

Date: January 20, 2022

Nibor recognised as a critical benchmark - Updated framework documents

In December 2021 the decision to recognize Nibor as a critical benchmark was implemented in Norwegian law. The Norwegian FSA has now verified that the Nibor Panel Bank Code of Conduct complies with BMR. Following this, NoRe has published revised versions of Nibor Panel Bank Code of Conduct, Nibor Cessation Policy, Nibor Transition Policy and the Nibor Benchmark Statement.

In July 2021 the European Commission recognized Nibor as a critical benchmark according to the conditions laid down in the EU Benchmarks Regulation (BMR) Article 20(1) point (b) and added Nibor to the list of critical benchmarks. In December 2021 this decision was incorporated into the EEA Agreement¹ and implemented in Norwegian legislation.

An enhanced regulatory regime applies to critical benchmarks under BMR. In particular;

- an independent external audit of compliance is required at least annually;
- the relevant competent authority shall verify whether the content of the code of conduct complies with BMR;
- the administrator may be compelled to continue to publish the benchmark for up to five years;
- supervised entities may be required to contribute input data for up to five years;
- the competent authority may designate replacement rates; and
- the administrator shall ensure that licences of, and information relating to, the benchmark are provided to all users on a fair, reasonable, transparent and non-discriminatory basis.

Since Nibor is recognized as a critical benchmark with reference to BMR Article 20(1) point (b), the competent authority for NoRe as administrator for Nibor remains with the Norwegian Financial Supervisory Authority, Finanstilsynet.

With the objective of adapting the Nibor framework to the special requirements laid upon critical benchmarks, NoRe has amended the Nibor Panel Bank Code of Conduct and the Nibor Cessation Policy. On January 14, 2022, the Norwegian Financial Supervisory Authority confirmed that the revised Code of Conduct complies with the requirements in BMR.

NoRe has published the revised versions of the Nibor Panel Bank Code of Conduct and the Nibor Cessation Policy. Both policies will apply from February 1, 2022. NoRe has also published a revised version of the Nibor Transition Policy and an updated version of Nibor Benchmark Statement. The updates to the Nibor Transition Policy embrace information about recommended fallback rates.

For any questions, please direct these to post@referanserenter.no

¹ Norway is not a member of the European Union, but part of the European Economic Area (EEA), governed by the EEA Agreement. The EU Benchmarks Regulation (BMR) was implemented in Norwegian legislation December 6, 2019.