



ICE Benchmark Administration

Policy on Composition of ICE LIBOR Currency Panels

Introduction

1. The International Organization of Securities Commissions (IOSCO) published its final report on financial benchmarks in July 2013 setting out principles for the creation and administration of financial indices and benchmarks.
2. IOSCO's Principle 11 requires an Administrator to establish clear criteria for including and excluding submitters to financial benchmarks.
3. IOSCO's Principle 14 (Submitter Code of Conduct) states that Administrators should develop guidelines for Submitters – a "Submitter Code of Conduct" - which should address a number of points including, as required by IOSCO's Key Indicum 14.4(e), "Policies to discourage the interim withdrawal of Submitters from surveys or Panels
4. This policy document sets out the criteria adopted by the LIBOR Oversight Committee of ICE Benchmark Administration ("IBA") regarding the composition of ICE LIBOR currency panels.

Currency panel criteria

5. The objective of the policy is to have a panel of participants that are active in the unsecured interbank deposit and other related markets.
6. The goal is to ensure that the ICE LIBOR currency panels are of adequate size to withstand contingencies that could prejudice the calculation of ICE LIBOR rates.
7. Panel banks will be assessed on the basis of perceived expertise.
8. It is desirable that the assessments should be based on published data but the Oversight Committee will also rely on unpublished information where to do so will better enable the Committee to meet the responsibilities set out in its terms of reference.
9. In addition to perceived expertise, other qualitative assessment criteria may be taken into account where necessary or desirable. In particular, reputation and perceived counterparty rates are both factors that the Committee may take into consideration.

IBA actions

10. IBA is seeking to minimise risk for Submitters and to simplify the submission process so as to discourage the withdrawal of the Benchmark Submitters. IBA is approaching this in a number of ways, including:
 - Ensuring that IBA's expectations of Benchmark Submitters are clearly articulated and are consistently applied

- Streamlining the process of making submissions to ICE LIBOR to make it easier for Benchmark Submitters and to allow further time for submissions to be developed. In October 2014, IBA extended the submission window from 11.09.59 to 11.19.59.

The additional 10 minutes in which to make submissions is expected to reduce significantly Benchmark Submitters' risk of making a wrong submission and their risk of submitting late. (The LIBOR Code of Conduct states that a bank will be reported to the FCA in the event that the bank has six or more late submissions and/or three or more other errors, within a six month period)

- Engaging with Benchmark Submitters by hosting a regular Panel Bank Forum to discuss a range of topics including: initiatives being undertaken by IBA; discussions and decisions of the Oversight Committee; and any agenda items requested by Benchmark Submitters.

Policy review

11. This policy will be reviewed by the Oversight Committee at least every 12 months.
