduction**

ICE Benchmark Administration Limited (IBA) is the Benchmark Administrator for the LIBOR benchmark (LIBOR).

This Benchmark Statement is published by IBA in compliance with Article 27 of the United Kingdom Benchmarks Regulation (BMR) and the associated Binding Technical Standards (BTS), as modified in accordance with the UK Financial Conduct Authority's (FCA) BMR Annex 4 modifications in relation to "synthetic" LIBOR.

Please see [IBA's LIBOR website](#) for information and background regarding LIBOR cessation and the exercise by the FCA of its powers under the BMR to compel the publication of "synthetic" LIBOR.

Please also read [IBA's benchmark and other information notice and disclaimer](#).

Please ensure you take legal and financial advice in all relevant jurisdictions to ensure you understand and are prepared for the impact of the cessation or unrepresentativeness of any LIBOR settings on you and your counterparties and to ensure you understand the implications of the FCA's powers and its exercise of those powers under the BMR.

2 USD Synthetic LIBOR: BMR/BTS Requirements and IBA Responses

| BMR / BTS # | BMR / BTS requirement | IBA's Response |
|---|---|--|
| BMR Article 27 - Benchmark statement | | |
| BMR Art 27(1)(a) | The benchmark statement shall: (a) clearly and unambiguously define the market or economic reality measured by the benchmark immediately before it became an Article 23A benchmark. | <p><i>Economic reality:</i></p> <p>The methodology applicable to the 1-, 3-, and 6-Months USD LIBOR settings immediately before their designation as Article 23A benchmarks was designed to produce an average rate that was representative of the rates at which large, leading internationally active banks with access to the wholesale, unsecured funding market could fund themselves in such market in the relevant currency for the relevant tenors.</p> <p>The FCA designated the 1-, 3-, and 6-Months USD LIBOR settings as Article 23A benchmarks from 1 July 2023. The FCA used its powers under the BMR to compel IBA to publish these settings using a changed, "synthetic" methodology. Each "synthetic" LIBOR setting is no longer representative of the underlying market or economic reality measured by that LIBOR setting immediately prior to its designation as an Article 23A benchmark.</p> |
| BMR Art 27(1)(c) | The benchmark statement shall: (c) provide notice of the possibility that factors, including external factors beyond the control of the administrator, may necessitate changes to, or the cessation of, the benchmark. | <p>IBA has no unilateral power to make changes to the way any "synthetic" LIBOR settings are determined. The FCA has the power to require IBA to make certain changes to the way in which the 1-, 3- and 6-Months "synthetic" USD LIBOR settings are determined. IBA would expect to notify the market of any such changes as soon as reasonably practicable after IBA has itself been notified by the FCA of such changes. The FCA can also make changes to how those settings can be used by supervised entities.</p> <p>The FCA has stated that it intends to continue to compel IBA to publish the 1-, 3-, and 6-Months "synthetic" USD LIBOR settings until 30 September 2024, after which date the relevant settings would cease.</p> <p>All other LIBOR settings have ceased to be published.</p> |
| BMR Art 27(1)(d) | The benchmark statement shall: (d) advise users that changes to, or the cessation of, the benchmark may have an impact upon the financial contracts and financial instruments that reference the benchmark or the | <p>Changes to the way the "synthetic" 1-, 3- and 6-Months USD LIBOR settings are determined, or to how they can be used by supervised entities, or their cessation, may have an impact on the financial contracts or financial instruments that reference such benchmarks or on the measurement of the performance of investment funds.</p> |

| BMR / BTS # | BMR / BTS requirement | IBA's Response |
|------------------|---|--|
| | measurement of the performance of investment funds. | |
| BMR Art 27(2)(a) | A benchmark statement shall contain at least: (a) the definitions for all key terms relating to the benchmark. | Key terms are defined in this Benchmark Statement. |
| BMR Art 27(2)(c) | A benchmark statement shall contain at least: (c) the criteria and procedures used to determine the benchmark, including a description of the input data and the minimum data needed to determine a benchmark. | The FCA requires IBA to determine 1-, 3- and 6-Months "synthetic" USD LIBOR in accordance with its Article 23D notice using the relevant CME Term SOFR Reference Rate ¹ provided by CME; plus the relevant ISDA fixed spread adjustment ² (that is published for the purpose of ISDA's IBOR Fallbacks Supplement and Protocol) for these LIBOR settings. |
| BMR Art 27(2)(f) | A benchmark statement shall contain at least: (f) the procedures for dealing with errors in input data or in the determination of the benchmark, | IBA has a " Synthetic LIBOR Error Policy " which sets out the circumstances under which IBA would restate the relevant LIBOR setting: <ul style="list-style-type: none"> If IBA is notified on the day of publication of a republication of the relevant term rate which is an input into a "synthetic" LIBOR |

¹ (j) CME Group Inc. directly or through one or more affiliates (collectively, "CME") licenses ICE Benchmark Administration Limited to use various information ("CME Information") in connection with the calculation of Synthetic USD LIBOR based upon in part such CME Information; (ii) the use of Synthetic USD LIBOR is subject to legal and regulatory guidance and restrictions in various jurisdictions, and must not be used in breach of any applicable laws and regulations; (iii) to the maximum extent allowable by law, CME shall have no liability for any damages, claims, losses or expenses caused by any errors or delays in calculating or disseminating the CME Information; (iv) CME does not guarantee the accuracy and/or completeness of the CME Information; (v) CME makes no warranty, express or implied, as to the results to be obtained by any person or any entity from the use of the CME Information or any Synthetic USD LIBOR data; (vi) CME makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the CME Information; (vii) without limiting any of (i) through (vi) above, in no event shall CME have any liability for any special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages; and (viii) CME shall have the benefit of third party rights in respect of this disclaimer including the ability to assert and enforce the provisions of this disclaimer directly.

² BLOOMBERG is a trademark and service mark of Bloomberg Finance L.P. ("BFLP"). ISDA is a trademark and service mark of the International Swaps and Derivatives Association, Inc. ("ISDA"). Bloomberg Index Services Limited ("Licensor" and, collectively with BFLP and their affiliates, "Bloomberg") maintains and calculates the 'fallback' data comprising the 'all in' IBOR Fallback Rates and their component parts, the adjusted 'risk-free' reference rates and the spread adjustment (collectively with any other data or information relating thereto or contained therein, the "Fallback Data") under an engagement between Licensor and ISDA. Neither Bloomberg nor ISDA guarantees the timeliness, accurateness, completeness of, or fitness for a particular purpose with respect to, the Fallback Data and each shall have no liability in connection with the Fallback Data. Without limiting the foregoing, neither Bloomberg nor ISDA makes any representations regarding whether the Fallback Data would be appropriate for derivative or non-derivative financial instruments, including derivatives transacted outside of standard ISDA documentation and related protocols. Market participants are encouraged to consider and analyze the details of the Fallback Data and determine independently whether they would be appropriate for any such use.

| BMR / BTS # | BMR / BTS requirement | IBA's Response |
|--|--|---|
| | including when a redetermination of the benchmark is required. | <p>setting, then IBA will recalculate and republish the "synthetic" LIBOR setting; and</p> <ul style="list-style-type: none"> If IBA identifies an error in its determination of a "synthetic" LIBOR setting by 15.00 London time on the day of the error, then IBA will consider recalculation and republication, but will not recalculate or republish if the correction would not result in a change to the published setting. Any republication under this paragraph will be no later than 16:00 London time on the same day. <p>IBA would make an announcement on the day of the error if a recalculation or republication were under consideration, stating the affected currency and tenor on IBA's website</p> |
| BTS Article 1 - General disclosure requirements | | |
| BTS Art (1)(1)(a) | <p>The benchmark statement shall state:</p> <p>(a) the date of publication of the statement and, where applicable, the date of its last update.</p> | These can be found on the title page of this document. |
| BTS Art (1)(1)(b) | <p>The benchmark statement shall state:</p> <p>(b) where available, the international securities identification number (ISIN) of the benchmark or benchmarks; alternatively, for a family of benchmarks, the statement may provide details of where the ISINs are publicly accessible free of charge.</p> | A list of the benchmark ISINs is attached in the Appendix. |
| BTS Art (1)(1)(d) | <p>The benchmark statement shall state:</p> <p>(d) whether the benchmark or any benchmark in the family of benchmarks qualifies as one of the types of benchmarks listed under Title III of Regulation (EU) 2016/1011, including the specific provision by virtue of which the benchmark qualifies as that type.</p> | <p>LIBOR has been designated as a critical benchmark for the purposes of the BMR by virtue of being listed as such in Commission Implementing Regulation (EU) 2016/1368 of 11 August 2016 establishing a list of critical benchmarks used in financial markets, as on-shored into the UK. 1-, 3- and 6-Months USD LIBOR are each to be treated as a Critical benchmark for certain purposes of the BMR, as set out in Article 23G of the BMR.</p> <p>By virtue of the FCA's BMR Annex 4 notices in relation to the continuing LIBOR benchmark settings, the requirements of BMR Annex 1 (Interest Rate Benchmarks) do not apply to these settings.</p> |

3 APPENDIX

“Synthetic” LIBOR ISINs

| Currency | Tenor | ISIN |
|----------|----------|--------------|
| USD | 1-Month | GB00BD080607 |
| USD | 3-Months | GB00BD080714 |
| USD | 6-Months | GB00BD080821 |
