



**Efterm<sup>®</sup>**  
Your reliable  
fallback solution



The EU Benchmark Regulation (Regulation (EU) 2016/1011) mandates that supervised entities utilising benchmarks have robust written plans in place to address the cessation of a benchmark. At the European Money Markets Institute (EMMI), our primary objective is to provide a reliable fallback solution, and we are committed to transparency and compliance at every step of the process.

#### **A trustworthy benchmark with five maturities**

Efterm is a forward-looking €STR-based term benchmark designed to meet the diverse needs of financial institutions. Calculated for the same five maturities, or “tenors,” ranging from one week to twelve months, Efterm offers a comprehensive approach to measuring the expected average evolution of wholesale euro unsecured overnight borrowing costs of euro area banks over defined tenor periods. We believe that simplicity and

transparency are key, and our benchmark provides a clear understanding of the market’s borrowing costs.

#### **Stay informed with daily updates on all tenors**

We publish Efterm rates every TARGET2 day, promptly after 11:15 am CET, for each of its tenors. We understand that market dynamics may need intraday updates. Therefore, if any reported revisions to input data or errors occur during the collection, calculation, or publication of the benchmark, we commit to provide intraday updates no later than 13.30 CET.





Our methodology is the cornerstone of our benchmark's credibility.



### **A three-level hierarchical approach ensures robustness**

Efterm's hierarchical approach consists of three levels, each carefully designed to ensure robustness and representativeness in the underlying interest. The first level employs €STR-based OIS tradeable bid and offers prices and volumes collected from selected Trading Venue(s) within a two-hour window (8:30 to 10:30 am CET) on the calculation day. The second level utilizes €STR-based OIS dealer-to-client bid and offer prices and volumes displayed by selected Trading Venue(s) during the same two-hour window. Lastly, the third level employs a step function model, incorporating €STR-linked futures' settlement prices, €STR rates, and the ECB reserve maintenance periods calendar to determine the implied average daily overnight rates, subsequently compounded over the relevant tenor period to produce the corresponding Efterm rate.



## **Ensuring ongoing integrity and market representation**

The European Money Markets Institute's annual review of the Efterm methodology has two goals. Firstly, we confirm that the benchmark remains robust, resilient, and representative of its underlying market. Secondly, is to identify areas of improvement.

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***We take the responsibility of maintaining the credibility and resilience of our benchmark seriously.***

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## Transparency and compliance for your peace of mind

Transparency and compliance are central pillars of Eferm's Governance Framework. Our Governance Code of Conduct sets out all governance, control, and accountability frameworks for the provision of Eferm. Additionally, the Code of Obligations of the Calculation Agent outlines the requirements for the Calculation Agent's role, acting as a sub-contractor of The European Money Markets Institute for the determination of Eferm. To further solidify our commitment, we have established a Benchmark Determination Methodology for Eferm, covering both regular and contingency circumstances. We maintain a comprehensive set of policies and procedures covering all aspects related to the provision of the benchmark, ensuring a robust and accountable governance structure.

## Independent experts overseeing Eferm's application

The Oversight Committee, comprised of market experts, was established by The European Money Markets Institute to supervise the application of our Governance Framework for Eferm. We are committed to facilitating fair and impartial oversight, ensuring that the interests of all stakeholders are well-protected.

## Fulfilling EU Benchmarks Regulation and IOSCO Principles

Our publication of Eferm Transparency Indicators Reports adheres to EU Benchmarks Regulation and is recommended under the IOSCO Principles. These reports provide aggregated indicators, breaking down the usage of each level of the waterfall methodology for Eferm by tenor. In line with our commitment to transparency, these reports are published on the first business day of the month, with a one-month delay, providing clear insights into the determination of Eferm.





### **Official source for Eferm rates with various subscription options**

As the sole official source of publication for Eferm rates, we ensure reliable and efficient access to our benchmark data. Authorised Vendors receive the Live Eferm rates immediately after calculation, at or shortly after 11:15 CET together with Euribor rates.

For those seeking Delayed Eferm rates, we offer free access on our website, with a 24-hour delay, covering a backward rolling period of 25 publication days. These rates are intended for non-commercial purposes, highlighting our commitment to fair and equitable access.



## Any questions?

For any enquiry or question, please do not hesitate to contact us:



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## Our webpages

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The European  
Money Markets  
Institute

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