



Euribor[®]

The indispensable euro money market benchmark

For over **25 years**, Euribor has been a trusted reference for the euro money market. After the successful reform of its methodology and governance framework in 2019, Euribor fully complies with the EU Benchmark Regulation.



Published for the first time on 30 December 1998, a few days ahead of the introduction of the euro, Euribor is a euro money market benchmark calculated for five maturities: one week, one, three, six and twelve months. It measures *‘the rate at which wholesale funds in euro could be obtained by credit institutions in current and former European Union and European Free Trade Association countries in the unsecured money market’*.

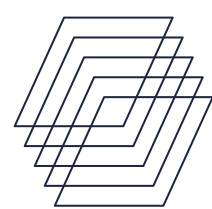
Euribor’s methodology has been reformed in recent years. The underlying interest of the benchmark has been clarified and its determination has shifted from a quote-based to a transaction-based methodology. Its governance framework has furthermore been revised to comply with the new rules applying to critical benchmarks.

The administrator

The European Money Markets Institute (*EMMI*) is an international non-profit association working for the public good by facilitating the smooth functioning of euro money markets and fostering their further integration.

EMMI is an Authorised Administrator under the Benchmark Regulation of the European Union (BMR). BMR authorisation for the administration of Euribor is synonymous with the highest degree of transparency and integrity. It also confirms that the methodology for Euribor is robust, resilient, and representative of its underlying market.





The total
outstanding
amount of
financial markets'
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€100 trillion¹

¹ Estimate using a compilation of various statistics: BIS (Derivatives Statistics); ECB (Statistical Datawarehouse); European Mortgage Federation (Hypostat 2019).



A key reference across financial industries using the euro

In 2016, Euribor was declared a critical benchmark by the European Commission because of its systemic importance for financial stability. The total outstanding amount of financial markets' instruments and loans using Euribor as a reference is estimated above €100 trillion¹.

Specifically, Euribor rates are used to price various euro-denominated derivative instruments like interest rate swaps, forward rate agreements, interest rate futures contracts, and bonds. The rates are also broadly used for loans to non-financial corporations and households, including mortgages. Euribor is also used as a reference to measure the performance of investment funds, for instance to track their return, to define the asset allocation of a portfolio, or to compute the performance fees.



The calculations behind Euribor rates

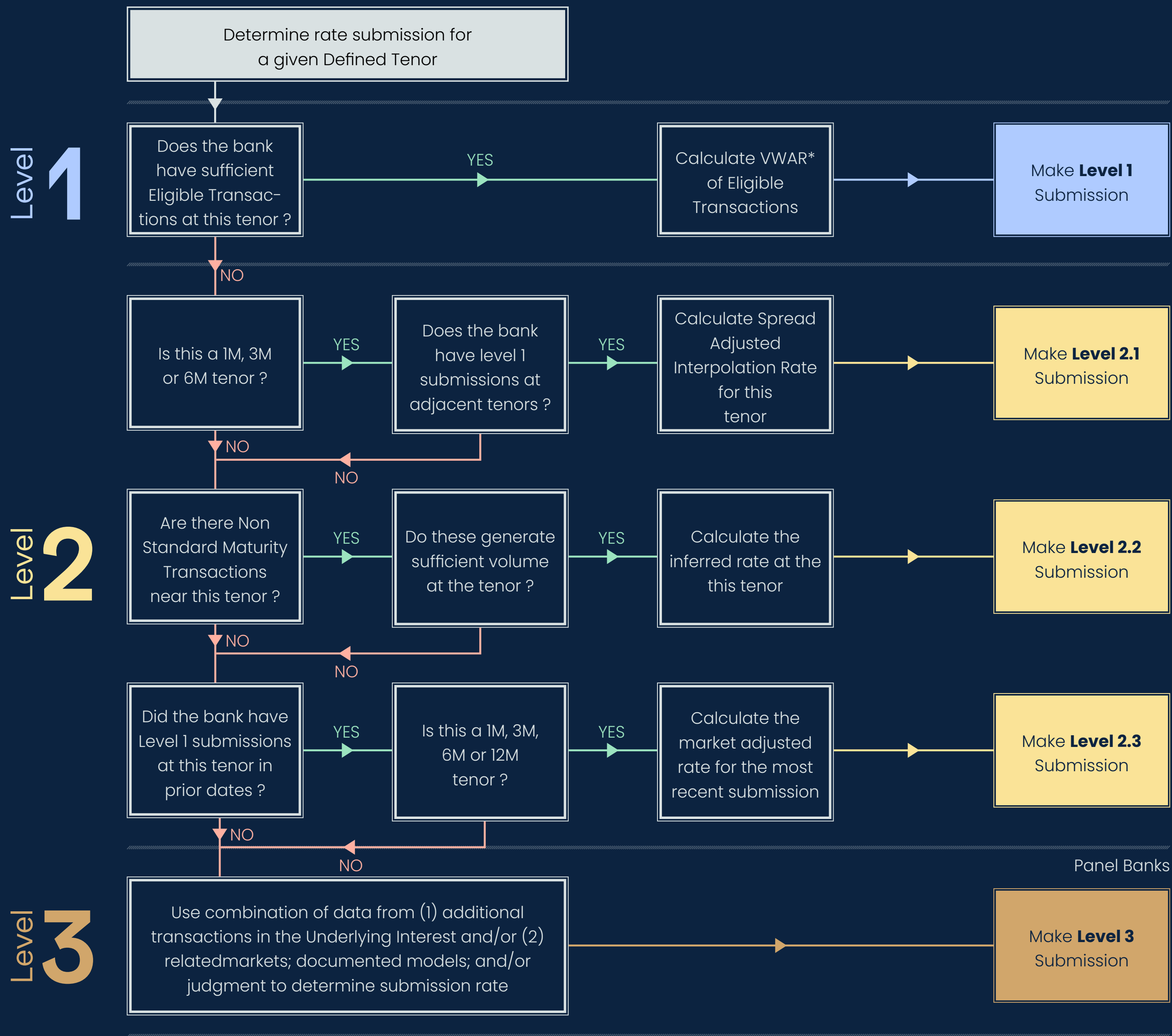
The contributors

Euribor is grounded, to the extent possible, in actual transactions executed on the unsecured euro money market. The rates are calculated based on contributions made by a panel of credit institutions called 'Panel Banks', which are active participants in this market. They have been selected with a twofold objective:

- to reflect the diversity of the euro money market on the one hand
- to ensure that Euribor is representative of its underlying market

Currently, the panel comprises 19 banks contributing to the determination of Euribor, and is fully representative of the underlying interest.





The methodology

In August 2016, Euribor was declared a critical benchmark by the European Commission. Bearing this criticality in mind, and to ensure the benchmark's robustness, the European Money Markets Institute has developed a hybrid methodology allowing Euribor to remain fit-for-purpose in any market circumstances, and compliant with the current regulatory requirements and industry recommendations. The European Money Markets Institute has appointed Global Rate Set System (GRSS) as a calculation agent for Euribor.

* Volume Weighted Average Rate



Annual reviews of the hybrid methodology for Euribor

The BMR requires periodic reviews of the hybrid methodology for Euribor. The European Money Markets Institute performs these reviews annually to confirm that the benchmark does remain representative of the market it represents. Based on the outcome of the reviews, adjustments may be identified and implemented to serve the representativeness of Euribor.

The first annual review of Euribor's hybrid methodology took place in 2020, and the outcome was communicated in February 2021. A second review was run and implemented in 2021 and the results of the analysis suggested that four non-material adjustments would improve the Euribor's methodology.



Robust governance and effective control arrangements establishing the requirements and principles related to the provision of Euribor are in place to ensure the benchmark's integrity and reliability





Euribor rates are published daily

Euribor is published every TARGET day, at or shortly after 11 am CET for each of its tenors.

Intraday re-fixing may happen at 3 pm CET in case of reported revisions to input data, or errors in the collection, calculation, or publication of the benchmark. To calculate the impact of the revisions, the original input data is replaced by the revised input data, or by the correct benchmark calculation, and the benchmark is re-calculated for each fixing day in the period. The recalculated benchmark rates are then compared with the original published rates.

Quarterly reports on errors or revisions, with a selection of indicators, are available on the website of the European Money Markets Institute.

Rates distributed to Authorised Vendors immediately after calculation

A subscription or licensing agreement with the European Money Markets Institute is mandatory to access the Euribor rates and for any commercial use thereof. The data package includes access to Euribor and Eferm rates.

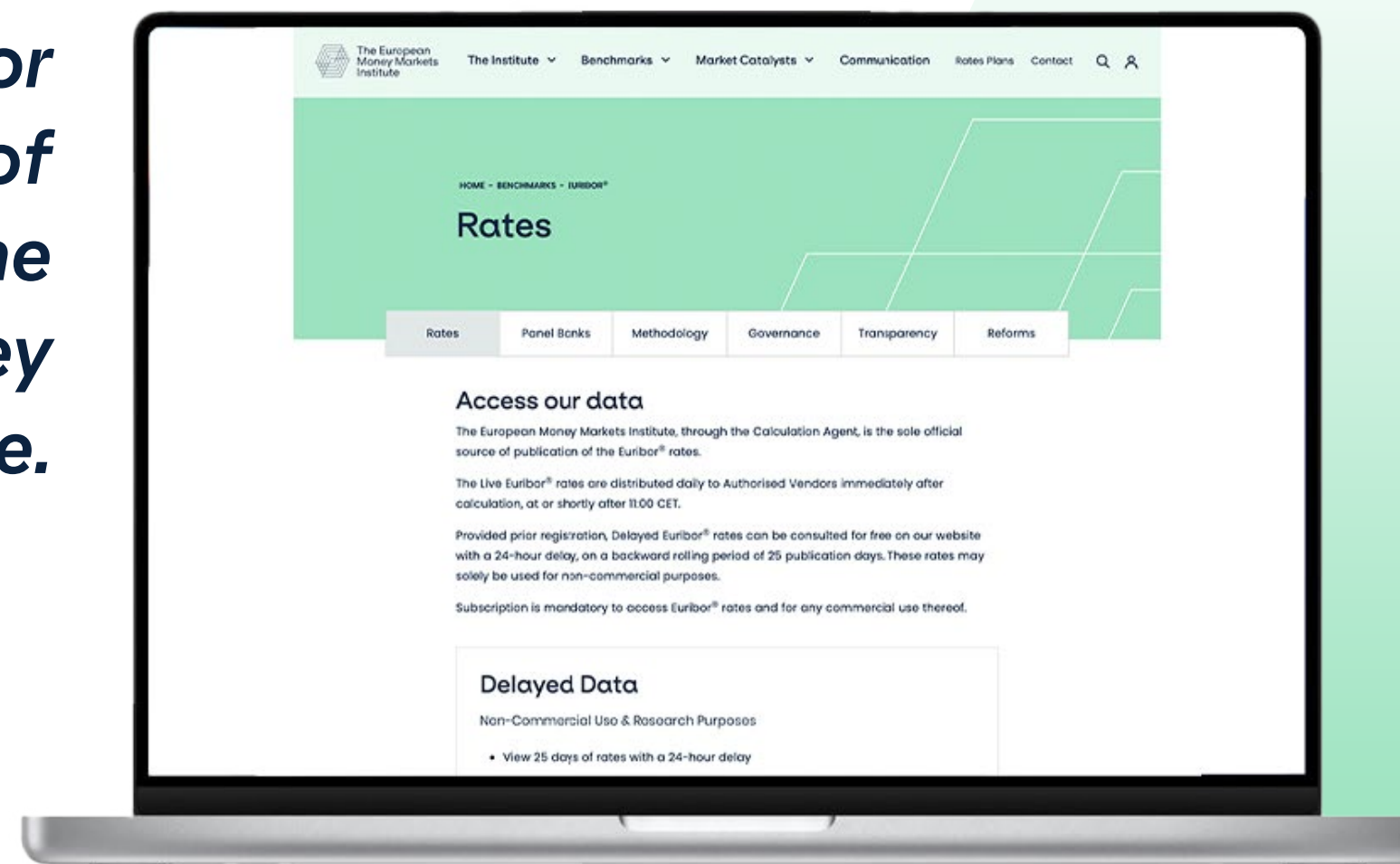
The European Money Markets Institute, through the Calculation Agent, is the sole official source of publication of the Euribor rates. The daily Euribor rates are distributed to Authorised Vendors immediately after calculation, at or around 11 am

CET. They are made available on the European Money Markets Institute's website with a 24-hour delay, for non-commercial use and for prior registrants only.

For any enquiry or question related to the different types of subscriptions and licensing agreements, please do not hesitate to contact

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Measures to protect the integrity and reliability of Euribor

The Euribor Governance Framework ensure's the benchmark's integrity and reliability.

The 'Euribor Governance Framework' entails:

- The Euribor Governance Code of Conduct, setting out all governance, control, and accountability frameworks for the provision of Euribor
- The Euribor Code of Obligations of Panel Banks, setting out uniform standards and obligations for the Panel Banks with regard to the provision of input data contributions for the determination of Euribor
- The Euribor Code of Obligations of the Calculation Agent, setting out the requirements for the Calculation Agent in acting as a sub-contractor of the European Money Markets Institute for determining Euribor

- The Benchmark Determination Methodology for Euribor, setting out the determination methodology for the calculation of Euribor under both regular and contingency circumstances.

The Euribor Governance Framework is furthermore supported by a set of policies and procedures covering all aspects related to the provision of the benchmark.

All these documents are available on [The European Money Markets Institute's website.](#)



The European Money Markets Institute performs annual reviews to ensure that Euribor remains representative of the market



The Euribor Oversight Committee

The Euribor Oversight Committee is an independent body established by the European Money Markets Institute to provide unbiased oversight of all aspects related to the provision of Euribor, including its governance framework and methodology.

The Oversight Committee consists of at least ten members: one Chair, independent experts with recognised standing and experience in financial markets, and experienced market practitioners directly involved in market operations or bearing direct responsibility within their company or organisation for these activities.

All members are appointed on a personal basis. They are independent and not subject to influence from

the company or organisation to which they belong.

The Euribor Oversight Committee meets bimonthly on average. A list of the members of the Euribor Oversight Committee and the minutes of their meetings are publicly available on the website of the European Money Markets Institute.

The supervisor

As the administrator of Euribor, the European Money Markets Institute is supervised by the European Securities and Markets Authority (ESMA) which substituted the Belgian Financial Services and Markets Authority (FSMA) in January 2022.



Euribor is here to stay

Euribor remains the money market reference rate for the euro. The BMR gives priority to strengthening the governance and robustness of existing benchmarks and indices where these remain representative of the market they intend to measure. With its Governance Framework and its reformed – and annually reviewed – methodology, Euribor is BMR-compliant and continues to be a solid, resilient, and reliable interest rate benchmark.

The reformed – or hybrid – methodology for Euribor has proven appropriate, robust, and efficient in adverse market conditions. The benchmark has successfully demonstrated its ability to react appropriately to changes in the market, and to remain representative of its underlying market even in the context of temporarily reduced liquidity.





Efterm: fallback rates to Euribor

The EU Benchmark Regulation requires supervised entities that use a benchmark to have robust written plans in place for the event that a benchmark materially changes or ceases to exist. Where feasible and appropriate, these plans should nominate one or more fallback rates.

To facilitate the establishment of such written plans for Euribor licensees, the European Money Markets Institute has developed a forward-looking fallback rate based on available market data on overnight index swaps and futures that reference the European Central Bank's Euro Short Term Rate (€STR).

Efterm is a forward-looking €STR-based term benchmark calculated for five maturities, known as "tenors": one week, one, three, six and twelve months. It measures 'the expected (i.e., forward-looking) average evolution of wholesale euro unsecured overnight borrowing costs of euro area banks over defined tenor periods'.



The European Money Markets Institute has appointed ICE Benchmark Administration Limited as a calculation agent for Efterm and applies a waterfall methodology using dealer-to-client bid and offer prices and volumes obtained from Tradeweb's Global Institutional Trading Platform or end-of-day settlement prices for ICE 1-month €STR futures contracts. Tradeable bid and offer prices and volumes from regulated, electronic trading

venues will also be used in the waterfall when available.

Efterm is published every TARGET2 day, at or shortly after 11:15 am CET for each of its tenors. Intraday re-publication may happen no later than 13:30 CET in case of reported revisions to input data, or errors in the collection, calculation, or publication of the benchmark.



EURIBOR

Any questions?

For any enquiry or question related to Euribor, the different types of subscriptions and licensing agreements, please do not hesitate to contact us:

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Our webpages

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The European
Money Markets
Institute

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