

2018-11-26

## Framework for STIBOR – proposed changes

(Open for comments until 27 December 2018; comments are sent to info@swedishbankers.se)

	<b>Current wording</b> Changes in cursive	<b>Proposed wording</b> Changes are in cursive and underlined
1	<p><b>Framework for Stibor</b> Agreements with variable rates are to a significant extent linked to Stibor. This framework regulates how the setting of Stibor is governed and controlled, the rules that apply to the Stibor banks, how these banks are appointed and how transparency around Stibor is achieved. The Swedish Bankers' Association, which <i>is</i> responsible for <i>the</i> framework, has established a Stibor Committee and a Secretariat to handle Stibor-related questions. Information about the Committee and the Secretariat is set out in the framework.</p>	<p><b>Framework for Stibor</b> Agreements with variable rates are to a significant extent linked to Stibor. This framework regulates how the setting of Stibor is governed and controlled, the rules that apply to the Stibor banks, how these banks are appointed and how transparency around Stibor is achieved. The Swedish Bankers' Association, which <u>became</u> responsible for <u>Stibor and its</u> framework <u>in March 2013</u>, has established a Stibor Committee and a Secretariat to handle Stibor-related questions. Information about the Committee and the Secretariat is set out in the framework.</p> <p><u>The Swedish Bankers' Association has now formed a wholly-owned subsidiary, Financial Benchmarks Sweden AB (hereinafter Financial Benchmarks), which is responsible for taking over the Stibor activities of the association. The information for which the Swedish Bankers' Association and its Board of Directors was previously responsible has been taken over by Financial Benchmarks and its Board from xxx 2019. The Stibor Committee becomes a committee within the company. The company also acts as the Stibor secretariat.</u></p>



	Rules regarding governance and control (1) are decided by <i>the Board of the Swedish Bankers' Association</i> . Decisions about the other sections (2 and 3) are made by the Stibor Committee on behalf of <i>the Board of the Swedish Bankers' Association</i> .	Rules regarding governance and control (1) are decided by <u><i>the Board of Financial Benchmarks</i></u> . Decisions about the other sections (2 and 3) are made by the Stibor Committee on behalf of <u><i>the Board of Financial Benchmarks</i></u> .
<b>2</b>	<p><b>1. Rules for governance and control</b></p> <p>...</p> <p>The independent member is nominated by the office of <i>the Swedish Bankers' Association</i>.</p> <p><i>The Board of the Swedish Bankers' Association</i> appoints members and personal deputies to the Stibor Committee. The Committee appoints a Chair and a Vice Chair. The mandate period for members and deputy members is two years and can be extended.</p> <p>...</p> <p>The Riksbank, the calculation agent and <i>the Swedish Bankers' Association</i> are entitled to appoint observers to the Committee.</p> <p>...</p> <p>The Committee convenes four times a year as well as whenever requested by the Chair, two members, <i>the Swedish Bankers' Association</i> or the Riksbank.</p> <p>...</p> <p>Minutes shall be kept at the meetings. These shall be published on a website determined by <i>the Swedish Bankers' Association</i> no later than three months following the meeting.</p> <p>...</p> <p>The Stibor Committee is a committee within <i>the Swedish Bankers' Association</i>. Agreements regarding Stibor activities,</p>	<p><b>1. Rules for governance and control</b></p> <p>...</p> <p>The independent member is nominated by the office of <u><i>Financial Benchmarks</i></u>.</p> <p><u><i>The Board of Financial Benchmarks</i></u> appoints members and personal deputies to the Stibor Committee. The Committee appoints a Chair and a Vice Chair. The mandate period for members and deputy members is two years and can be extended.</p> <p>...</p> <p>The Riksbank, the calculation agent and <u><i>Financial Benchmarks</i></u> are entitled to appoint observers to the Committee.</p> <p>...</p> <p>The Committee convenes four times a year as well as whenever requested by the Chair, two members, <u><i>Financial Benchmarks</i></u> or the Riksbank.</p> <p>...</p> <p>Minutes shall be kept at the meetings. These shall be published on a website determined by <u><i>Financial Benchmarks</i></u> no later than three months following the meeting.</p> <p>...</p> <p>The Stibor Committee is a committee within <u><i>Financial Benchmarks</i></u>. Agreements regarding Stibor activities,</p>



	e.g. with calculation agents, are made by <i>the Swedish Bankers' Association</i> .	e.g. with calculation agents, are made by <u>Financial Benchmarks</u> .
<b>3</b>	<p><b>Tasks of the Stibor Committee</b></p> <p>...</p> <ul style="list-style-type: none"> <li>- To handle questions regarding Stibor that are referred to the Committee by <i>the Board of the Swedish Bankers' Association</i>, the Riksbank, the calculation agent or a Stibor bank.</li> </ul> <p>...</p> <ul style="list-style-type: none"> <li>- To design proposals for agreements with calculation agents for approval by <i>the Swedish Bankers' Association</i>.</li> </ul> <p>...</p> <ul style="list-style-type: none"> <li>- To issue an objection to the bank if a Stibor bank does not comply with the framework, and if the bank has not rectified the matter within two weeks, report this to <i>the Board of the Swedish Bankers' Association</i>, which thereafter is entitled to make decisions regarding any measures to be taken against the Stibor bank.</li> <li>- At least half of the members must be present to establish a quorum. Decisions are passed with a 2/3 majority of the present members. However, decisions regarding objections and the reporting of a Stibor bank to <i>the Board of the Swedish Bankers' Association</i> require unanimity among the other banks.</li> </ul>	<p><b>Tasks of the Stibor Committee</b></p> <p>...</p> <ul style="list-style-type: none"> <li>- To handle questions regarding Stibor that are referred to the Committee by <u>the Board of Financial Benchmarks</u>, the Riksbank, the calculation agent or a Stibor bank.</li> </ul> <p>...</p> <ul style="list-style-type: none"> <li>- To design proposals for agreements with calculation agents for approval by <u>Financial Benchmarks</u>.</li> </ul> <p>...</p> <ul style="list-style-type: none"> <li>- To issue an objection to the bank if a Stibor bank does not comply with the framework, and if the bank has not rectified the matter within two weeks, report this to <u>the Board of Financial Benchmarks</u>, which thereafter is entitled to make decisions regarding any measures to be taken against the Stibor bank.</li> <li>- At least half of the members must be present to establish a quorum. Decisions are passed with a 2/3 majority of the present members. However, decisions regarding objections and the reporting of a Stibor bank to <u>the Board of Financial Benchmarks</u> require unanimity among the other banks.</li> </ul>
<b>4</b>	<b>Decisions to approve Stibor banks, etc.</b>	<b>Decisions to approve Stibor banks, etc.</b>



	<p>A bank applies to the Stibor Committee to be approved as a Stibor bank. In its application the bank shall expressly state that it undertakes to comply with this framework for Stibor and decisions made by <i>the Board of the Swedish Bankers' Association</i> and the Stibor Committee.</p> <p>The Committee shall submit its own statement with the application to <i>the Board of the Swedish Bankers' Association</i>, which decides whether to approve the bank as a Stibor bank.</p> <p>A Stibor bank which no longer meets the requirements for being a Stibor bank, ceases to be a Stibor bank. Such a decision is to be taken by <i>the Board of the Bankers' Association</i> upon a proposal from the Stibor Committee.</p>	<p>A bank applies to the Stibor Committee to be approved as a Stibor bank. In its application the bank shall expressly state that it undertakes to comply with this framework for Stibor and decisions made by <u><i>the Board of Financial Benchmarks</i></u> and the Stibor Committee.</p> <p>The Committee shall submit its own statement with the application to <u><i>the Board of Financial Benchmarks</i></u>, which decides whether to approve the bank as a Stibor bank.</p> <p>A Stibor bank which no longer meets the requirements for being a Stibor bank, ceases to be a Stibor bank. Such a decision is to be taken by <u><i>the Board of Financial Benchmarks</i></u> upon a proposal from the Stibor Committee.</p>
<b>5</b>	<p><b>Control functions</b></p> <p>...</p> <p>External audits of Stibor activities shall be conducted at <i>the Swedish Bankers' Association</i>, the Stibor banks and the calculation agent at least every other year in accordance with a decision by the Stibor Committee.</p>	<p><b>Control functions</b></p> <p>...</p> <p>External audits of Stibor activities shall be conducted at <u><i>Financial Benchmarks</i></u>, the Stibor banks and the calculation agent at least every other year in accordance with a decision by the Stibor Committee.</p>
<b>6</b>	<p><b>Stibor Secretariat</b></p> <p>The Stibor Committee shall have access to a secretariat function that is provided by <i>the Swedish Bankers' Association</i>.</p>	<p><b>Stibor Secretariat</b></p> <p>The Stibor Committee shall have access to a secretariat function that is provided by <u><i>Financial Benchmarks</i></u>.</p>
<b>7</b>	<p><b>Transparency</b></p> <p>...</p> <p>This framework, the name of the Stibor banks and the members of the Stibor Committee shall be available on the website decided by <i>the Swedish Bankers' Association</i>.</p> <p>...</p>	<p><b>Transparency</b></p> <p>...</p> <p>This framework, the name of the Stibor banks and the members of the Stibor Committee shall be available on a website decided by <u><i>Financial Benchmarks</i></u>.</p> <p>...</p>



	<p>The Secretariat shall ensure that confirmations from <i>the Swedish Bankers' Association</i>, the Stibor banks and the calculation agent about compliance with this framework and the ESMA/EBA principles are published on <i>the Swedish Bankers' Association's</i> website.</p>	<p>The Secretariat shall ensure that confirmations from <u>Financial Benchmarks</u>, the Stibor banks and the calculation agent about compliance with this framework and the ESMA/EBA principles are published on a website decided by <u>Financial Benchmarks</u>.</p>
<b>8</b>	<p><b>Calculation agents</b></p> <p>...</p> <ul style="list-style-type: none"> <li>- Have systems for internal control, record-keeping of communication with the Stibor banks and <i>the Swedish Bankers' Association</i>, publication of corrected errors in Stibor and whistle-blowing.</li> </ul>	<p><b>Calculation agents</b></p> <p>...</p> <ul style="list-style-type: none"> <li>- Have systems for internal control, record-keeping of communication with the Stibor banks and <u>Financial Benchmarks</u>, publication of corrected errors in Stibor and whistle-blowing.</li> </ul>
<b>9</b>	<p><b>Changes to the framework</b></p> <p>...</p> <p>Proposed changes shall be published on <i>the Swedish Bankers' Association's</i> website and information about the change shall be submitted to various stakeholders via the calculation agent.</p> <p>...</p> <p>Decisions about changes to section 1, "Rules for governance and control", are made by <i>the Board of the Swedish Bankers' Association</i> on the basis of a justified proposal from the Committee.</p> <p>Decisions about changes to section 2, "Rules for reporting and calculating Stibor", and section 3, "Rules for the Stibor banks' internal governance" are made by the Committee and reported to <i>the Board of the Swedish Bankers' Association</i> at its next meeting.</p> <p>In the presence of exceptional market conditions that can seriously affect the</p>	<p><b>Changes to the framework</b></p> <p>...</p> <p>Proposed changes shall be published on a website decided by <u>Financial Benchmarks</u> and information about the change shall be submitted to various stakeholders via the calculation agent.</p> <p>...</p> <p>Decisions about changes to section 1, "Rules for governance and control", are made by <u>the Board of Financial Benchmarks</u> on the basis of a justified proposal from the Committee.</p> <p>Decisions about changes to section 2, "Rules for reporting and calculating Stibor", and section 3, "Rules for the Stibor banks' internal governance" are made by the Committee and reported to <u>the Board of Financial Benchmarks</u> at its next meeting.</p> <p>In the presence of exceptional market conditions that can seriously affect the</p>



<p>interbank market, the Committee may also decide on changes to section 1, "Rules for governance and control". Such a decision shall be immediately reported to <i>the Board of the Swedish Bankers' Association</i> for approval.</p>	<p>interbank market, the Committee may also decide on changes to section 1, "Rules for governance and control". Such a decision shall be immediately reported to <u><i>the Board of Financial Benchmarks</i></u> for approval.</p>
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