
ICE Benchmark Administration Limited (“IBA”) announced on 25 April, 2018, that it intended to begin transitioning LIBOR panel banks to making submissions in accordance with the ICE LIBOR Output Statement. This was done on a gradual basis.

On 1 April, 2019, IBA announced that it had successfully completed the transition of all LIBOR Panel Banks to making submissions in accordance with the ICE LIBOR Output Statement.

ICE LIBOR OUTPUT STATEMENT

“ICE LIBOR™ is the benchmark published under that name or as “LIBOR™” and calculated by ICE Benchmark Administration Limited (IBA) on London business days.

It is a wholesale funding rate anchored in LIBOR panel banks’ unsecured wholesale transactions to the greatest extent possible, with a waterfall to enable a rate to be published in all market circumstances:

Level 1:

A volume weighted average price (VWAP) of transactions in unsecured deposits and primary issuances of commercial paper and certificates of deposit since the previous submission, with a higher weighting for transactions booked closer to 11:00 London time.

Eligible counterparties are providers of wholesale unsecured funding including:

- banks
- central banks
- governmental entities
- multilateral development banks
- non-bank financial institutions
- sovereign wealth funds
- supranationals, and
- corporations as counterparties to a bank’s funding transactions for maturities greater than 35 days.

Transactions in approved major funding centres are taken into account without price adjustment, subject to minimum transaction sizes and number of trades as specified by IBA.
Level 2:

Transaction-derived data, including time-weighted historical transactions adjusted for market movements and linear interpolation.

Level 3:

If the LIBOR panel bank has insufficient Level 1 and Level 2 transactions, it should submit the rate at which it could fund itself at 11:00 London time with reference to the unsecured wholesale funding market. In order to determine this rate the bank should follow its internally approved procedure agreed with IBA.

LIBOR is calculated as of 11.00 every London business day and normally published by IBA at 11.55 London time; it is a trimmed arithmetic mean that excludes the highest and lowest quartile of submissions. Each panel bank’s submission carries an equal weight, subject to the trimming.

The panel banks’ individual submissions are published by IBA after 3 months on a non-attributed basis.

Further details are published at www.theice.com/IBA.

IBA is authorised and regulated by the Financial Conduct Authority.”