Working group on euro risk-free rates

EUR RFR – list of Criteria for the selection

1 Benchmark Qualities

a) Underpinned by broad based and reliable market data
b) Representative of competitive arm's-length near risk-free bank borrowing costs

2 Benchmark Characteristics

a) Sensitive and reactive to changes in policy rate and other market factors
b) Underlying interest the benchmark seeks to measure to be clear and transparent

3 Methodological Qualities

a) Market data to be transaction data where possible
b) Market data clearly defined and understood
c) Market data reliable and easily accessible to administrator
d) Determination methodology clear and transparent

4 Governance and Accountability

a) Administrator IOSCO compliant and expected to become BMR compliant (authorised/registered/exempt)
b) Appropriate controls and oversight, including confidentiality of data

5 Other Considerations

a) Potential for term market based on RFR
b) Availability of historical RFR data