Date: 27th December 2023

Results of Market Consultation on the ICAP Benchmarks Family

On 27th November 2023, Parameta Solutions opened a market consultation[1] to obtain feedback on the ICAP Benchmarks Family.

The market consultation was open for market participants to provide feedback on Market Size relating to Basis Butterflies.

The purpose of the market consultation was to ensure that the ICAP Benchmark Family was appropriate and consistent with the index objectives.

Parameta Solutions is committed to transparency when developing or reviewing benchmark methodologies, or considering material changes to its benchmarks as markets evolve and industry conditions change, noting however that the methodologies cannot capture every circumstance or situation.

The ICAP Benchmark Families display the (implied) mid-prices for swaps by reference to maturity on its EUR swap rates. The benchmarks are used in the industry in a number of ways such as:

- referenced in derivative contracts entered into by derivative market participants as a result of being contained in the 2006 ISDA Definitions;
- referenced in contracts; and
- referenced in issuances.

Parameta Solutions notifies market participants of the outcome of this market consultation as set out below:

Market size changes across all EUR EURIBOR Basis Swap - 3m v 6m EURIBOR & EUR EURIBOR Basis Swap - 1m v 3m EURIBOR benchmarks.

Market participants did not raise any objection on Parameta Solutions' ability with the proposed changes to the Basis Swap Butterflies market sizes.

None of the market participants believed the change would have a negative impact on them, their firm or the industry.

The public methodology document will be amended with effect from 2nd January 2024 relating to changes in the Basis Swap Butterfly market sizes. The methodology can be found here.

For further information regarding the benchmarks including licensing and distribution, please contact findoutmore@parametasolutions.com.

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[1] ICAP EURO Benchmarks Consultation November 2023

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