



**ICE BENCHMARK ADMINISTRATION  
LIMITED**

**SECOND POSITION PAPER ON THE EVOLUTION OF ICE LIBOR  
CONSULTATION QUESTIONS**

Please provide feedback on or before **FRIDAY 16 OCTOBER 2015**

<b>Name of respondent</b>	
<b>Position</b>	
<b>Organisation (if any)</b>	
<b>Contact telephone</b>	

Q1 Do you agree in principle with using corporates as counterparty types? Yes  No

If No, please explain your rationale.

Q2 Do you think that transactions with Corporates as counterparty should be included with no premium or discount to adjust the transacted prices? Yes  No

Please explain your rationale.

Q3 Do you think that the minimum size threshold should be increased for transactions with Corporates? Yes  No

If Yes, please explain your rationale and state what you think the increase in the threshold should be.

Q4 Do you agree with IBA's proposal to maintain an Approved List of Funding Locations? Yes  No

If No, please explain your rationale.

Q5 Do you agree that no weighting should be applied to adjust the transacted prices from different funding locations? Yes  No

Please explain your rationale.

Q6 Which of the four implementation options do you think is best?

1  2  3  4  other (please specify)

Please explain your rationale.

Q7 Would you find any of the implementation options problematic? Yes  No

Please explain your rationale.

Q8 Do you think that LIBOR should be determined by reference to a point in time (e.g. as of 11.00 London time) or by reference to a period of time (e.g. a 24 hour window)?

Please explain your rationale.

Q9 If you think that LIBOR should be determined by reference to a point in time, what time would be optimal in your view?

Please state your preferred timing and explain your rationale.

Q10 If you think LIBOR should be determined by reference to a point in time, would you be in favour of weighting transactions during the preceding data collection period so that transactions closer to publication time are given relatively greater weight?

Yes  No

Please explain your rationale.

Q11 If you think that LIBOR should be determined over a period of time, what period would be optimal in your view?

Please state your preferred timing and explain your rationale if you have not done so in response to the questions above.

Q12 What do you think would be the impact of moving to a period of time for different product types (e.g. derivatives, options, loans)?

Q13 Do you think that there would be merit in treating the Overnight tenors differently because of the different value date? Yes  No

Please explain the rationale for your response.

- Q14 Do you agree with using FRNs / FCDs to supplement the Level 1 transaction types if necessary? Yes  No

If No, please explain your rationale.

- Q15 Are there any other transaction types that you think could be used to supplement the Level I transaction types? Yes  No

If Yes, please specify the transaction type(s) and explain your rationale.

- Q16 Do you agree with using the counterparty types with no premium or discount to adjust the transacted prices? Yes  No

If No, please explain your rationale.

- Q17 Where do you see the balance between, on the one hand, a threshold size that mitigates potential manipulation and, on the other hand, a threshold that does not unduly exclude transactions and is representative of the wholesale market?

Please explain your rationale.

- Q18 Which of the thresholds do you think is more appropriate?

10m + 2 trades  25m + 3 trades

Please explain your rationale.

- Q19 Would you prefer a different minimum size and / or minimum number of transactions?

Yes  No

Please describe the scenario and explain your rationale.

- Q20 Do you think that a uniform threshold size should be applied across all currencies or that different thresholds should apply to different currencies/tenors? Yes  No

Please explain your rationale.

- Q21 Do you agree with tenor bucketing in principle? Yes  No

Please explain your rationale.

Q22 Do you agree with the proposed tenor bucketing? Yes  No

Please explain your rationale.

Q23 Do you think that different considerations should apply over month / quarter / year ends (when there is typically higher volatility in some currencies)? Yes  No

Please explain your rationale.

Q24 Do you agree with using transactions from previous day(s)? Yes  No

Please explain your rationale.

Q25 Do you agree with adjusting transactions from previous day(s)? Yes  No

Please explain your rationale.

Q26 Do you agree with the box of days for which historical transactions can have an effect on submissions (assuming that the bank was not able to revert to Level 1 inputs in that time)? Yes  No

Please explain your rationale.

Q27 Do you agree with IBA's proposed decomposition formula for interpolation? Yes  No

Please explain your rationale.

Q28 Would you prefer linear interpolation? Yes  No

Please explain your rationale.

Q29 Do you agree that interpolation should not be applied to ON or 1W tenors? Yes  No

If No, please explain your rationale.

Q30 Do you think that interpolation with more than one tenor gap is acceptable? (e.g. if a bank has transactions for the 1M and 6M tenors, can the 2M and 3M tenors be interpolated?) Yes  No

Please explain your rationale.

Q31 What are your views, in the absence of anchor points in the relevant currency, on interpolation from transactions in other currencies (e.g. EUR and USD for CHF and JPY) using FX swaps?

Q32 Do you agree with the application of linear extrapolation or the decomposition formula?

Please explain your rationale.

Q33 Do you agree that extrapolation should not be applied to the ON or 1W tenors (because they are shorter, more liquid and more volatile)? Yes  No

If No, please explain your rationale.

Q34 Do you agree that a bank having more than two points on the curve should use interpolation and then parallel shifts? Yes  No

If No, please explain your rationale.

Q35 What are your views on whether extrapolation should only be used to inform shorter tenors as they may not reflect the credit element and liquidity of longer ones (e.g. a 3M trade can be used to extrapolate a 2M tenor but not 6M)?

Please explain your rationale.

Q36 Do you agree with using Expert Adjustments in the Scenarios? Yes  No

Please explain your rationale.

Q37 Do you agree with the ways in which Expert Adjustments could be applied, i.e. by changing the inputs or utilising expert judgement? Yes  No

Please explain your rationale.

Q38 Do you agree with the ways in which Expert Judgement should be framed? Yes  No

Please explain your rationale.

Q39 What conditions do you think would need to exist to attract banks to become Benchmark Submitters?

Please outline your thoughts on such conditions.

Q40 Do you think that the need for the Administrator's Question falls away? Yes  No

Please explain your rationale.

Q41 Do you agree in principle with having a concise description of LIBOR for users of the benchmark? Yes  No

If No, please explain your rationale.

Q42 Do you have any comments on IBA's proposed description of LIBOR for users of the benchmark? Yes  No

If Yes, please propose comments.

Q43 Do you think that the methodology to calculate LIBOR should be changed? Yes  No

Please explain your rationale.

Q44 What would you see as the implications of changing the calculation methodology?

Q45 Which of the possible other calculation methodologies do you prefer?

Please explain your rationale.

Q46 Is there an alternative calculation methodology that you would prefer?

Please describe the methodology and explain your rationale.

Q47 Do you agree that individual submissions should be published after three months on a non-attributed rather than on an attributed basis? Yes  No

If No, please explain your rationale.

IBA invites you to raise any other considerations that you think should be included to further enhance the LIBOR reforms. Please state here whether you are including any further feedback:

Yes  No

Please provide your feedback on or before **Friday 16 October 2015** to:

IBA@theice.com

Or by post to:

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

Please state the number of additional pages attached: