

Governor Signe Krogstrup's Opening Remarks at the Inaugural Meeting of the Working Group on CIBOR Transition

19 March 2026

Introduction

Welcome to this first meeting of the Working Group on CIBOR transition. I would like to thank all of you for your interest in participating and for contributing your time, expertise, and resources to this work to ensure a successful transition away from CIBOR.

The transition away from CIBOR is crucial for Danish financial markets. Well-functioning markets rely on robust, transaction-based reference rates that reflect actual trading activity. Such rates support transparency, reduce risks and vulnerabilities, and strengthen confidence among market participants, businesses, and households.

Given the extensive use of CIBOR in the financial sector, Danmarks Nationalbank sees it as an important task to contribute to an orderly transition.

DESTR

Our short-term rate, DESTR, already provides a strong and credible foundation for a future transaction-based reference rate. Since DESTR was introduced in 2022, the market has made significant progress in adopting it on its own accord. As evidence of this, the share of new DESTR-referencing krone interest rate swaps is now greater than that of CIBOR.

But the broad transition to DESTR for bonds and customer loans has been slow, and internal systems still reference CIBOR to a large degree. As a result, the market landscape remains fragmented, and CIBOR continues to be widely used by market participants.

If DESTR is to become the reference rate of choice for the financial sector and its products, it will require sustained, coordinated, and decisive effort.

International developments on IBORs

This work is fully aligned with international developments in recent years. Many jurisdictions have already completed their transitions away from Interbank Offered Rates (IBORs). The most prominent example is the discontinuation of LIBOR across several currency areas, while EURIBOR has undergone significant reforms to ground the rate more firmly in underlying transactions. These international transitions offer valuable lessons and practical insights that can inform our own path forward.

A coordinated effort between industry and authorities, supported by clear and consistent communication, has been instrumental in ensuring an orderly and timely transition. The transition away from CIBOR will similarly need to be underpinned by strong collaboration between the private and public sectors here in Denmark.

The Working Group on CIBOR transition

Finance Denmark, as the owner of CIBOR, has taken the initiative, together with Danmarks Nationalbank, to establish this Working Group. This followed extensive dialogue between Finance Denmark, Danmarks Nationalbank, and the Danish FSA.

Danmarks Nationalbank strongly supports a transition away from CIBOR, and we consider the timing right to move forward. Market developments have made it clear that the transition will not happen by itself. This involves risks of a disorderly transition. A coordinated and structured effort is therefore necessary. This is why we have offered to host and facilitate this Working Group and the Secretariat.

At the same time, the Working Group should remain predominantly market-led, as it requires market expertise, experience, and resources at every stage of the process.

A broad composition of the Working Group is, in our view, essential. Only with all relevant perspectives and expertise represented at this table can we ensure well-informed recommendations and support the development of a robust alternative to CIBOR.

The Working Group will set the direction and define the framework conditions. At the same time, we fully recognise that a substantial part of the work will rest within individual institutions. This will require prioritisation

across institutions and allocation of sufficient resources, something Denmark's Nationalbank and the FSA will follow closely.

Concluding remarks

The task ahead is considerable. At the same time, it represents a unique opportunity to help shape a resilient and future-proof reference rate for the Danish market. We look forward to working with you to develop well-founded recommendations taking account of the characteristics of the Danish markets and reference rates, to be submitted to Finance Denmark in support of a transition away from CIBOR.

We encourage you to be ambitious about your time plan, while ensuring an orderly transition. There is a need both to allow time for analysis in this group and for the sector's concrete implementation.

Thank you once again for your support and commitment to this important work. I wish you a productive first meeting and look forward to hearing about your progress.