

This press notice has been released on behalf of the independent Hogg Tendering Advisory Committee for London Interbank Offered Rate (LIBOR).

9 July 2013

The Hogg Tendering Advisory Committee announces that NYSE Euronext is to be the new LIBOR administrator

Today, the independent Hogg Tendering Advisory Committee has announced that the British Bankers' Association (BBA) has accepted its recommendation that NYSE Euronext Rate Administration Limited should be the new LIBOR administrator.

NYSE Euronext Rate Administration Limited, a new subsidiary of NYSE Euronext, will, subject to authorisation from the Financial Conduct Authority (FCA) and following a period of transition, take over the administration of LIBOR from BBA LIBOR Ltd.

The BBA will now work with the new administrator to effect the orderly and timely transfer of the administration of LIBOR, which is expected to be complete by early 2014.

The Committee was mandated by HM Treasury and the FCA to oversee the selection process and make a recommendation to the BBA based on that process. The Committee agreed and published an Invitation to Tender (ITT) on 17 April 2013 and, after assessing the bid responses against the criteria in the ITT, concluded that NYSE Euronext Rate Administration Limited was best placed among them to achieve an orderly transition to an effective new regime for LIBOR and restore its international credibility. The BBA, which supported the appointment of the Committee and the tender process, has accepted the Committee's recommendation and entered into an agreement with NYSE Euronext Rate Administration Limited. NYSE Euronext Rate Administration Limited is a UK based company, and will be regulated in the UK by the Financial Conduct Authority.

The appointment of a proposed new administrator is a major step forward in the reform of LIBOR. With the transfer of responsibility from the BBA LIBOR Ltd to the new administrator, one of the principal recommendations of the Wheatley Review, which was set up last year in the wake of the findings of LIBOR manipulation, will have been implemented.

Chair of the Committee, Baroness Hogg said:

“After overseeing an open and competitive tendering process, the Committee is pleased to announce that NYSE Euronext Rate Administration Limited has been accepted by the BBA as the new administrator of LIBOR. This change will play a vital role in restoring the international credibility of LIBOR.”

Chief Executive of the FCA, Martin Wheatley said:

“Today marks a significant step in implementing the recommendations in my review of LIBOR. The FCA has already introduced a number of improvements in the way LIBOR is set, and we expect NYSE Euronext Rate Administration Limited to develop further the oversight and governance of LIBOR.

Benchmarks are an important tool that enable a wide range of markets to function effectively. The selection of a new administrator, who will need to be authorised and then subject to on-going scrutiny by the FCA, is an important step in enhancing the integrity of LIBOR”.

CEO of NYSE Liffe, Finbarr Hutcheson said:

“At the time of its publication, NYSE Euronext welcomed the findings of the Wheatley Review of LIBOR and today we are delighted to have been selected by the Hogg Tendering Advisory Committee to become the new administrator for LIBOR. We look forward to working with BBA LIBOR Ltd in completing the smooth transition to NYSE Euronext Rate Administration Limited, and continuing the process of restoring credibility, trust and integrity in LIBOR as a key global benchmark.”

Notes to Editors:

1. The Hogg Tendering Advisory Committee website can be viewed [here](#). It includes the Committee's terms of reference, the list of members and the Invitation to Tender (ITT).
2. Following the announcement of findings against Barclays in late June 2012, the Chancellor of the Exchequer commissioned Martin Wheatley to undertake a review of the framework for the setting of LIBOR. The report can be found [here](#). One of the Wheatley Review's recommendations was for the BBA to transfer responsibility for LIBOR to a new administrator and that it should be achieved through a tender process to be run by an independent committee.
3. The Government appointed Baroness Hogg to Chair the independent Committee with the aim of recommending to the BBA who should be the new LIBOR administrator. The Committee assessed the bid responses against criteria in the invitation to tender (ITT) that included financial soundness, proposed IT model, business model, institutional capacity, proposed governance model, proposed transition plans and an overall consideration as to which of the visions expressed in bids was most likely to restore LIBOR's credibility. The Committee considered material in the initial bid responses as well as answers to subsequent follow-up questions and the content of bidder presentations to the Committee.
4. The Government has legislated through the Financial Services Act to bring the administration of LIBOR, and submissions to it, under the regulation of the FCA, implementing another key recommendation of the Wheatley Review. The Government has also introduced a new criminal sanctions regime underlying LIBOR. This legislation came into effect in April along with the establishment of the FCA.
5. The Hogg Tendering Advisory Committee for LIBOR made their recommendation of the preferred bidder to the BBA in line with the recommendation of the Wheatley Review. The BBA Board accepted the Committee's recommendation. The basis of the legal documentation signed by the BBA and NYSE Euronext Rate Administration Limited is that NYSE Euronext Rate Administration Limited does not acquire any responsibility for, or any liability relating to, the administration of LIBOR at or before completion of the transfer of such administration to it. As a result no such responsibility or liability should be attributed by anyone to NYSE Euronext Rate Administration Limited.
6. Information on NYSE Euronext can be found on their website at www.nyx.com. NYSE Euronext is a leading global operator of financial markets. It operates NYSE Liffe, which includes the London International Financial Futures and Options Exchange.
7. The Hogg Tendering Advisory Committee for LIBOR: Members
 - Baroness Hogg, (Chair), Chairman; Financial Reporting Council

- Paul Fisher, Executive Director, Markets; Bank of England
- George Handjinicolaou, Deputy CEO and Head of EMEA; International Swaps and Derivatives Association, Inc
- John Kingman, Second Permanent Secretary; HM Treasury
- Sir Adam Ridley, Former Director-General of the London Investment Banking Association (LIBA)
- John Stewart, Chairman; Legal & General Group Plc
- Colin Tyler, Chief Executive; Association of Corporate Treasurers
- Martin Wheatley, CEO; Financial Conduct Authority

The Committee is supported by a Secretariat provided by HM Treasury and the FCA.