

Minutes

Working Group on CIBOR Transition (WGCT)



Time: 28 April 2026, 13:00-15:00 CET

Location: Danmarks Nationalbank

Participants:

Members (voting)

AL Sydbank A/S
Danske Bank Group
Jyske Bank Group
Nordea Bank Abp
Nykredit Group
Skandinaviska Enskilda Banken AB
Sparekassen Kronjylland
DLR Kredit A/S
Kommunekredit
J.P. Morgan

Observers (non-voting)

LCH
ATP
PFA Pension Forsikringsaktieselskab
Ringkjøbing Landbobank Aktieselskab
Danish Financial Benchmark Facility (DFBF)
Finance Denmark
Danmarks Nationalbank
Danish FSA

Minutes of the Second Meeting of the Working Group on CIBOR Transition (WGCT)

Agenda for the meeting

1. Opening remarks and election of chair and vice-chair
2. Presentation of competition law guidelines by Finance Denmark and the Market Abuse Regulation
3. The Secretariat's presentation of the LIBOR transitions and prior Danish working groups
 - a) Information from the Danish FSA regarding its role and supervisory powers in the transition to transaction-based reference rates
4. Presentations of the LIBOR transitions by LCH and J.P. Morgan
5. Discussions regarding the WGCT's objectives and vision
 - a) The future landscape of DKK reference rates
 - b) The scope of product-specific recommendations
 - c) Sub-groups and the process regarding the nomination of sub-group members
6. Any other business and concluding remarks

1. Opening remarks and election of chair and vice-chair

The Secretariat opened the meeting.

Nicolai Platen Rasch Larsen (Nykredit Group) presented himself as a candidate for the chair of the WGCT.

Nicolai Platen Rasch Larsen was elected as the chair of the WGCT.

Jeppe Østerby Thomsen (Danske Bank Group) presented himself as a candidate for the vice-chair of the WGCT.

Jeppe Østerby Thomsen was elected as the vice-chair of the WGCT.

2. Presentation of competition law guidelines by Finance Denmark and the Market Abuse Regulation

Finance Denmark presented a guideline regarding competition law.

The Secretariat referred to Regulation (EU) No 596/2014 (MAR), art. 7(1)(a) and 14, regarding inside information and the prohibition of insider dealing and of unlawful disclosure of inside information.

For the sake of good order, the Secretariat reiterated that all members of the WGCT, including their representatives, must comply with applicable law, including the MAR and competition law. The members are responsible for such compliance and should seek legal advice to ensure the compliance.

In this context, the Secretariat also reiterated that the extent to which members or market participants decide to implement or adopt the WGCT's recommendations is voluntary. Each member or market participant must also ensure that the implementation of any recommendation complies with applicable law.

3. The Secretariat's presentation of the LIBOR transitions and prior Danish working groups

The Secretariat presented the timelines and recommendations of the Alternative Reference Rates Committee (ARRC) for USD and the Working Group on Sterling Risk-Free Reference Rates (RFRWG) for sterling.

In relation to the USD LIBOR transition, the ARRC's recommendations included

- product-specific fallback language with fallback rate waterfalls and spread adjustments.
- product-specific interest rate conventions in the form of SOFR "in arrears", SOFR "in advance" and the SOFR term rate.

For clarity, it was mentioned that while the ARRC recognised the use of the SOFR term rate in specific cases (i.e. (i) as a fallback rate, (ii) in bilateral and syndicated loans, (iii) certain securitisations, and (iv) SOFR term rate derivatives specifically limited to non-dealer facing transactions intended to hedge an end user's direct cash product exposure to the SOFR term rate),

the ARRC continued to recommend the use of overnight SOFR and SOFR averages for all products.¹

The ARRC also recommended that the use of all term SOFR derivatives, including term SOFR-SOFR basis swaps, between dealers should be strictly avoided. These limitations were intended to avoid use that is not in proportion to - or materially detracts from - the depth of transactions in the underlying derivatives market that are essential to the construction of the SOFR term rates over time.

In relation to the sterling LIBOR transition, the prevailing view of the RFRWG was that overnight SONIA, compounded in arrears, will and should become the norm in most derivatives, bonds, and bilateral and syndicated loan markets given the benefits of the consistent use of benchmarks across markets and the robust nature of overnight SONIA.² Smaller corporate and retail clients, for whom simplicity and/or payment certainty is a key factor, could consider alternative rates such as a fixed rate, the Bank of England's Bank Rate (the "Bank Rate", which is an overnight rate), or a SONIA term rate, if available.

The RFRWG also stated that SONIA compounded in arrears would need to be the primary vehicle for the LIBOR transition for new deals because, if use of term SONIA reference rates became widespread, there would be a risk of reintroducing structural vulnerabilities similar to those associated with LIBOR.

In relation to Denmark, the presentation included the Danish Working Group on Short-Term Reference Rate which, in June 2021, issued the recommendation that DESTR should be the preferred risk-free reference rate in Danish kroner. In addition, on 28 June 2024, the Danish Risk-Free Rate Working Group issued the Final Recommendation Regarding Fallback Rates for CIBOR, which includes trigger events, interest rate replacements in case of trigger events (fallback rates), and the timing of the application of the fallback rates.

3.a. The role of the Danish FSA in the transition to transaction-based reference rates

The Danish FSA (DFSA) referred to its press release dated 18 November 2025 and reiterated that it supports the transition from CIBOR to transaction-based reference rates.

In relation to its supervisory powers and the transition to transaction-based reference rates, the DFSA stated that

1. the DFSA supports the work on transitioning away from CIBOR,
2. the DFSA is the supervisor of CIBOR under the benchmark regulation (BMR),
3. CIBOR is not a critical benchmark under the BMR,
4. the BMR's tools for a regulatory phase-out of a critical benchmark cannot be applied to CIBOR,
5. the DFSA cannot conduct a regulatory phase-out of CIBOR, and
6. the DFSA will support and monitor the development.

¹ARRC (2023) Summary and Update of the ARRC's Term SOFR Scope of Use Best Practice Recommendations
²RFRWG (2020) Use Cases of Benchmark Rates: Compounded in Arrears, Term Rate and Further Alternatives

The DFSA will accordingly act as an observer and contribute with the collection of data, in accordance with its supervisory powers, on an ongoing basis during the transition. The DFSA also elaborated on the criteria for critical and significant benchmarks.

4. Presentations of the LIBOR transitions by LCH and J.P. Morgan

LCH (LSEG) presented its global experiences in relation to the risk-free rate transitions in the cleared swap market. LCH described how the presence of certain events (i.e. the IBOR cessation announcement, Risk-Free Rate (RFR) First initiative and prohibition of new IBOR use) led to an early adoption of the relevant RFR, and to a smoother RFR transition in the cleared swap markets, compared to instances where such events were absent.

J.P. Morgan presented its findings in relation to its IBOR to OIS program, including the breadth of participant types, the varying levels of sophistication, and the importance of client education and communication. J. P. Morgan also emphasised the importance of the financial sector's collective approach to the transition.

5. Discussions regarding the WGCT's objectives and vision

The members discussed (a) the future landscape of DKK reference rates, (b) the scope of product-specific recommendations, and (c) sub-groups and the process regarding the nomination of sub-group members.

The members discussed the recommendations by the ARRC and RFRWG, a reform of the existing CIBOR, as well as the use of DESTTR-based backward-looking rates and a DESTTR-based term rate (CITA). The members generally considered recommendations of successor rates based on DESTTR to be the most realistic.

In this regard, the robustness of a term rate - in the context of the smaller market for DKK - was discussed.

Various proposals for sub-groups, including an "outreach" sub-group, a banking products sub-group, and a sub-group for life insurance undertakings and institutional investors, were discussed.

It was agreed to establish an outreach sub-group to manage communication with a wide range of stakeholders.

In addition, it was agreed

- that members of sub-groups may be replaced on an ongoing basis and/or be supplemented by experts, from the member institution, in relation to specific topics or products.
- that additional sub-groups may be established later.
- that Terms of Reference for sub-groups will be circulated before the WGCT's third meeting. Once the members have received the Terms of Reference, the members shall forward nominations of sub-group members to the Secretariat.
- that the adoption of sub-groups is to take place at the WGCT's third meeting.

6. Any other business and concluding remarks

It was discussed whether additional inputs regarding the IBOR transitions are needed, including from credit institutions that are similar to Danish credit institutions.