



EUROPEAN REPO COUNCIL

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Press Release

Banking Industry revises Eurepo Code of Conduct

The Eurepo¹ Code of Conduct was revised by the Eurepo Steering Committee² during its last meeting on 23 September 2008, and the changes subsequently approved on 05 December 2008 by the Euribor EBF General Assembly.

Launched in March 2002, Eurepo is the single reference rate for a unified Euro General Collateral market. Members agreed to re-define the benchmark, in order to improve its clarity and precision:

"Eurepo is the rate at which one prime bank offers funds in Euro to another prime bank if in exchange the former receives from the latter the best collateral in terms of rating and liquidity within the Euro GC basket."

"We felt that this update of the Code of Conduct was necessary to better reflect the current market conditions and changes", declared Guido Ravoet, Secretary General of the European Banking Federation and a permanent member of the Eurepo Steering Committee. "It will also help explain the practices behind Eurepo, for the sake of transparency. But it will not change anything to the actual structure of the Eurepo benchmark."

The European Repo Council (ERC) promotes the interest and activities of the European repo market. It comprises the member firms of the International Capital Market Association who are active in that market. Godfried De Vidts, Chair of ICMA's European Repo Council commented: "These timely changes to the code which defines the Eurepo rate are welcomed by the European Repo Council on behalf of the repo dealing community in Europe. Increased transparency of the code will help to maintain confidence and liquidity in this important market sector".

¹ www.eurepo.org

² Eurepo Steering Committee is composed of 10 experienced market practitioners from European banks, appointed for 2 years' mandates.