

Date: December 13th, 2019

NoRe has applied for BMR authorisation as administrator of Nibor

Norske Finansielle Referanser AS (NoRe) has sent an application for authorisation as administrator for Nibor according to the EU Benchmarks Regulation (BMR) requirements to the Norwegian competent authority, Finanstilsynet. The application is based on a revised methodology and governing framework.

NoRe was in 2017 approved by the Norwegian Ministry of Finance as administrator for Nibor (Norwegian Interbank Offered Rate), according to the Norwegian act of 4 December 2015 on interest rate benchmarks. On 6 December 2019 this law was amended, incorporating the EU Benchmarks Regulation (BMR) into Norwegian law.

According to the BMR Article 51 (1) an index provider providing a benchmark on 30 June 2016 shall apply for authorisation or registration in accordance with [BMR] Article 34 by 1 January 2020. Furthermore, according to BMR Article 51 (3) an index provider may continue to provide an existing benchmark which may be used by supervised entities until 1 January 2020 or, where the index provider submits an application for authorisation or registration in accordance with [BMR Article 51 (1)], unless and until such authorisation or registration is refused.

On 12 December 2019 NoRe applied for authorisation as administrator of Nibor to the Norwegian competent authority, Finanstilsynet (the Norwegian Financial Supervisory Authority). Finanstilsynet is expected to publish information on the reception of the application. Consequently, the Nibor benchmark may be used also after 1 January 2020.

The application is based on a Nibor methodology and governing framework which is revised to fulfil the new requirements following the inclusion of BMR into Norwegian law. On 20 August 2019 NoRe published a consultation paper on a draft revised methodology. An English summary was given in the newsletter published the same day. Most importantly; the definition of Nibor is not changed. In a test period Nibor calculated based on the revised methodology deviated no more than 1 basis point from the official fixing. 75 of 95 values was equal. The adopted revised methodology will be published together with a newsletter next week.

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