

## **Press Statement on Revision to Overnight MIBOR Methodology**

**August 16<sup>th</sup> 2017**

The Financial Benchmarks India Pvt. Ltd (FBIL) has been announcing the Overnight MIBOR benchmark rates since July 22, 2015. The Clearing Corporation of India limited (CCIL) is the calculating agent for Overnight MIBOR. During this period, the Board of FBIL has reviewed the Overnight MIBOR methodology and taking into account the liquidity conditions in the call money market and inadequacy of traded data on few occasions, the Board has decided to strengthen the fall-back mechanism for Overnight MIBOR Benchmark. In terms of the existing methodology, all trades executed on NDS-Call systems excluding reciprocal and reported deals within the First One Hour of trading is used for computation of benchmark. A minimum of 10 trades with an aggregate traded value of Rs. 500 crore and more in the NDS-Call segment is taken as the threshold criteria for estimation of the volume-weighted average rate.

In case either of the criteria mentioned above is not met, the timeframe for computation of rates is extended by 30 minutes first and if both the threshold criteria are still not met, then by another 30 minutes. If both the threshold criteria are still not met after the two time extensions, no rate computation is initiated and the previous day's values is used for dissemination.

Under the revised arrangement, in case the threshold criteria is not met after two time extensions, data will be augmented with the Reported deals on NDS-Call system of the First One Hour to satisfy both the threshold criteria on days when they are not met. The Benchmark MIBOR will be computed only if the criteria of minimum 10 trades and aggregate value of Rs. 500 crores are met after including the Reported deals of First One Hour in the data set.

The detailed revised methodology of Overnight MIBOR in this regard has been placed in the website of FIMMDA and CCIL.

The revised methodology shall be effective from August 22, 2017.