

COMMITTEE ROLE, PROCEDURES AND TERMS OF REFERENCE

1. Introduction

ICE Benchmark Administration Limited (IBA) is the benchmark administrator for the LIBOR benchmark (LIBOR).

The role of the Synthetic LIBOR Oversight Committee (SLOC) of IBA is to oversee the provision of 1-, 3-, and 6-Months “synthetic” USD LIBOR, as further described in the Terms of Reference contained herein.

The FCA designated the 1-, 3-, and 6-Months USD LIBOR settings as Article 23A benchmarks from 1 July 2023 under the UK’s Benchmark Regulation (BMR). The FCA used its powers under the BMR to compel IBA to publish these settings using a changed, “synthetic” methodology. Each “synthetic” LIBOR setting is no longer representative of the underlying market or economic reality measured by that LIBOR setting immediately prior to its designation as an Article 23A benchmark.

Please see [IBA’s LIBOR website](#) for information and background regarding LIBOR cessation and the exercise by the FCA of its powers under the BMR to compel the publication of “synthetic” LIBOR.

Please also read [IBA's benchmark and other information notice and disclaimer](#).

Please ensure you take legal and financial advice in all relevant jurisdictions to ensure you understand and are prepared for the impact of the cessation or unrepresentativeness of any LIBOR settings on you and your counterparties and to ensure you understand the implications of the FCA’s powers and its exercise of those powers under the BMR.

2. Membership

The composition of the SLOC is set by IBA’s Board on the recommendation of IBA’s Nominating and Corporate Governance Committee (N&CGC).

On the recommendation of the N&CGC, the IBA Board appoints a chair of the SLOC and may from time to time appoint an alternate or deputy chair of the committee.

IBA publishes the names of committee members at: <https://www.theice.com/iba/libor>.

3. Confidentiality

The letters of appointment for members of the SLOC require adherence to strict confidentiality provisions.

Committee members are required to keep all materials provided to, discussions of and decisions of the committee confidential and shall not share them with any third party, including their employer or client, unless agreed in writing by the chair or IBA.

4. Conflicts of interest

In signing their letters of appointment to the SLOC, committee members confirm that they will:

- promptly declare to the committee chair or an IBA director any other appointments or arrangements that conflict or may conflict with being a committee member; and
- comply with IBA's policy on conflicts of interest.

Committee members must declare any private or professional interests that may result in a potential or actual conflict as soon as the conflict or potential conflict arises.

Committee members' declaration of conflicts of interest are published on [IBA's website](#).

5. Meeting protocols

5.1 *Terms of Reference*

The authority of the committee is set out in the Terms of Reference contained herein.

5.2 *Meeting frequency*

The SLOC usually meets four times each year. Further meetings occur, or actions are taken in writing, when deemed necessary or desirable by the committee or its chair.

5.4 *Meeting quorum*

The quorum is two committee members.

If a quorum is not present at the scheduled commencement time of a meeting of the SLOC, the meeting shall be adjourned for 15 minutes or such other interval as the chair may deem appropriate in the circumstances.

If the quorum is not present following the adjournment, the committee members present may discuss matters but shall not move forward to any binding vote at the meeting. IBA may subsequently email all SLOC members with a request to vote electronically.

5.6 *Minutes*

The minutes are submitted to the committee for formal approval at its next meeting.

IBA then circulates minutes of committee meetings to the Board of IBA and to the FCA.

5.7 *Resources*

The SLOC has no budgetary authority.

6. Disputes

The chair of the committee is expected to seek to achieve a consensus of views amongst Committee members.

Where this is not possible and a dispute cannot be resolved through discussion, the chair should take a formal vote on the matter in question. The chair may exercise a deciding vote.

The chair will seek to discuss a dispute with the management and chair of IBA. The chair will also inform the FCA of the matter as appropriate.

TERMS OF REFERENCE for “Synthetic” LIBOR

The following are the responsibilities of the “Synthetic” LIBOR Oversight Committee in respect of the 1-, 3- and 6-Months “synthetic” USD LIBOR settings that IBA is being compelled to publish by the FCA under the BMR.

1. Overseeing IBA’s control framework insofar as it affects “synthetic” LIBOR and the management and operation of “synthetic” LIBOR;
2. Reviewing and approving procedures for cessation of the benchmark;
3. Assessing internal and external audits or reviews, and monitoring the implementation of identified remedial actions; and
4. Reporting to the FCA any misconduct of which the oversight function becomes aware, including any anomalous input data.

April 2024
