

**Working group for alternative reference rates in NOK**  
**Meeting minutes**  
**Tuesday, 2 April 2019**  
**Norges Bank – Bankplassen 2**

**Present:**

Jørgen Gudmundsson	<b>Sparebanken Vest</b>
Ulrik Sandvig	<b>Danske Bank</b>
Vidar Knudsen	<b>DNB Bank</b>
Wenche Vatnan	<b>Handelsbanken</b>
Karolina Thyman	<b>Nordea Bank ABP</b>
Jenny Ramstedt (tel)	<b>Skandinaviske Enskilda Banken AB</b>
Unni Larsen	<b>Sparebankene SMN, Nord-Norge and Østlandet</b>
Dag Hjelle	<b>Sparebank 1 SR-Bank</b>
Joakim Henriks	<b>Swedbank</b>
Per Erik Stokstad	<b>Finans Norge</b> (observer)
Kathrine Lund	<b>Norges Bank</b> (observer)
Marit Øwre-Johnsen	<b>Norges Bank</b> (observer)
Tom Bernhardsen	<b>Norges Bank</b> (observer)
Anne-Lise Nguyen	<b>ECB</b> (first part of meeting)
Vladimir Tsonchev	<b>ECB</b> (first part of meeting)

**Minutes:**

Anne-Lise Nguyen and Vladimir Tsonchev from the European Central Bank (ECB) were invited to present the work of the European working group on alternative reference rates and ECB's work on €STR, the new overnight interest rate.

Per Erik Stokstad from Finance Norway gave a presentation on the work by Norske Finansielle Referanser AS (NoRe) to reform Nibor to bring it in line with the benchmark regulation. The deadline for conforming to the new regulation is 1 January 2020. NoRe focuses in particular on (i) the construction and calculation method of Nibor, (ii) following up whether the Nibor rate reflects the underlying market and (iii) the Nibor framework. NoRe works in close collaboration with the other Scandinavian countries. A Scandinavian collaboration may be appropriate as, to a large extent, the same panel banks quote Nibor, Stibor and Cibor. The aim is to put into place agreed regulation on IBOR rates in Scandinavia.

The working group has received a collaboration request from a corresponding working group in Sweden. The request focuses on issues related to the need and basis for a longer reference rate. The working group was unanimously positive to the collaboration. Joakim Henriks from Swedbank, who is also a member of the Swedish working group, briefly presented the group's work. The Swedish working group will shortly publish a consultation report. The secretariat will contact the Swedish working group about further collaboration.

The working group had a good discussion about how future work should be structured. The working group aims to publish a report recommending an alternative reference rate

by the end of the second quarter of 2019. Norges Bank will use transaction data from Norges Bank's settlement system (NBO) to analyse historical developments in interbank transactions. This will provide the working group with more insight into this part of the overnight market. Norges Bank aims to present this analysis to the working group at a meeting in mid-May. The working group also discussed the possibility of extending the test reporting carried out in connection with the first consultation report. Banks then sent in overnight transactions with both banks and agents outside the banking system. Expanding test reporting will provide more insight into whether it will be appropriate to expand the underlying data in NOWA, the current overnight rate. Norges Bank will follow up the test reporting.

At the next meeting, the working group wishes to examine the need to establish different subgroups. Jørgen Gudmundsson requested that Norges Bank draft a list of the subgroups.