

Principles for the correction of Nibor

First adopted 5 December 2013 by Finance Norway. Adopted 16 December 2016 by Norske Finansielle Referanser AS (NoRe)¹.

The general rules for calculating Nibor are set out in the “Rules for the calculation and publication of Norwegian money market rates – Nibor” (hereinafter referred to as the Nibor rules) as apply from time to time.

This document provides guidelines for the correction of Nibor, including the Nibor calculation agent’s mandate to postpone the fix time and /or decide to correct Nibor in given situations. Nibor shall be calculated for each individual maturity whether or not other maturities can be calculated.

1. Postponement of ordinary fix time:

The calculation agent shall decide to postpone the Nibor fix time when

- 1) there is a system failure that necessitates the use of manual backup procedures for reporting Nibor contributions before the ordinary fix time, or
- 2) external circumstances (natural disasters, terrorism, fundamental market failure, etc.) arise and are of such a magnitude that they may affect the participants’ ability to establish/submit/receive/distribute Nibor contributions.

In these cases, clarification should be sought as to whether the individual panel bank will be able to report the Nibor contributions in the course of the current trading day. Nibor shall be distributed through the ordinary channels when the relevant panel banks have submitted their Nibor contributions, provided that submission takes place within trading hours on the current trading day. If Nibor cannot be calculated during the trading hours of that particular trading day, Nibor shall not be distributed for the relevant maturities on that day.

2. Correcting Nibor and Nibor contributions

- 2.1. If a panel bank notifies the calculation agent of errors in their own Nibor contributions later than the ordinary fix time, the erroneous contributions and Nibor shall be corrected if the size of the error is two or more basis points of the Nibor contribution and correction can be effected within one hour of the fix time. A panel bank may only request corrections of their own Nibor contributions.

¹ Finance Norway’s responsibility as Nibor administrator was transferred to NoRe with effect from 1 January 2017.

- 2.2. If a panel bank notifies the calculation agent of mistakes in its own Nibor contributions, but not in time for Nibor to be corrected within one hour of the ordinary fix time, or the error is less than two basis points of the Nibor contribution, see section 2.1, the notification will not be treated as a request for correction, see the Nibor rules, nor be communicated to the market, see section 3.3.
- 2.3. If the calculation agent is notified of errors in the calculation of Nibor, Nibor shall be corrected if this can be done within one hour of the ordinary fix time.
- 2.4. Information about errors in Nibor and/or Nibor contributions and requests for correction shall be logged by the calculation agent and be available to the Nibor monitoring body.

3. Communication with the market

- 3.1. As a rule, Nibor and Nibor contributions are distributed through the calculation agent's ordinary channels for distributing other market data. Additional notification of the market that Nibor has been calculated is not required.
- 3.2. If technical issues cause Nibor not to be distributed through ordinary channels, Nibor shall initially be distributed as a stock exchange announcement. Distribution through the ordinary channels should happen as soon as possible within the same trading day.
- 3.3. The market shall be notified of the correction of Nibor contributions and/or Nibor without undue delay in a stock exchange announcement. The corrected Nibor shall be distributed through the ordinary channels as soon as possible.
- 3.4. When there is a decision to postpone the ordinary fix time, see section 1, and to correct Nibor and Nibor contributions, see section 2, the calculation agent shall issue a stock exchange announcement about this situation without undue delay.
- 3.5. When it is confirmed that Nibor cannot be calculated because fewer than two panel banks have submitted contributions, or due to other extraordinary circumstances, the calculation agent shall issue a stock exchange announcement about this situation without undue delay.