# Press release

# Brussels, 13 June 2022

Publication of Beta EFTERM® Rates and consultation on fallback rates methodology

The European Money Markets Institute (Emmi) has today started to publish a beta version of its first EURIBOR fallback rate. This rate, **EFTERM® (Euro Forward Looking Term Rate)**, is a forward-looking term rate, based on available market data on Overnight Indexed Swaps that reference the European Central Bank's Euro Short Term Rate (€STR). EFTERM® is designed to measure the average expected €STR rates over the standard EURIBOR® tenors 1 week, 1 month, 3 months, 6 months and 12 months. Once live, EFTERM® will help EURIBOR® users to comply with their obligations under the EU Benchmarks Regulation, which requires supervised entities to nominate an alternative benchmark, where feasible and appropriate, for the event the benchmark they use materially changes or ceases to exist. The Euro Risk Free Rates Working Group has recommended a forward-looking term rate as a fallback for EURIBOR® for certain asset classes. Going forward, Emmi will assess the development of additional fallback rates to address further recommendations by the Working Group and to facilitate regulatory compliance for its EURIBOR® users.

The European Money Markets Institute has appointed ICE Benchmark Administration Limited as the calculation agent for EFTERM®. For the calculation of EFTERM®, it applies a draft waterfall methodology to dealer-to-client bid and offer prices and volumes from Tradeweb. The European Money Markets Institute publishes sample calculations (Beta EFTERM® Rates) on its website for an initial testing period. The sample file will be updated every Monday with the daily calculations from the previous week.

The Beta EFTERM® Rates are for information and illustration purposes only. They should facilitate EURIBOR® users to evaluate the suitability of the Beta EFTERM® Rates as a fallback in their own use cases. The European Money Markets Institute will launch a public consultation in due course to collect such feedback.

Under no circumstances should the Beta EFTERM® Rates be used as a reference in a financial instrument or financial contract. It should not determine the amount payable under a financial instrument or financial contract and it should not measure the performance of an investment fund.

Link to the Beta EFTERM® Rates webpage: emmi-benchmarks.eu/benchmarks/FallbackRates/BetaEfterm/ (tbc)

# Contact media

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# About The European 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 explores new initiatives to answer market needs, always in compliance with the current regulatory context and market recommendations.

# About ICE Benchmark Administration

[to be edited by IBA]

ICE Benchmark Administration Limited (IBA) is a regulated benchmark administrator under the EU Benchmarks Regulation (BMR).

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

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

Intercontinental Exchange (NYSE: ICE) is a Fortune 500 and Fortune Future 50 company formed in the year 2000 to modernize markets. ICE serves customers by operating the exchanges, clearing houses and information services they rely upon to invest, trade and manage risk across global financial and commodity markets. A leader in market data, ICE Data Services serves the information and connectivity needs across virtually all asset classes. ICE is the parent company of the New York Stock Exchange, which has helped companies raise more capital than any other exchange in the world, driving economic growth and transforming markets.