



EVOLUTION OF ICE LIBOR

On 18 March 2016, ICE Benchmark Administration Limited ("IBA") published the Roadmap for the evolution of ICE LIBOR ("LIBOR") setting out measures designed to deliver a seamless transition to an even more robust rate, which will make LIBOR more sustainable for the long term.

In order to achieve those objectives:

- IBA has set out a uniform submission methodology for LIBOR panel banks, with parameters defined by IBA and the LIBOR Oversight Committee
- IBA has published the ICE LIBOR Output Statement as a single, clear, comprehensive and robust LIBOR definition, and
- Submissions will be non-subjective and fully transaction-based wherever feasible.

IBA has designed a waterfall of submission methodologies to ensure that LIBOR panel banks use funding transactions where available, as follows:

- Level 1: The Volume Weighted Average Price (VWAP) of eligible transactions
- Level 2: Submissions derived from transactions (including adjusted and historical transactions, interpolation and parallel shift), and
- Level 3: Expert judgement, appropriately framed.

The LIBOR Code of Conduct ("Code") provides the framework within which panel banks operate in the LIBOR context; and assists users in deciding whether LIBOR is an appropriate benchmark to use in contracts.

The Code has been updated for the evolution of LIBOR and is attached.

Any comments on the proposed changes to the Code should be addressed to IBA@theice.com on or before Wednesday 13 July 2016. Alternatively, comments may be posted to IBA at the following address, to arrive by 13 July:

ICE Benchmark Administration Limited
Milton Gate
60 Chiswell Street
London
EC1Y 4SA

After that date, IBA will publish Issue 3 of the Code, together with a summary of comments received during this consultation and IBA's response to those comments. If a commenter requests confidentiality, their comments will be taken into account by IBA but will not be included within IBA's published summary.