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Feedback from: European Association of Public Banks, EAPB

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Organisation

European Association of Public Banks, EAPB

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Country of origin

Belgium

Initiative

[Interest rate benchmarks – statutory replacement rate for Swiss Franc LIBOR \(CHF LIBOR\) \(/info/law/better-regulation/have-your-say/initiatives/13177-Interest-rate-benchmarks-statutory-replacement-rate-for-Swiss-Franc-LIBOR-CHF-LIBOR- en\)](#)

The EAPB welcomes the Commission's initiative to legally replace CHF LIBOR. We welcome the approach to include all contracts in the scope of the statutory replacement rate, if they do not have a fallback provision until and for 31 December 2021.

As there is no substitute for CHF-LIBOR based on a forward-looking method, the switch to the SARON compound is appropriate. The use of the last-reset approach also appears appropriate, in particular for retail contracts. The fixing of the respective tenor-related spread creates a publicly accessible legal source.

A reference in the Implementing Act corresponding to Article 23b(3) that the statutory fallback rate only applies in cases where no or no suitable fallback provision exists would be useful. The information requirement should not be linked to the written form but may also be provided electronically to all affected clients in a timely manner.

As CHF LIBOR will be discontinued already on 31 December 2021, the Implementing Act will be decisive for the remaining contractual relationships, and should therefore be finalised as soon as possible.

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