ICE LIBOR®

BENCHMARK STATEMENT

Date of initial publication: 14 May 2018
Last update: 21 May 2021

1 INTRODUCTION

This Benchmark Statement is published by ICE Benchmark Administration (IBA) in compliance with Article 27 of the Benchmarks Regulation (BMR) and the associated Regulatory Technical Standards (RTS).

ICE LIBOR® (LIBOR®) is a widely used benchmark for short term bank borrowing rates, produced each London business day by IBA for five currencies with seven maturities ranging from overnight to 12 months (35 rates).

IBA formally assumed its position as administrator of LIBOR in February 2014.

The Future of LIBOR

In July 2017, the UK Financial Conduct Authority (FCA) announced its intention that it would no longer be necessary to persuade, or compel, banks to submit to LIBOR after December 31, 2021. The FCA and other official sector bodies have made several further statements regarding the need for market participants to prepare to transition from LIBOR to alternative rates by December 31, 2021.

Since July 2017, IBA has engaged with end-users, panel banks, the FCA and other official sector bodies regarding the potential for continuing certain widely-used LIBOR settings after December 31, 2021. This has included surveys of banks and end-users of LIBOR to identify the LIBOR settings that are most widely-used and for which users would like to see IBA work to seek an agreement with globally active banks to support publication after year-end 2021. The focus of this engagement has been on seeking to support transition by providing support for users with outstanding LIBOR-linked contracts that are impossible or impractical to modify before year-end 2021 (so-called “tough legacy” contracts).

IBA has been clear throughout its engagement that any such settings would need to be compliant with relevant regulations and in particular those regarding representativeness. IBA was also clear that, notwithstanding the results of the surveys and IBA’s associated engagement with the banks, there was no guarantee that any LIBOR settings would continue to be published after year-end 2021, and that users of LIBOR should not rely on the continued publication of any LIBOR settings when developing transition or fallback plans.

On December 4, 2020, following discussions with the Financial Conduct Authority (FCA) and other official sector bodies, and in accordance with procedures adopted pursuant to the UK Benchmarks Regulation (BMR), IBA published a consultation on its intention to cease the publication of:

1. the following LIBOR settings immediately following the LIBOR publication on Friday, December 31, 2021: :
    - GBP LIBOR - all settings (overnight, 1 week, 1, 2, 3, 6 and 12 months);
    - EUR LIBOR - all settings (overnight, 1 week, 1, 2, 3, 6 and 12 months);
    - CHF LIBOR - all settings (spot next, 1 week, 1, 2, 3, 6 and 12 months);
    - JPY LIBOR - all settings (spot next, 1 week, 1, 2, 3, 6 and 12 months);
    - USD LIBOR - 1 week and 2 months settings; and

2. the following LIBOR settings immediately following the LIBOR publication on Friday, June 30, 2023:
    - USD LIBOR - overnight and 1, 3, 6 and 12 months settings.

IBA consulted on these intended cessation dates because a majority of LIBOR panel banks had communicated to IBA that they would not be willing to continue contributing to the relevant LIBOR settings after such dates. As a result, IBA considered that it would be unable to publish the relevant LIBOR settings on a representative basis after such dates.

On March 5, 2021, IBA published a feedback statement for the consultation on its intention to cease the publication of LIBOR® settings. IBA received a broad of range of feedback from multiple stakeholders, both on the dates specified above and on the LIBOR transition process generally, including on matters beyond IBA's remit as administrator of LIBOR.

As announced by IBA on March 5, 2021, in the absence of sufficient panel bank support and without the intervention of the FCA to compel continued panel bank contributions to LIBOR, it is not possible for IBA to publish the relevant LIBOR settings on a representative basis beyond the dates specified above for such settings. As a result of IBA not having access to input data necessary to calculate LIBOR settings on a representative basis beyond the dates specified above for such settings, IBA has to cease the publication of the relevant LIBOR settings on such dates, unless the FCA exercises its proposed new powers (which are included in the Financial Services Act 2021 as amendments to the UK Benchmarks Regulation - see New FCA Powers to Impose Changes to LIBOR below) to require IBA to continue publishing such LIBOR settings using a changed methodology (also known as a "synthetic" basis).

The FCA has advised IBA that it has no intention of using its proposed new powers to require IBA to continue the publication of any EUR or CHF LIBOR settings, or the Overnight/Spot Next, 1 Week, 2 Month and 12 Month LIBOR settings in any other currency, beyond the above intended cessation dates for such settings. The FCA has also advised IBA that it will consult on using these proposed new powers to require IBA to continue the publication on a "synthetic" basis of the 1 Month, 3 Month and 6 Month GBP and JPY LIBOR settings beyond such dates, and will continue to consider the case for using these proposed powers in respect of the 1 Month, 3 Month and 6 Month USD LIBOR settings.

The FCA has confirmed to IBA, based on undertakings received from the panel banks, that it does not expect that any LIBOR settings will become unrepresentative before the above intended cessation dates for such settings.

Stakeholders who are interested as to statements relating to the cessation or unrepresentativeness of LIBOR for the purpose of contractual triggers for fallback rate arrangements should see the FCA statement the issued on March 5, 2021.

New FCA Powers to Impose Changes to LIBOR

On 23 June 2020, the UK Government announced that it intended to legislate to ensure that the FCA has the appropriate regulatory powers to manage and direct any wind-down period prior to eventual LIBOR cessation, in particular to help deal with "tough legacy" contracts. Amendments to the BMR to provide such powers were included in the Financial Services Act 2021 as amendments to the UK Benchmarks Regulation.

The new regulatory powers are designed to enable the FCA to designate a critical benchmark, such as LIBOR, and direct a methodology change so that such designated benchmark is published on a "synthetic" basis, in circumstances: (i) where the FCA has found that the benchmark is not representative of the market it seeks to measure or that the representativeness of the benchmark is at risk; (ii) where such representativeness cannot reasonably be restored or there are no good reasons to do this; and (iii) where such action is necessary to protect consumers and/or to ensure market integrity.

The use of such a benchmark by UK supervised entities in regulated contracts will be prohibited, except that the FCA will have the discretion to permit certain legacy use to further its market integrity or consumer protection objectives. The FCA will also have the power to prohibit new use of a critical benchmark where the administrator is to cease providing it.

Recognizing that there are some existing 'tough legacy' LIBOR contracts which are particularly difficult to amend ahead of the planned cessation of LIBOR, the FCA is taking steps in relation to its proposed new powers to help reduce disruption in these cases.

Following consultation, the FCA has published statements of policy in relation designating and requiring changes to a critical benchmark. The FCA has also announced its intention to consult in Q2 2021 on its approach to the exercise of its proposed powers to permit certain legacy use of a designated benchmark, and to prohibit the new use of a critical benchmark where the administrator is to cease providing it. As noted above, the FCA will also consult this year in relation to any decision to use its proposed new powers to require IBA to continue the publication of any LIBOR setting on a changed, "synthetic" basis.

The FCA has advised that it will seek stakeholder views on possible methodology changes for LIBOR that are based on the risk free rates chosen as alternatives to LIBOR in the relevant currencies, and on the consensus already established in international and UK markets on a way of calculating an additional fixed credit spread that reflects the expected difference between LIBOR and those risk free rates.

Although the FCA has said that, in directing a methodology change, it will seek to achieve a reasonable and fair approximation of a benchmark's expected values, it has acknowledged that LIBOR settings published on such a changed, "synthetic" basis will no longer be representative of the underlying market and economic reality that the benchmark is intended to measure.

Both the UK Government and the FCA advise that market participants should continue to focus on active transition of legacy contracts on terms that they themselves agree with their counterparties, because this is the only way to have certainty as to contractual continuity and control over contractual terms. They caution that parties who rely on regulatory action, enabled by the proposed legislation, will not have control over the economic terms of that action. Moreover regulatory action may not be able to address all issues or be practicable in all circumstances, for example where a methodology change is not feasible, or would not protect consumers or market integrity.

2 BMR/RTS REQUIREMENTS AND IBA RESPONSES

<table>
<tr><th>BMR / RTS #</th><th>BMR / RTS requirement</th><th>IBA's Response</th></tr>
<tr><td colspan="3">BMR Article 27 - Benchmark statement</td></tr>
<tr><td>BMR
Art 27(1)(a)</td><td>The benchmark statement shall:
(a) clearly and unambiguously define the market or economic reality measured by the benchmark and the circumstances in which such measurement may become unreliable;</td><td>Economic reality:
The ICE LIBOR (LIBOR) methodology is designed to produce an average rate that is 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 particular currencies for certain tenors.
Circumstances in which such measurement may become unreliable:
The potential limitations of the benchmark (and in particular, the circumstances in which the measurement of the relevant market or economic reality may become unreliable) are described below:
<u>If there is insufficient input data</u>
The methodology and procedures for LIBOR are designed to ensure that LIBOR can be published every day. IBA expects to receive submissions every London business day from each of the Contributor Banks.
In the event that IBA receives fewer than the expected number of submissions by the time that LIBOR is due to be published, the <u>Reduced Submissions Policy</u> would apply. This states that, if 5 or more submissions were received for a particular currency, IBA will calculate LIBOR but with a difference in the number of submissions excluded, as shown in the following table:
<table>
<tr><th>Number of Contributor Banks</th><th>Number of Highest Rates Excluded</th><th>Number of Lowest Rates Excluded</th></tr>
<tr><td>15 or more</td><td>4</td><td>4</td></tr>
<tr><td>14 -11</td><td>3</td><td>3</td></tr>
<tr><td>10 - 8</td><td>2</td><td>2</td></tr>
<tr><td>7 - 5</td><td>1</td><td>1</td></tr>
</table>
Example: For JPY, 12 Contributor Banks are expected to submit every day. If only 9 complete submissions were received, the highest 2 and lowest 2 submissions for each tenor would be excluded and the remaining 5 submissions would be averaged.</td></tr>
</table>

BMR / RTS #	BMR / RTS requirement	IBA's Response
		If 4 or fewer submissions were received for a particular currency, IBA would be likely to re-publish the previous day's published rate for all tenors in that particular currency. More details can be found in the Reduced Submissions Policy. In certain extreme circumstances, IBA might lack sufficient input data to determine LIBOR according to the methodology. Such circumstances might arise if an incident in London caused Contributor Banks to invoke their business continuity management procedures such that an insufficient number were able to make timely LIBOR submissions. *If there is insufficient underlying market liquidity* LIBOR is a benchmark based on contributions of input data from Contributor Banks. Transaction data are used where possible as stipulated in the LIBOR Code of Conduct. Depending on the availability of reference transactions, banks also use expert judgement in their submissions. The design of the benchmark therefore makes it unlikely that circumstances would arise in which the degree of liquidity of the underlying market becomes insufficient to ensure the integrity and reliability of the benchmark determination. It should be noted that liquidity in the interbank unsecured lending market reduced significantly during the global financial crisis of 2007/2009 and the level of activity still remains too low in some tenors to support an entirely transaction-based rate. The stress on the unsecured interbank markets for term borrowing has been driven by several factors: • A significant increase in perceived risk of bank counterparty default (credit risk); • Regulatory capital charges; • The introduction of liquidity coverage ratios which have modified the demand and supply of wholesale funding, as banks transition to longer maturity funding and more diverse funding sources (such as capturing funding from corporates); and • A significant increase in liquidity available to banks through the exceptional measures taken by major central banks in response to the financial crisis, with some banks now having excess deposits.

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		Other relevant information In a Roadmap published in 2016, IBA introduced the concept of an exceptional market event (EME) which would be a rare and unexpected occurrence that renders data collected during the transaction window unrepresentative, or results in insufficient market data to support a bank's LIBOR submission at publication time. An EME would have both material and widespread impact supported by market evidence. An event impacting a single bank would not constitute an EME, provided there were no identifiable spill-over effects to the broader market. If IBA declares an EME, IBA will advise Contributor Banks as to what action they may or must take, for example that only transactions entered into after the event that caused the EME may be included in their calculations on that day.
BMR Art 27(1)(b)	The benchmark statement shall: (b) lay down technical specifications that clearly and unambiguously identify the elements of the calculation of the benchmark in relation to which discretion may be exercised, the criteria applicable to the exercise of such discretion and the position of the persons that can exercise discretion, and how such discretion may be subsequently evaluated;	No expert judgement is exercised by IBA in the calculation of LIBOR. LIBOR Contributor Banks use transaction data in their submissions where possible as stipulated in the LIBOR Output Statement. Depending on the availability of reference transactions, banks also use expert judgement to a greater or lesser extent in their submissions. Each Contributor Bank agrees its defined Level 3 submission methodology with IBA, basing its rate on transactions, related market instruments, broker quotes and other market observations. The LIBOR Code of Conduct requires a Contributor Bank to ensure that any exercise of discretion or expert judgement is: • Appropriately framed to ensure that it is based as far as possible on data that is capable of verification; • Applied consistently in accordance with the associated methodology; and • Suitably recorded in a manner that can be made available on request by IBA or a relevant regulator or auditor. A Contributor Bank must have internal controls that govern the exercise of the submitters' discretion in accordance with its policies, including procedures for the review of any use of judgement or exercise of discretion. Each LIBOR Contributor Bank is required to agree its defined Level 3 submission methodology with IBA, basing its rate on transactions, related market instruments, broker quotes and other market

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		observations (see response to BMR Art 27(2)(b) for LIBOR Waterfall hierarchy details). A Contributor Bank must undertake a due diligence process to determine that it is satisfied that a person has the necessary skills, knowledge, training and experience to submit input data on its behalf. This process must include undertaking checks to verify: • The identity of the potential Submitter; • The qualifications of the potential Submitter; and • The reputation of the potential Submitter, including whether the potential Submitter has previously been excluded by any party from submitting input data to a benchmark for reasons of misconduct. A Contributor Bank must inform IBA by email to IBA@ice.com of the appointment of the Submitter on behalf of the bank. A Contributor Bank must provide to IBA all information used by the bank to enable it to make a LIBOR Submission, comprising the type of Submission for each applicable tenor and an explanation of the rationale and methodology used to establish each Submission. A Contributor Bank should be able to provide other information used in the LIBOR Submission process, on request, to IBA and/or the FCA or, as the case may be, the EU Home State Regulator.
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; and	See response to BMR Art 27(1)(a)

BMR / RTS #	BMR / RTS requirement	IBA's Response
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 measurement of the performance of investment funds.	Changes to LIBOR, or the cessation of the benchmark, may have an impact on the financial contracts, or on financial instruments that reference the benchmark or on the measurement of the performance of investment funds. Article 28 of the BMR requires an administrator to publish a procedure concerning the actions to be taken by the administrator in the event of changes to or the cessation of a benchmark: The BMR also requires an administrator to include in the Benchmark Statement, to the extent known, how changes to (or the cessation of) the benchmark may have an impact on the financial contracts, or on financial instruments that reference the benchmark or on the measurement of the performance of investment funds. The steps in the Consultation Policy would be followed if IBA proposed to make a material change to LIBOR or to cease producing the benchmark. A cessation of the benchmark might occur because IBA was not able to continue to produce the benchmark on a representative basis or there was a fundamental change in the underlying interest that the benchmark seeks to represent. The factors that would be considered in the context of the cessation of a benchmark are as follows: • The timing of cessation; • How much notice should be given; • Whether any transitional measures should or could be implemented; • Stakeholder engagement; and • Identification of possible alternative benchmarks and migration thereto. As stated above, the responsibilities of the LIBOR Oversight committee include reviewing and approving procedures for cessation of the benchmark, including any consultation about a cessation. If cessation of LIBOR were under consideration, IBA would engage closely with the relevant stakeholders, including: • The FCA and any other relevant regulatory body; • Users of the benchmark – directly (for example, by email to registered licensees and by conference calls where

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		appropriate), through any relevant association(s) and/or through paid advertisements; • Contributors of input data – i.e. the LIBOR Contributor Banks; • Redistributors of the benchmark; and • The media. IBA would also include relevant information and relevant contact details on its website. More details can be found in IBA's BMR Changes and Cessation Procedure for LIBOR. In July 2017, the FCA stated its intention that it would no longer be necessary to sustain LIBOR through its influence or legal powers beyond 2021. Since then, IBA has engaged with Contributor Banks, other global banks and end-users of LIBOR regarding the future of LIBOR beyond 2021. IBA launched the survey on the use of LIBOR on December 4, 2018. The survey was open to all users of LIBOR and was designed to identify the LIBOR settings that are most widely-used and for which they would like to see IBA work with global banks to potentially support publication after year-end 2021. The survey closed on February 15, 2019, and the results have been published on IBA's website. Using the results of a user survey and other outreach work, IBA is working with internationally active banks to seek their support to continue to publish certain widely-used LIBOR settings after 2021. The primary goal of this work is to continue to publish certain settings after year-end 2021 for users with outstanding LIBOR-linked contracts that are impossible or impractical to modify. Any such settings will need to be compliant with relevant regulations and in particular those regarding representativeness. IBA's work is also designed to facilitate the industry's progress towards an orderly adoption of alternative 'risk-free' reference rates (RFRs) into the financial system, as called for by the FCA and the central banks. Work on the possible continued publication of certain LIBOR settings is not intended as an alternative to the transition to RFRs for new business. Notwithstanding the results of the survey and IBA's work, there is no guarantee that any LIBOR settings will continue to be published after year-end 2021. Users of LIBOR should not rely on the continued publication of any LIBOR settings when developing transition or fall back plans.

BMR / RTS #	BMR / RTS requirement	IBA's Response
BMR Art 27(2)(a)	A benchmark statement shall contain at least: (a) the definitions for all key terms relating to the benchmark	See Appendix for definitions of key terms.
BMR Art 27(2)(b)	A benchmark statement shall contain at least: (b) the rationale for adopting the benchmark methodology and procedures for the review and approval of the methodology;	*Rationale:* The BMR states that the data must be accurate and sufficient and must be used in the following order of priority: • The contributor's transactions in the underlying market that a benchmark intends to measure or, if not sufficient, its transactions in related markets; • The contributor's observations of third party transactions in those markets; • Committed quotes; • Indicative quotes or expert judgements. LIBOR is based on Contributor Bank submissions, determined pursuant to the LIBOR Output Statement through the use of a standardised, transaction data-driven Waterfall Methodology, as summarised below: *Level 1 (Transaction-Based)* Where a Contributor Bank has sufficient eligible transactions, a volume weighted average price ("VWAP") of eligible transactions in unsecured deposits, primary issuances of commercial paper and certificates of deposit, with a higher weighting for transactions booked closer to 11:00 London time. Eligibility criteria for transactions are specified by IBA. *Level 2 (Transaction-Derived)* Where a Contributor Bank has insufficient eligible transactions to make a Level 1 submission, it will seek to make a submission based on transaction-derived data, including time-weighted historical eligible transactions adjusted for market movements and linear interpolation. Eligibility criteria for transaction-derived data are specified by IBA. *Level 3 (Expert Judgement)* Where a Contributor Bank has insufficient eligible transactions or transaction-derived data to make a Level 1 or a Level 2 submission, it will submit the rate at which it could fund itself at 11:00 London time with reference to the unsecured, wholesale funding market. Each Contributor Bank agrees its defined Level 3 submission

BMR / RTS #	BMR / RTS requirement	IBA's Response
		methodology with IBA, basing its rate on transactional data, related market instruments, broker quotes and market observations. The waterfall allows for appropriately framed Expert Judgement at Level 3 to ensure that Contributor Banks can always make a submission, even if liquidity and transaction data are very sparse on a particular day or in particular tenors. *Review and approval:* The administrator must have an independent oversight committee, the details of which must be made public, along with any declarations of any conflict of interest and the processes for election or nomination of its members. The oversight committee must hold no less than one meeting every four months and must keep minutes of meetings. The oversight committee must have responsibilities as provided for in the BMR. IBA has an independent LIBOR Oversight Committee, chaired by a non-executive director, with publicly available minutes, membership and terms of reference. The Oversight Committee has central banks as Observers – the Bank of England, the Board of Governors of the Federal Reserve System and the Swiss National Bank. The Oversight Committee also has broad representation from users, through industry associations such as the Loan Market Association, the Investment Association and the European Venues & Intermediaries Association. The composition of the Committee includes infrastructure providers and LIBOR Contributor Banks as well. The LIBOR Oversight Committee composition and disclosures of conflicts of interest can be found on the IBA website along with IBA's processes for the selection, renewal and replacement of Oversight Committee members. The LIBOR Oversight Committee generally meets every two months. Minutes of the Committee's meetings are published on IBA's website. The terms of reference of the Oversight Committee, which include the responsibilities required by the BMR, include: • Reviewing the definition and methodology of LIBOR at least annually; • Overseeing any changes to the benchmark methodology and requesting IBA to consult on proposed changes; • Overseeing IBA's control framework insofar as it affects LIBOR and the management and operation of LIBOR;

BMR / RTS #	BMR / RTS requirement	IBA's Response
		• Overseeing IBA's adherence to its published methodologies, including calculation, refix and business continuity policies insofar as they affect LIBOR; • Assessing internal and external audits or reviews insofar as they affect LIBOR and monitoring the implementation of identified remedial actions; • Reviewing and approving procedures for cessation of the benchmark, including any consultation about a cessation; • Overseeing the [LIBOR Code of Conduct] and reviewing it regularly; • Monitoring the input data and contributors and the actions of IBA in challenging or validating contributions of input data; • Taking effective measures in respect of any breaches of the LIBOR Code of Conduct and reporting to the FCA any misconduct of which the oversight function becomes aware, including any anomalous or suspicious input data; • Overseeing any third party involved in the provision of the benchmark, including calculation or dissemination agents; • Considering existing or potential conflicts of interest and establishing whether they are material; and • Keeping the [terms of reference] under regular review. The LIBOR benchmark methodology is approved by the Board of IBA.
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, the priority given to different types of input data, the minimum data needed to determine a benchmark, the use of any models or methods of extrapolation and any procedure for rebalancing the constituents of a benchmark's index;	LIBOR is currently calculated for five currencies (USD, GBP, EUR, CHF and JPY) and for seven tenors in respect of each currency (Overnight/Spot Next, One Week, One Month, Two Months, Three Months, Six Months and 12 Months). This results in the publication of 35 individual rates (one for each currency and tenor combination) every applicable London business day. Each calculation is currently based on input data contributed by a panel of between 11 and 16 panel banks (Contributor Banks) for each of the five LIBOR currencies. Each Contributor Bank contributes input data for all seven LIBOR tenors in every currency in respect of which it is on a panel. Each currency panel is composed with reference to the LIBOR Contributor Bank Criteria, which are designed so that the contributed input data is able to produce a rate that is representative of the economic reality.

BMR / RTS #	BMR / RTS requirement	IBA's Response
		Each Contributor Bank determines its input data contributions pursuant to the ICE LIBOR Output Statement in order to produce a rate that is anchored in Contributor Banks' wholesale, unsecured funding transactions to the greatest extent possible, with a waterfall to enable a rate to be published in all market circumstances. LIBOR is calculated in accordance with the LIBOR Methodology. The published rate in respect of each currency and tenor combination is the arithmetic mean of each Contributor Bank's contributions in respect of that currency and tenor (after trimming upper and lower values), rounded to five decimal places. Each Contributor Bank's contribution carries an equal weight in the calculation, subject to the trimming. See also response to BMR Art 27(1)(a)
BMR Art 27(2)(d)	A benchmark statement shall contain at least: (d) the controls and rules that govern any exercise of judgement or discretion by the administrator or any contributors, to ensure consistency in the use of such judgement or discretion;	See response to BMR Art 27(1)(b)
BMR Art 27(2)(e)	A benchmark statement shall contain at least: (e) the procedures which govern the determination of the benchmark in periods of stress or periods where transaction data sources may be insufficient, inaccurate or unreliable and the potential limitations of the benchmark in such periods;	See response to BMR Art 27(1)(a)
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, including when a redetermination of the benchmark is required; and	IBA has an Error Policy which sets out the circumstances under which IBA would restate one or more currency/tenor pairs: • An error is reported to IBA by 15.00 London time on the day of the error; and • The error had an impact on the published LIBOR value of at least 3 bps. Any refixed rates would be published by IBA by no later than 16.00 that day.

BMR / RTS #	BMR / RTS requirement	IBA's Response
		IBA would make an announcement by shortly after 15.00 London time if a refix were under consideration, stating the affected currency and tenor on IBA's website.
BMR Art 27(2)(g)	A benchmark statement shall contain at least: (g) the identification of potential limitations of the benchmark, including its operation in illiquid or fragmented markets and the possible concentration of inputs.	See response to BMR Art 27(1)(a)
RTS Article 1 - General disclosure requirements		
RTS Art (1)(1)(a)	The benchmark statement shall state: (a) the date of publication of the statement and, where applicable, the date of its last update;	This can be found on the title page of this document
RTS Art (1)(1)(b)	The benchmark statement shall state: (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;	The benchmark does not have ISINs
RTS Art (1)(1)(c)	The benchmark statement shall state: (c) whether the benchmark, or any benchmark in the family of benchmarks, is determined using contributions of input data;	See response to BMR Art 27(2)(c)
RTS Art (1)(1)(d)	The benchmark statement shall state: (d) whether the benchmark or any benchmark in the family of benchmarks qualifies as one of	Annex I of the BMR contains a specific regulatory regime for interest rate benchmarks to ensure: • Accurate and sufficient data used in an hierarchy; • An independent oversight committee;

BMR / RTS #	BMR / RTS requirement	IBA's Response

	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.	• An independent external audit of compliance with the benchmark methodology and the BMR; and
		• Contributor systems and controls requirements. Annex I of the BMR sets out the requirements for contributors' systems and controls, which must include:
		    ○ An outline of responsibilities within each firm, including internal reporting lines and accountability, including the location of submitters and managers and the names of relevant individuals and alternates;
		    ○ Internal procedures for sign-off of contributions of input data;
		    ○ Regular internal reviews of input data and associated procedures;
		    ○ Disciplinary procedures for actual or attempted manipulation of the benchmark;
		    ○ Effective conflicts of interest management procedures and communication controls;
		    ○ Physical separation of submitters from interest rate derivatives traders and rules against collusion;
		    ○ Measures to prevent, or limit, inappropriate influence over persons involved in the provision of input data;
		    ○ No direct link between the remuneration of employees involved in the provision of input data and the remuneration of, or revenues generated by, persons engaged in another activity where a conflict of interest may arise;
		    ○ Controls to identify any reverse transaction subsequent to the provision of input data;
		    ○ Detailed record-keeping in relation to a bank's LIBOR submissions; and
		    ○ The compliance function reporting any findings to management on a regular basis.
		All of these requirements are included within the LIBOR Code of Conduct. All submitters and their direct managers are required to acknowledge in writing that they have read the Code and will comply with it.
		See also response to BMR Art 27(2)(b)

BMR / RTS #	BMR / RTS requirement	IBA's Response
RTS Art (1)(2)(a)	In defining the market or economic reality, the benchmark statement shall include at least the following information: (a) a general description of the market or economic reality;	See response to BMR Art 27(1)(a)
RTS Art (1)(2)(b)	In defining the market or economic reality, the benchmark statement shall include at least the following information: (b) the geographical boundaries, if any, of the market or economic reality;	LIBOR is written into standard derivative and loan documentation, such as the 2006 ISDA definition, and is used for a range of retail products such as mortgages and student loans and for other commercial purposes. It is also used as a barometer to measure the health of the banking system and as a gauge of market expectation for future central bank interest rates. It is currently the basis for settlement of interest rate contracts on many of the world's major futures and options exchanges. LIBOR has global significance with trillions of outstanding business in maturities ranging from overnight to more than 30 years.
RTS Art (1)(2)(c)	In defining the market or economic reality, the benchmark statement shall include at least the following information: (c) any other information that the administrator reasonably considers to be relevant or useful to help users or potential users of the benchmark to understand the relevant features of the market or economic reality, including at least the following elements insofar as reliable data on these elements is available: (i) information on actual or potential participants in the market; (ii) an indication of the size of the market or economic reality.	See response to BMR Art 27(1)(a) and RTS Art (1)(2)(b)

BMR / RTS #	BMR / RTS requirement	IBA's Response
RTS Art (1)(3)(a) Art (1)(3)(b) Art (1)(3)(c)	In defining the potential limitations of the benchmark and the circumstances in which the measurement of the market or economic reality may become unreliable, the benchmark statement shall include at least: (a) a description of the circumstances in which the administrator would lack sufficient input data to determine the benchmark in accordance with the methodology; (b) where relevant, a description of instances when the accuracy and reliability of the methodology used for determining the benchmark can no longer be ensured, such as when the administrator deems the liquidity in the underlying market as insufficient; (c) any other information that the administrator reasonably considers to be relevant or useful to help users and potential users to understand the circumstances in which the measurement of the market or economic reality may become unreliable, including a description of what might constitute an exceptional market event.	See response to BMR Art 27(1)(a)
RTS Art (1)(4)	In specifying the controls and rules that govern any exercise of judgement or discretion by the administrator or any contributors in calculating the benchmark or benchmarks, the benchmark statement shall include an outline of each step of the process for any ex post evaluation of the use of discretion, together with a clear	See response to BMR Art 27(1)(b)

BMR / RTS #	BMR / RTS requirement	IBA's Response
	indication of the position of any person(s) responsible for carrying out the evaluations.	
RTS Art (1)(5)	In specifying the procedures for review of the methodology, the benchmark statement shall at least outline the procedures for public consultation on any material changes to the methodology.	IBA typically designs evolutionary enhancements to benchmarks, and it is important for IBA to gain feedback on proposed changes where they are material to the benchmark. IBA therefore consults publicly from time to time on proposed material changes in relation to IBA benchmarks. IBA's Consultation Policy outlines the considerations that inform public consultations and the steps that IBA takes when seeking feedback on material proposals.
RTS Article 2 - Specific disclosure requirements for regulated-data benchmarks		
RTS Art (2)(a) Art (2)(b)	In addition to the information to be included pursuant to Article 1, for a regulated-data benchmark or, where applicable, family of regulated-data benchmarks, the benchmark statement shall state at least the following in its description of the input data: (a) the sources of the input data used; (b) for each source, the relevant type, as listed in Article 3(1)(24) of Regulation (EU) 2016/1011.	Not applicable
RTS Article 3 - Specific disclosure requirements for interest rate benchmarks		
RTS Art (3)	In addition to the information to be included pursuant to Article 1, for an interest rate benchmark or, where applicable, family of interest rate benchmarks, the benchmark statement shall include at least the following information: (a) a reference alerting users to the additional regulatory regime applicable to interest rate benchmarks under Annex I to Regulation (EU) 2016/1011;	See response to RTS Art (1)(1)(d)

BMR / RTS #	BMR / RTS requirement	IBA's Response
	(b) a description of the arrangements that have been put in place to comply with that Annex.	
RTS Article 4 - Specific disclosure requirements for commodity benchmarks		
RTS Art (4)(a) Art (4)(b) Art (4)(c) Art (4)(d)	In addition to the information to be included pursuant to Article 1, for a commodity benchmark or, where applicable, family of commodity benchmarks, the benchmark statement shall at least: (a) indicate whether the requirements of Title II of, or Annex II to, Regulation (EU) 2016/1011 apply to the benchmark, or family of benchmarks as prescribed by Article 19 of that Regulation; (b) include an explanation as to why Title II of or, as the case may be, Annex II to that Regulation applies; (c) include in the definitions of key terms a concise description of the criteria that define the relevant underlying physical commodity; (d) where applicable, indicate where the explanations are published that the administrator is required to publish under paragraph 7 of Annex II to that Regulation.	Not applicable

BMR / RTS #	BMR / RTS requirement	IBA's Response
RTS Article 5 - Specific disclosure requirements for critical benchmarks		
RTS Art (5)(a) Art (5)(b)	In addition to the information to be included pursuant to Article 1, for a critical benchmark, or, where applicable, a family of benchmarks that contains at least one critical benchmark, the benchmark statement shall include at least the following information: (a) a reference alerting users to the enhanced regulatory regime applicable to critical benchmarks under Regulation (EU) 2016/1011; (b) a statement indicating how users will be informed of any delay in the publication of the benchmark or of any re-de-termination of the benchmark, and indicating the (expected) duration of measures.	LIBOR is a Critical benchmark pursuant to BMR Article 3 (1) (25) and, as such, an enhanced regulatory regime is applicable. The requirements in both Title II and Annex I apply in respect of LIBOR. The following is a summary of the applicable BMR requirements for Critical benchmarks: • Article 7 (Accountability framework requirements): The BMR requires an independent external audit of the administrator's compliance with the benchmark methodology and the BMR. The first external audit must be carried out six months after the introduction of the Code of Conduct and subsequently every two years. The Oversight Committee may require an external audit of a contributor to an interest rate benchmark if dissatisfied with any aspects of its conduct. Independent external audits of IBA's compliance with the benchmark methodology for ICE LIBOR and with the BMR will be carried out annually. The first external audit in the context of the BMR was carried out six months after the introduction of the LIBOR Code of Conduct for the BMR The administrator of a Critical benchmark must appoint an independent external auditor to review and report at least annually on the administrator's compliance with the benchmark methodology and the BMR. • Article 15 (Code of Conduct): The administrator of a Critical benchmark based on input data from contributors must notify the code of conduct to the relevant competent authority which, in IBA's case, is the FCA in London. In accordance with the BMR, the FCA verified that the content of the code of conduct complied with the BMR. • Article 20 (Critical benchmarks): Article 20 states that the European Commission will review at least every two years the list of Critical benchmarks. • Article 21 (Mandatory administration of a critical benchmark):

BMR / RTS #	BMR / RTS requirement	IBA's Response
		Under the BMR, the FCA could compel IBA to continue to publish the benchmark for a period not exceeding 10 years[1]. • Article 22 (Mitigation of market power of critical benchmark administrators): Administrators of Critical benchmarks must ensure that licences of, and information relating to, such benchmarks are provided to all users on a fair, reasonable, transparent and non-discriminatory basis. • Article 23 Mandatory contribution to a critical benchmark: Under the BMR, the FCA has the power to compel Contributor Banks to continue to provide LIBOR submissions to IBA for a period not exceeding 5 years. An administrator of one or more Critical benchmarks must, every two years, submit to its competent authority an assessment of the capability of each Critical benchmark it provides to measure the underlying market or economic reality. Users will be informed of delays in the publication of the benchmark via the market status page.
RTS Article 6 - Updates		
RTS Art (6)(a) Art (6)(b)	In addition to the cases referred to in the third subparagraph of Article 27(1) of Regulation (EU) 2016/1011, an update of the benchmark statement shall be required whenever the information contained in the statement ceases to be correct or sufficiently precise, and including in any event in the following cases: (a) whenever there is a change in the type of the benchmark; (b) whenever there is a material change in the methodology used for determining the benchmark or, if the benchmark statement is for a family of benchmarks, in the	This Benchmark Statement is subject to review by the LIBOR Oversight Committee at least annually. It will additionally be reviewed and updated if the information it provides is no longer correct or sufficiently precise, including if there is a material change in the methodology for determining the benchmark. See response to BMR Art 27(1) (d).

[1] As included in the Financial Services Act 2021

BMR / RTS #	BMR / RTS requirement	IBA's Response
	methodology used for determining any benchmark within the family of benchmarks.	

3 APPENDIX

3.1 GLOSSARY

In the LIBOR Benchmark statement, the following terms have the meanings shown next to them in the following table:

Term	Meaning
Contributor Bank	An organisation that provides LIBOR submissions to IBA. Benchmark Submitters are authorised and regulated by the Financial Conduct Authority
Expert Judgement	Level 3 in the hierarchy of inputs of the Waterfall of methodologies introduced in the Roadmap for LIBOR by IBA
IBA	(See ICE Benchmark Administration Limited)
ICE	Intercontinental Exchange Inc., the global group that includes regulated exchanges, clearing houses, post-trade / data services and ICE Benchmark Administration Limited
ICE Benchmark Administration Limited (IBA)	The Benchmark Administrator for ICE LIBOR, ICE Swap Rate, the LBMA Gold and Silver Prices and the US Treasury Closing Prices
ICE LIBOR	A widely used benchmark for short term bank borrowing rates, produced each London business day by IBA for five currencies with seven maturities ranging from overnight to 12 months (35 rates). The ICE LIBOR methodology is designed to produce an average rate that is 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 particular currencies for certain tenors.
LIBOR	(See ICE LIBOR)
LIBOR Oversight Committee	IBA's Oversight Committee that oversees LIBOR, including the LIBOR Code of Conduct. The Oversight Committee is comprised of Benchmark Submitters (Contributor/Panel Banks), benchmark users, Independent Non-Executive Directors and other relevant experts. IBA publishes on its website the composition and terms of reference of the committee.
LIBOR Contributor (panel) Bank	An organisation that provides LIBOR submissions to IBA. (i.e. a Benchmark Submitter)

Term	Meaning
LIBOR submissions	The rates provided to IBA by the LIBOR Contributor Banks at which they could obtain funding in reasonable market size, for a given maturity and currency. The currency panels vary in size from 11 to 16 Contributor Banks. Each bank's LIBOR submission carries equal weight.
Submission	(See LIBOR submissions)
Tenor	The maturities in which IBA produces ICE LIBOR in each of 5 currencies. The seven tenors are currently Overnight/ Spot Next, 1 Week,1 Month, 2 Months, 3 Months, 6 Months and 12 Months
Trimmed arithmetic mean	The calculation method for LIBOR, by which: • Benchmark Submissions are ranked by IBA in descending order; • the highest and lowest quartiles of submissions are excluded; and • IBA calculates the mean of the remaining Benchmark Submissions
Unsecured Deposit	A deposit that is not protected by a guarantor, or collateralised by a specific asset
Waterfall methodology	As introduced in the Roadmap for LIBOR, the LIBOR Waterfall methodology requires Contributor Banks to base their LIBOR submissions in eligible wholesale, unsecured funding transactions, to the extent available