

Date: May 4, 2022

2nd annual review of the Nibor Framework concluded

Nibor Oversight Committee has finalized its second annual review of the Nibor Framework, including the Nibor Methodology. The review has identified the need for amendments in some policy documents, in particular following the recognition of Nibor as a critical benchmark according to the EU Benchmark regulation. The current calculation methodology has been assessed as still being suitable for its intended purpose.

Yearly review of the Nibor Framework

The EU Benchmarks Regulation (BMR) is part of the EEA Agreement and incorporated in Norwegian law. Norske Finansielle Referanser AS (NoRe) is authorised by the Norwegian Financial Supervisory Authority, Finanstilsynet, to be administrator of the Norwegian Interbank Offered Rate (Nibor) pursuant to BMR article 34.

BMR requires an administrator to review its framework regularly. In particular, the benchmark's definition and methodology shall be reviewed at least annually. The BMR requirements have been incorporated in NoRe's Nibor Framework. The review of the Nibor definition and methodology is governed by the Nibor Review Policy, which is published on NoRe's website under [The Nibor Framework](#). The responsibility for the review lies with the Nibor Oversight Committee.

The second annual review

The Nibor Oversight Committee initiated its second yearly review in its meeting December 14, 2021 and concluded its assessments in its meeting March 14, 2022. In the meeting in December the Committee assessed the content of most of the general Nibor framework documents to be reviewed yearly. In March the Committee carried out the final phase of the review, including the assessment of the Nibor methodology following the process outlined in the Nibor Review Policy.

The NoRe Board has taken note of the Nibor Oversight Committee's assessments and recommendations and in addition carried out its own assessment of a broader set of policy documents. The NoRe board finalized its annual review in its meeting March 24, 2022, including the adopting of amendments.

Nibor Oversight Committee assessments and conclusions

Nibor Oversight Committee (NOC) referred in its assessment to that the administrator has provided weekly reports which have allowed the committee to keep constantly updated as to the relevant market and rate developments. In addition, NOC has been kept informed about the developments in regulations, both nationally and at European level. NOC has also received satisfactory assessments and reporting from the administrator, the NoRe Compliance function and from the calculation agent.

The administrator has assessed both different panel banks' contributions and the consistency of the Nibor rates. The ongoing analyses have been expanded and in general made more comprehensive. The Committee noted with satisfaction that the panel banks have contributed to an orderly fixing of

the Nibor rates every business day of 2021. The rates for the Nibor tenors have not showed any suspicious developments and have reinforced the impression of a robust regime around the setting of the rates.

NOC assessed the Nibor framework still to be suitable for its intended purpose and gave its support to the administration's assessment for need for updates to some documents. NOC also appreciated the Nibor training program developed and delivered towards the panel banks.

Summaries of the Nibor Oversight Committee meeting minutes are published on NoRe's website.

Amendments to the Nibor Framework

None of the amendments following this second annual review affect the methodology which Nibor is based upon. The rationale for changes has been:

- The recognition of Nibor as a critical benchmark.
- Need for update of information connected to the work on Nibor fallback rates.
- Accommodation to new Norwegian public regulation on outsourcing of activities
- Need for update of information.

For more information about amendments in policy documents published, please refer to NoRe's newsletter published January 20, 2022.

Assessments after the review

Following the recognition of Nibor as a critical benchmark last year, NoRe sent a revised version of Nibor Panel Code of Conduct to the Norwegian FSA, Finanstilsynet, as required by the EU Benchmark Regulation Article 15(5). In its reply Finanstilsynet confirmed that the revised Code of Conduct complies with BMR. The revised version was set into force February 1, 2022.

However, in its reply Finanstilsynet also included some recommendations for strengthening the rules. NoRe is now assessing how to accommodate these recommendations. More information will follow in a later newsletter, after amendments to the Nibor Panel Bank Code of Conduct have been adopted.

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