
WIBID and WIBOR Reference Rates



Information about the impact of data revision on WIBID and WIBOR Reference Rates

Extraordinary report on reported data revisions

Warsaw, February 2023

In order to support transparency of provision and determination the WIBID and WIBOR Reference Rates, the Administrator, 2 years after being authorized as the administrator of a critical interest rate benchmark, presents aggregated information about the impact of the revisions of errors hitherto identified in the Input Data¹ provided by Fixing Participants and used to determine the WIBID and WIBOR Reference Rates both in the form of Model Quotes and Committed Quotes². *Regulations for the WIBID and WIBOR Reference Rates* do not provide a process of redetermination of once determined Reference Rates, and therefore the information contained in this document does not affect the historical values of WIBID and WIBOR Reference Rates that have been published so far on the Administrator's website.

As regards the materiality of the errors' revision, in accordance with the recommendation of the Oversight Committee of Interest Rate Benchmarks, the level of *at least 2 bps* should be assumed as the threshold of significance of an impact of the Input Data revision, as it is set in the case of *The Rules of WIRON Interest Rate Index*. The Administrator would like to remind that in the case of a threshold being introduced to *The Rules of WIRON Interest Rate Index*, it is used and it defines the value of the level of an impact of the revision, that causes re-determination and re-publication of the value of the index to which such threshold applies, provided that information about the error in input data was communicated to the Administrator immediately, and not, for example, on the next business day or in subsequent periods as a result of a control, an audit or a review.

In accordance with the Waterfall Method, the Input Data for WIBID and WIBOR Reference Rates are Committed Quotes and Model Quotes. The revision in the Committed Quotes may result for example from the revision of data in the provided Committed Quotes due to an error recorded, in the components of the Committed Quote or from a human error related to providing an incorrect value of the Quote to the Administrator. The revision in the Model Quotes may result from the revision resulting from the Fixing Participant's failure to include full and correct transaction set in the process of determining of these Quotes (due to, for example, late or incorrect entry of transaction data into the relevant internal system) or from failure to provide these Quotes to the Administrator.

Fixing Participants are obliged to implement adequate control mechanisms to mitigate the risk of errors through appropriate ongoing oversight of the Reference Rate determination process, procedures and regular external and internal audits. Identification of errors by Fixing Participants and the Administrator is part of the continuous nature of improving of these mechanisms.

The following summary of the impact of revisions of recorded errors, including errors recorded in the transaction data used in the process of Model Quotes preparations, covers the period starting from 4th February 2020, i.e. the day when the *WIBID and WIBOR Fixing Participant Code of Conduct* that includes Model Quotes in the Method for Determining Reference Rates entered into force, until 30th December 2022. In order to calculate the impact of revisions in the Input Data, the actual Input Data is replaced with the hypothetical Input Data resulting from the revisions in Model Quotes or Committed Quotes, and the hypothetical value of the Reference Rates is determined for each Fixing Day during the period of analysis. The recalculated Reference Rates are then compared to the actual and applicable Reference Rates. The results of this comparison are presented in the tables below. The data summary considers those cases in which the new value of the Reference Rates would be determined, i.e. when the value of the recalculated Reference Rate differs from the published value by at least 1 basis point. The analysis was carried out basing on the transaction database as of 30th December 2022.

¹ The Model Quotes provided for the purpose of Reference Rate Fixing are compared with the hypothetical values of the Model Quotes calculated according to the state of the transaction database which is the input data for the determination of the Model Quotes in accordance with the Waterfall Method. The transaction database used for calculations was taken from 30.12.2022 and includes revisions of the transaction data made by the Fixing Participants up to that date.

² There was one case of error in the Committed Quotes for the O/N Fixing Tenor in Q4 2021.

WIBID Reference Rate

Period	Affected Fixings (% of all Fixings) ¹	Affected Fixing Participants' Quotes (% of all Quotes) ²	Fixings affected by 1 bp ³	Fixings affected by 2 bps ³	Fixings affected by 3 bps ³	Fixings affected by 4 bps ³	Average impact (bps) ⁴
Q1 2020	0 (0,0%)	0 (0,0%)	0	0	0	0	0
Q2 2020	0 (0,0%)	0 (0,0%)	0	0	0	0	0
Q3 2020	0 (0,0%)	1 (0,1%)	0	0	0	0	0
Q4 2020	4 (0,8%)	21 (2,1%)	4	0	0	0	0,5
Q1 2021	0 (0,0%)	8 (0,8%)	0	0	0	0	0
Q2 2021	2 (0,4%)	7 (0,7%)	2	0	0	0	1,0
Q3 2021	0 (0,0%)	1 (0,1%)	0	0	0	0	0
Q4 2021	2 (0,4%)	21 (2,1%)	2	0	0	0	-1,0
Q1 2022	0 (0,0%)	3 (0,3%)	0	0	0	0	0
Q2 2022	25 (5,0%)	65 (6,6%)	21	1	2	1	1,2
Q3 2022	9 (1,7%)	168 (16,2%)	6	1	2	0	-1,3
Q4 2022	16 (3,2%)	46 (4,6%)	14	2	0	0	0,5

Tabel No. 1

WIBOR Reference Rate

Period	Affected Fixings (% of all Fixings) ¹	Affected Fixing Participants' Quotes (% of all Quotes) ²	Fixings affected by 1 bp ³	Fixings affected by 2 bps ³	Fixings affected by 3 bps ³	Fixings affected by 4 bps ³	Average impact (bps) ⁴
Q1 2020	0 (0,0%)	0 (0,0%)	0	0	0	0	0
Q2 2020	0 (0,0%)	0 (0,0%)	0	0	0	0	0
Q3 2020	0 (0,0%)	1 (0,1%)	0	0	0	0	0
Q4 2020	0 (0,0%)	21 (2,1%)	0	0	0	0	0
Q1 2021	1 (0,2%)	8 (0,8%)	1	0	0	0	-1,0
Q2 2021	0 (0,0%)	7 (0,7%)	0	0	0	0	0
Q3 2021	1 (0,2%)	1 (0,1%)	1	0	0	0	-1,0
Q4 2021	1 (0,2%)	22 (2,1%)	1	0	0	0	1,0
Q1 2022	0 (0,0%)	3 (0,3%)	0	0	0	0	0
Q2 2022	25 (5,0%)	65 (6,6%)	21	1	2	1	1,2
Q3 2022	9 (1,7%)	168 (16,2%)	6	1	2	0	-1,3
Q4 2022	16 (3,2%)	46 (4,6%)	14	2	0	0	0,5

Tabel No. 2

1 The number of all Fixings is calculated as the total number of Fixings of Reference Rate for all Fixing Tenors for all Fixing Days in a given period.

2 The number of all Quotes is calculated as the total number of Committed Quotes and Model Quotes for all Fixing Tenors for all Fixing Dates in a given period.

3 Impact is measured as the absolute difference between the published Fixing and the recalculated, hypothetical Fixing.

4 Impact is measured as the difference between the published Fixing and the recalculated, hypothetical Fixing.

In order to provide more insights into the structure of revisions, the Administrator provides the errors distribution, broken down by Fixing Tenor for WIBOR which is acritical interest rate benchmark. The distribution of errors shows that 83% of the errors (in absolute terms) did not reach the level of 2 bps, and the largest number of errors concerned the Fixing Tenors 2W and 1M.

OFFER	Absolute value of the impact / number of cases				
Fixing Tenor	0,01	0,02	0,03	0,04	Average absolute impact
ON	3		1		0,015
TN	1				0,010
SW	4				0,010
2W	14	1	1		0,012
1M	17	3	2	1	0,014
3M	5				0,010
Sum	44	4	4	1	0,013

Tabel No. 3. Statistics of the impact of revisions in transaction data affecting Model Quotes and errors in Committed Quotes by individual Fixing Participants on the course of the WIBOR values in the period from 03-02-2020 to 30-12-2022.

OFFER	Absolute value of the impact / number of cases							
Termin	-0,03	-0,02	-0,01	0,01	0,02	0,03	0,04	Average impact
ON			2	1		1		0,005
TN			1					-0,010
SW			1	3				0,005
2W	1		9	5	1			-0,003
1M	1	2	8	9	1	1	1	0,001
3M			4	1				-0,006
Sum	2	2	25	19	2	2	1	0,000

Tabel No. 4. Statistics of the impact of revisions in transaction data affecting Model Quotes and errors in Committed Quotes by individual Fixing Participants on the WIBOR values in the period from 03-02-2020 to 30-12-2022. The value of the impact is calculated by subtracting the recalculated, hypothetical WIBOR values from the published WIBOR values. (Example: In 4 cases, the value of the WIBOR 3M before an update of the transaction database was lower by 0,01 pp than the value of recalculated, hypothetical WIBOR determined on the transaction data set after its revisions made by the Fixing Participants.)

In case of updating of historical transaction data by Fixing Participants, the presented statistics may change.