

CHANGES TO FINANCIAL BENCHMARKS - TRANSITION IN REFERENCE RATES FOR MIFOR, MITOR, MIOIS, INBMK, CMT and MIOCS

- 1) Thomson Reuters has, vide their email notifications announced the discontinuation of publication of certain Indian benchmark rates, viz. MIFOR, MITOR, MIOIS, INBMK, CMT and MIOCS (each as defined below), with effect from 2nd April 2018. With a view to enhance the robustness, transparency and efficiency of the benchmark contribution process in India, the Fixed Income Money Market and Derivatives Association of India (“**FIMMDA**”) and the Financial Benchmarks India Pvt. Ltd. (“**FBIL**”) during discussions with market participants, discussed the methodologies and proposed changes in relation to these benchmarks, as set out below:

(a) New benchmark rates:

FBIL, the benchmark administrator recognized by the Reserve Bank of India (“**RBI**”), will make the following arrangements for publication of MIFOR, MITOR and MIOIS:

Financial Benchmark	Source of publishing		Reference Rate		Last Day of publication of existing reference rates for Financial Benchmarks	First Day of publication of new reference rates for Financial Benchmarks
	Existing	New	Existing	New		
FIMMDA-Thomson Reuters Mumbai Interbank Forward Offered Rate (“ MIFOR ”)	Thomson Reuters	FIMMD A / FBIL / CCIL	Polled rate	FBIL-MIFOR (As per the methodology published by FBIL)	28 th March 2018	2 nd April 2018
FIMMDA-Thomson Reuters MITOR (“ MITOR ”)	Thomson Reuters	FIMMD A / FBIL / CCIL	Polled rate	FBIL-MIFOR (As per the methodology published by FBIL)	28 th March 2018	2 nd April 2018
FIMMDA-Thomson Reuters Mumbai Interbank Overnight Indexed Swaps (“ MIOIS ”)	Thomson Reuters	FIMMD A / FBIL / CCIL	Polled rate	FBIL-MIBOR-OIS (As per the methodology published by FBIL)	28 th March 2018	2 nd April 2018

(b) Cessation of Benchmark rates:

As regards INBMK, CMT and MIOCS, the rates will cease to exist with effect from 2nd April 2018. For valuation of any outstanding transactions referencing these benchmarks, below approach will be adopted:

Financial Benchmark	Existing Source of publication	Existing Reference Rate	Last Day of publication of existing reference rates for Financial Benchmarks	Reference rate for outstanding transactions post Last Day of publication of existing reference rates
Thomson Reuters Indian Benchmark Yield Curve (“ INBMK ”) and Thomson Reuters Constant Maturity Treasury Rate (“ CMT ”)	Thomson Reuters	Polled rate	28 th March 2018	FBIL/FIMMDA par yield of government securities being published daily on FBIL’s / FIMMDA’s website by 7.00 p.m. India Standard Time
FIMMDA-Thomson Reuters Mumbai Inter-bank MIFOR Swap Benchmark (“ MIOCS ”)	Thomson Reuters	Polled rate	28 th March 2018	As may be mutually agreed by and between the parties

- 2) FIMMDA recommends that the new reference rates for Financial Benchmarks shall apply, on a prospective basis, to OTC derivatives that have trade dates on or after 2nd April 2018.
- 3) With respect to OTC derivative contracts with trade dates that precede 2nd April 2018, that remain outstanding on such date and have fixings based on the existing reference rates for Financial Benchmarks, FIMMDA recommends that parties mutually agree to amend such contracts to reference the new reference rates for Financial Benchmarks.

To assist parties who are market makers, i.e. banks and primary dealers that wish to make the amendments described in sub-paragraphs 1) above, FIMMDA has published a Multilateral Amendment Agreement (**2018 - MAA**). The 2018 - MAA will be open for adherence on 16th March 2018 and that the adherence period will close on 23rd March 2018.

A bilateral version of the 2018-MAA (**2018 - BAA**) is also published for market makers to use with their counterparties. It is advisable that the market makers have the 2018 - BAA executed with their counterparties before the Effective Date, i.e. 2nd April 2018.