

Press release
Brussels, 10 October 2022

Launch of the euro forward-looking term rate EFTERM[®]

The European Money Markets Institute (EMMI) is proud to announce the launch of EFTERM[®] on 14 November 2022. This is a prominent event given that this new fallback rate will help EURIBOR[®] users to comply with the relevant legal requirements under the EU Benchmarks Regulation¹.

Jean-Louis Schirmann, CEO of EMMI: "The methodology we proposed was very well received by the different market players. It will allow us to publish the EFTERM[®] rates this year and satisfy the EURIBOR[®] users. We will offer the EFTERM[®] fallback rates with the EURIBOR[®] data at no extra charge."

EFTERM[®] is the fruit of a well thought-out process involving different stakeholders. EMMI appointed ICE Benchmark Administration Limited (IBA) as the calculation agent for EFTERM[®].

"Combining EMMI and IBA's extensive experience administering some of the world's most critical benchmarks allows us to offer the market a robust EFTERM[®] rate, underpinned by a waterfall methodology familiar to market participants and following a similar structure to that of ICE Swap Rate[®] and the ICE[®] Term SONIA and ICE[®] Term SOFR Reference Rates," said Clive de Ruig, President of IBA.

After starting in June 2022 the publication of the Beta version of this euro forward-looking term rate, EMMI launched a public consultation from 1 July until 31 August 2022. The objectives were to present the approach composed of a three-level waterfall, and to gather the markets' views on certain features of this fallback rate. The EFTERM[®] methodology presented is based on recommendations issued by the Euro Risk Free Rate Working Group (RFR WG).

EMMI collected answers from 16 stakeholders, covering the banking sector and trade associations. The feedback received was favorable to the proposed methodology. The respondents particularly appreciated the effort to develop a fallback rate to EURIBOR[®]. They also agreed the features of the methodology described in the Consultation Paper are robust and solid. The summary of stakeholder feedback is available on the EMMI website [here](#)².

Taking into consideration all the respondents' feedback and comments received, EMMI is comfortable that the methodology described in the Consultation Paper ensures EFTERM[®]'s robustness and representativeness. Nevertheless, EMMI has taken into consideration several suggestions from respondents when finalising the Benchmark Determination Methodology for EFTERM[®]. This document is published on the EFTERM[®] section of EMMI's website.

To ensure EFTERM[®]'s sustainability, reliability and integrity but also to ensure compliance with the EU Benchmarks Regulation (BMR), EMMI has put in place a Governance Framework consisting of effective control and oversight arrangements for the Administrator and for the Calculation Agent. Documents related to this Governance Framework including the Benchmark Determination Methodology are published on the EFTERM[®] section of EMMI's website [here](#)³.

EMMI intends to proceed with the implementation of the methodology and to go live with the publication of EFTERM[®] rates on 14 November 2022.

¹ Article 28 II of the EU Benchmarks Regulation (Regulation (EU) 2016/1011 of the European parliament and of the Council on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds)

² <https://www.emmi-benchmarks.eu/benchmarks/efterm/BetaRates/>

³ <https://www.emmi-benchmarks.eu/benchmarks/efterm/governance/>

About The European Money Markets Institute

Based in Brussels, The European Money Markets Institute (EMMI) is a non-for-profit association founded in 1999 by the national banking associations of the Member States of the European Union, along with the introduction of the euro.

The European Money Markets Institute is an Authorised Administrator under the Benchmarks Regulation of the European Union (BMR). As such, we develop and administer Euribor®, a robust critical benchmark. We work continuously to reinforce transparency and enhance the governance framework of our benchmarks, in order to preserve their high quality and integrity. Emmi is supervised by the European Securities and Markets Authority (ESMA).

EURIBOR® is the unsecured money market reference rate for the euro. The benchmark was declared a critical benchmark by the European Commission in 2016 because of its systemic importance for financial stability.

The European Money Markets Institute also promotes standards, practices, and labels like STEP, standing for Short-Term European Paper. STEP establishes common practices and standards for the documentation of short-term paper programmes in Europe.

The European Money Markets Institute also explores new initiatives to answer market needs, always in compliance with the current regulatory context and market recommendations.

More info: www.emmi-benchmarks.eu

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About ICE Benchmark Administration

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IBA was founded to reform and bring transparency to global benchmarks. It aims to adopt the highest standards for the benchmarks that it administers.

A subsidiary of Intercontinental Exchange, Inc., IBA is one of the world's most experienced administrators for regulated benchmarks.

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