
Press release

AFME welcomes extension of Benchmarks Regulation transition to 2021

26 February 2019

Following the agreement by the Council of the EU and Parliament yesterday on the Commission's low carbon benchmarks proposal, AFME fully supports the two-year extension of the transition regime of the Benchmarks Regulation (BMR), for critical and third-country benchmarks until the end of 2021.

AFME welcomes the creation of the two new categories of benchmarks and the transparency introduced for their methodologies (which should nevertheless remain proportionate).

On critical benchmarks:

"The two-year extension is extremely welcome given the sheer number and variety of financial contracts linked to the two main EU critical benchmarks, EURIBOR and EONIA, which means reform will be immensely complex and much still remains to be done."

On third country benchmarks:

"Despite their misleading 'non-critical' labelling under the BMR, third country benchmarks, such as non-EU Foreign Exchange spot rates, are widely used by EU financial firms and corporates in hedging commercial activities and investments abroad"

"Therefore, this delay is extremely welcome news, particularly given that the January 2020 deadline would have been extremely disruptive to EU financial firms and corporates who would have struggled to perform their economic activities abroad if these benchmarks were prohibited.

"During the two-year delay, we would very much welcome a revision of the third country regime under the BMR Review to rectify any unintended consequences."

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About AFME:

AFME (Association for Financial Markets in Europe) advocates for deep and integrated European capital markets which serve the needs of companies and investors, supporting economic growth and benefiting society. AFME is the voice of all Europe's wholesale financial markets, providing expertise across a broad range of regulatory and capital markets issues. AFME aims to act as a bridge between market participants and policy makers across Europe, drawing on its strong and long-standing relationships, its technical knowledge and fact-based work. Its members comprise pan-EU and global banks as well as key regional banks, brokers, law firms, investors and other financial market participants. AFME participates in a global

alliance with the Securities Industry and Financial Markets Association (SIFMA) in the US, and the Asia Securities Industry and Financial Markets Association (ASIFMA) through the GFMA (Global Financial Markets Association). For more information please visit the AFME website: www.afme.eu.
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