



Date: 19th August 2024

Consultation regarding the ICAP Benchmarks Family.

Introduction

The purpose of the consultation is to ensure that the ICAP Benchmark Family are consistent with the index objectives and reflect the dynamic nature of the markets. Parameta Solutions is committed to transparency when developing or reviewing benchmark methodologies or considering material changes to its benchmarks.

The feedback received from the consultation will assist Parameta Solutions in its consideration of potential future enhancements to the Benchmarks.

The consultation will close on 16th September 2024 17:00 GMT ("Consultation Close") and the results will be published within two weeks of the Consultation Close.

Any methodology changes resulting from the consultation will be communicated in advance. Potential changes to methodologies may be implemented over an extended period of time to ensure an orderly transition.

Responding to the Consultation

The information set out in this consultation document are included in order to gather feedback and may or may not result in changes to our indexes or data solutions.

Please email your response to the questions included in this consultation to benchmarkqueries@parametasolutions.com. All responses will be treated as confidential.

Parameta Solutions may publish a summary of the consultation results, but no individual responses will be published, and no respondents will be named.

Consultation Background

Parameta Solutions seeks to ensure that its benchmarks evolve as markets and industry conditions change, however the methodologies cannot capture every circumstance. As a consequence, Parameta Solutions wishes to consult on the following aspect of the methodologies for the ICAP Benchmark Family.

Parameta Solutions will (subject to any feedback reflecting the contrary), amend clauses 1.7 and 1.8 (set out in Appendix) effective 20th September 2024. These changes are made to protect the market and integrity of the ICAP Benchmarks.



Appendix:

Amended wording:

1.7 Any butterfly of 3yr gap or less, on either gap , needs to be in a minimum of 200m to have an impact on the Benchmark (This covers 3x5x7, 5x7x10 and 13x14x15 to be in min of 200m body). All butterfly's with a 1yr gap of 500m body up until and inclusive of 10y,11y,12y shall be reflected in the Benchmark plus a margin.

1.8 Any butterfly with any gap longer than 3yr (so 10x20x30, 10x15x30, 20x25x30 etc.) needs to be in a minimum of 100m body for mid reflection plus a margin (the only exceptions to that rule are 30x40x50 40x50x60 flies at 50m and 2y5y10y or butterflies of similar or butterflies of similar construct which are 200m), as long as any of those butterflies do not oppose the mid reflection for outright's, outright's with Futures crosses & curve spreads in that order of priority.

Old wording

1.7 Any butterfly of 3yr gap or less, on both gaps, needs to be in a minimum of 200m to have an impact on the Benchmark. All butterfly's with a 1yr gap of 500m body up until and inclusive of 10y,11y,12y shall be reflected in the Benchmark plus a margin. (This covers 3x5x7, 5x7x10 and 13x14x15 to be in min of 200m body).

1.8 Any butterfly with any gap longer than 3yr (so 2x5x10, 10x15x30, 20x25x30 etc.) needs to be in a minimum of 100m body for mid reflection plus a margin (the only exceptions to that rule are 30x40x50 40x50x60 flies at 50m and 2y5y10y which are 200m), as long as any of those butterflies do not oppose the mid reflection for outright's, outright's with Futures crosses & curve spreads in that order of priority.

The amended methodology effective 20th September is located [here](#)

Consultation Questions

1. Do you believe the changes detailed in the above would have a negative impact on you, your firm or the industry?

Yes

No

Comments:

2. If your answer to the above is "Yes", what in your opinion should the respective market sizes be?

Comments:



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