



ICE BENCHMARK ADMINISTRATION

REDUCED SUBMISSIONS POLICY – ICE SWAP RATE

Introduction

1. The ICE Swap Rate benchmark represents the mid-price for interest rate swaps (the fixed leg), in various currencies and tenors and at particular times of the day.
2. ICE Benchmark Administration (IBA) has evolved the calculation methodology for ICE Swap Rate from a submission-based rate, where a panel of banks submitted their estimates for ICE Swap Rate, to a rate calculated off tradeable quotes from regulated, electronic, multilateral trading venues.
3. In the event that IBA does not receive sufficient submissions by the time that ICE Swap Rate is due to be published, the reduced submissions policy described below will apply.
4. N.B. while ICE Swap Rate is a benchmark that does not have Benchmark Submitters (unlike ICE LIBOR), the Snapshots (as defined below) comprise Submissions.

Calculation methodology

5. The full calculation methodology for ICE Swap Rate is published by IBA at:
https://www.theice.com/publicdocs/ICE_Swap_Rate_Full_Calculation_Methodology.pdf
6. In summary the calculation is based on finding the volume weighted average mid-price (VWAMP) from theoretically filling a trade in standard market size (SMS) on both the bid and offer side of the market at a particular instant in time (a 'Snapshot').
7. IBA does this by using Snapshots from relevant trading venues to create a synthetic order book that represents the best prices and accompanying volumes available at that time.
8. The trading venues providing Snapshots are shown at:
<https://www.theice.com/iba/ice-swap-rate>.

9. IBA applies a number of checks to the synthetic order book created from the Snapshots:
- Liquidity Checks to exclude any illiquid Snapshots
 - Outlier Checks to protect against momentary and unrepresentative spikes in price, and
 - Quality Weighting so that Snapshots with tighter spreads are given a higher weighting.

Sufficient Submissions

10. If some of the venues do not provide data to IBA but sufficient Snapshots from the remaining venue(s) pass the checks outlined in paragraph 9 above, IBA will publish the ICE Swap Rate benchmark.

If one or more tenors do not have sufficient volume

11. If a tenor does not have sufficient volume to fill the SMS for the required number of snapshots during the data collection window, IBA's policy is to seek to publish a rate using the movement interpolation methodology. However, if the movement interpolation methodology cannot be applied (for example, because there is no liquidity in adjacent tenors), IBA's policy then is to publish a 'No Publication' for this tenor. All other tenors that have enough volume will be published as normal.

Queries

12. Please address any queries on this reduced submissions policy to:

IBA@theice.com.
