Minutes

Working Group on CIBOR Transition (WGCT)

DANMARKS NATIONALBANK

Time: 30 June 2026, 13:00-14:45 CET
Location: Danmarks Nationalbank
Participants:

Members (voting)	**Observers (non-voting)**
AL Sydbank A/S	LCH
Danske Bank Group	ATP
Jyske Bank Group	PFA Pension Forsikringsaktieselskab
Nordea Bank Abp	Danish FSA
Nykredit Group	Danish Financial Benchmark Facility (DFBF)
Skandinaviska Enskilda Banken AB	Finance Denmark
Sparekassen Kronjylland	Danmarks Nationalbank
DLR Kredit A/S	
Kommunekredit	
J.P. Morgan	

Minutes of the Third Meeting of the WGCT

Agenda for the meeting

1. Opening remarks
2. Presentation of data collection by the DFSA and the Secretariat
    a) Data survey on CIBOR, CITA and DESTR – by the DFSA
    b) Variable rate loans referencing CIBOR, CITA and DESTR – based on the Danish Credit Register
    c) Derivatives/swaps cleared by LCH
3. "Guidance Regarding Successor Interest Rate Benchmarks" – preliminary findings and discussion
4. Next steps in relation to guidance regarding successor interest rate benchmarks
5. Topics and dates for the coming meetings
6. Election of vice-chair
7. Any other business and concluding remarks

1. Opening remarks
The Secretariat opened the meeting and provided insight into the dialogue, between the Secretariat and the WGCT's chairmanship, that led to the cancellation of the WGCT's meeting that was to be held on 3 June 2026.

After the WGCT's second meeting, the Secretariat and the WGCT's chairmanship agreed that the Secretariat should produce an analysis, with guidance regarding successor interest rate benchmarks, that can guide the future work of the WGCT and its sub-groups.

The agenda for the third meeting on 30 June 2026 accordingly included item 3 ("Guidance Regarding Successor Interest Rate Benchmarks" – preliminary findings and discussion) wherein the Secretariat would provide insight into its preliminary findings and encourage a discussion between the WGCT's members.

2. Presentation of data collection by the DFSA and the Secretariat

a) *Data survey on CIBOR, CITA and DESTR – by the DFSA*

The Danish Financial Supervisory Authority (DFSA) presented its data survey regarding, inter alia, references to the interest rate benchmarks CIBOR, CITA and DESTR.

b) *Variable rate loans referencing CIBOR, CITA and DESTR – based on the Danish Credit Register*

The Secretariat presented data regarding variable rate loans that refer to CIBOR, CITA and DESTR.

c) *Derivatives/swaps cleared by LCH*

The Secretariat presented data regarding derivatives (swaps) that are cleared by LCH and refer to DESTR or CIBOR.

The common finding in points a-c above is that CIBOR is the mostly – and a significantly – used interest rate benchmark. In addition, references to CIBOR, in variable rate loans, have increased in recent years.

The Secretariat proposed that the data collections in points a-c above are made available to the public, via a publication, that may be approved at the WGCT's fourth meeting.

3. "Guidance Regarding Successor Interest Rate Benchmarks" – preliminary findings and discussion

The Secretariat presented its preliminary findings in the draft "Guidance Regarding Successor Interest Rate Benchmarks". The conducted analysis includes, inter alia,

- a definition of transaction-based reference rates based on Regulation (EU) 2016/1011 (BMR), including the BMR's definition of "transaction data" and its priority of use of input data.
- a delimitation of transaction-based reference rates. It concludes that only DESTR constitutes a transaction-based reference rate. CITA and CIBOR are subject to the BMR, and CITA is based on committed quotes while CIBOR is based on quotes.
- data regarding the robustness of DESTR, CITA and CIBOR.

The WGCT's members were encouraged to discuss the preliminary findings and propose guidance regarding the priority of use of interest rate benchmarks in the DKK market. The discussion was to ensure that all the WGCT members' feedback is considered in the final version of the "Guidance Regarding Successor Interest Rate Benchmarks".

During the discussion, the WGCT's members shared their initial views, including that

- the members generally agreed that DESTR should be first in the priority of use. However, there was no general agreement regarding the threshold for not using DESTR and using CITA instead.

- it was important to conduct an individual assessment of products, especially the products in the Danish mortgage credit market.
- it was important to be aware of the challenges to a transition, including consumer protection, the fixing of interest rate payments in payment service systems, and risk hedging needs.
- it would be ineffective to work with many successor interest rate benchmark options, and that interest rate benchmark references should ideally be consolidated into one interest rate benchmark (or possibly two).
- it was emphasised that CITA is based on the market quote for the rate at which panel banks are prepared to offer DESTR overnight index swaps (OIS).
- the correlation – and spread – between the DESTR OIS curve and ESTR OIS curve reflect the robustness of CITA.
- it was important to quantify the need for the hedging of interest rate risk via derivatives that refer to CITA.
- the transition could include a synthetic CIBOR for legacy products to ensure an orderly transition and avoid the unintended triggering of fallback mechanisms.
- it was important to set a firm transition date, which should be combined with a recommendation regarding a synthetic CIBOR.
- the transition should be market-driven and understandable to international stakeholders. It was accordingly important to be aware of the implications of transitioning to a forward-looking term rate when other jurisdictions have transitioned to backward-looking rates.
- the fair treatment of customers and avoidance of value transfers must be prioritised.

It was concluded that there was no consensus regarding the threshold for using a non-transaction-based second priority interest rate benchmark.

4. Next steps in relation to guidance regarding successor interest rate benchmarks

The Secretariat will circulate a draft version of the "Guidance Regarding Successor Interest Rate Benchmarks", which includes Danmarks Nationalbank's guidance proposals.

Due to the diverging views of the WGCT's members, the credit institutions (that are a part of Finance Denmark) agreed to engage in a discussion regarding the priority of use of interest rate benchmarks. The outcome of the discussion is to be further discussed at the WGCT's fourth meeting to ensure an inclusion of the views of all the WGCT's members.

5. Topics and dates for the coming meetings

The date of the WGCT's fourth meeting will be announced by the Secretariat.

The fourth meeting will be dedicated to discussing and finalising the draft version of the "Guidance Regarding Successor Interest Rate Benchmarks".

6. Election of vice-chair
The Secretariat informed the WGCT that the current vice-chair no longer represents the Danske Bank Group. The WGCT accordingly had to elect a new vice-chair.

Heman Kukreja (Danske Bank Group) presented himself as a candidate for the vice-chair of the WGCT.

Heman Kukreja was elected as the vice-chair of the WGCT.

7. Any other business and concluding remarks
None.