

Change to the WIBID and WIBOR Reference Rates Method regarding the addition of the Fallback Procedure

Consultation paper



GPW Benchmark S.A.

Warsaw, June 30, 2026

1. Introduction

GPW Benchmark S.A. (hereinafter: "Administrator") presents the consultation paper on the proposed change to the WIBID and WIBOR Reference Rates Method (hereinafter: "Method"). The change is not a material change to the Method, as it does not concern any Key Elements of the Method. The change consists of two parts:

- I. Implementation of the Fallback Procedure to the Method, that shall be used when determination of the Reference Rates is not possible through Fixing.
- II. Removal of the postponement of the Fixing Time as procedure for managing failure to determine the Reference Rates through Fixing by the Fixing Time, due to implementation of the Fallback Procedure.

2. Rationale

Following the introduction of the Non-Transactional Data to the Method, that perform validation function for Model and Committed Quotes, i.e. whether they can be used according to the Method, Administrator identifies an increased risk for the Reference Rates provision, due to Quotes that may not be taken into account. In extreme cases, number of Quotes that are taken into account may be lower than required 6 Quotes, which would result in failure to determine the Reference Rates in accordance with the Method.

The determination of the Reference Rates for each Fixing Tenor on every Fixing Day is essential not only for the proper functioning of the financial market, but also for the Method itself, where past Reference Rates values are used in the Waterfall Method, especially in the Procedure of Allocation of Fixing Tenors to Non-Fixing Tenor Transactions. Thus, it is crucial to ensure the continuity of the Waterfall Method with regards to the preparation of the Input Data, i.e. the Model Quotes.

In case of failure to determine the Reference Rates for a particular Fixing Tenor on a given Fixing Day, the Fallback Procedure shall apply the Reference Rates values for that Fixing Tenor from a previous Fixing Day. Such approach ensures methodological simplicity and consistency with the ISDA guidelines for derivatives, where the relevant reference rate was not determined. ISDA assumes that in the event of failure to determine the WIBOR on a given Fixing Day, the WIBOR value from a previous Fixing Day shall be applied.

The implementation of the Fallback Procedure to the Method cannot permanently replace the observation of the market, which is measured by the Reference Rates. Thus, the Fallback Procedure can be applied for a maximum of 5 consecutive Fixing Days for a given Fixing Tenor. Administrator underscores that the Fallback Procedure will not substitute the Temporary Change of the Method, which can be used only in case of the Fixing suspension. The Fixing can be suspended, for instance, when number of Fixing Participants falls below 6. The Temporary Change of the Method is not specifically defined and shall be developed by the Administrator in case of the Fixing suspension, in accordance with the Regulations for the WIBID and WIBOR Reference Rates. Furthermore, should the Fallback Procedure be applied for 3 consecutive Fixing Days, the Oversight Committee of Interest Rate Benchmarks shall convene to establish a course of action necessary to ensure the continuity of the Reference Rates determination.

Due to the implementation of the Fallback Procedure, the procedure of postponement of the Fixing Time shall be removed, as it will be no longer needed to manage any potential failures to determine the Reference Rates. In the event of insufficient Quotes that can be taken into account or that can be validated based on the Non-transactional Data, or due to any technical issues, Administrator shall determine the Reference Rates via the Fallback Procedure and, in case of system failure, shall publish them using emergency procedures.

Moreover, Administrator identifies number of operational obstacles that derive from a potential postponement of the Fixing Time. Firstly, the Fixing Participants would be required to prepare new Non-Transactional Data sets, actual for a rescheduled Non-Transactional Data Window. Secondly, due to the committed nature of the Committed Quotes, the Fixing Participants would be bound to conclude transactions based on updated Committed Quotes (i.e. Committed Quotes prepared for the

rescheduled Fixing Time) at the request of other Fixing Participants during the Transaction Window that would follow the postponed Fixing Time.

The Fallback Procedure will simplify and increase the security of Reference Rates determination process. It will also replace the postponement of the Fixing Time, which may generate excess operational risks on the part of the Administrator as well as Fixing Participants.

Due to simple nature of the proposed change to the Method, the consultation period shall last for 10 business days.

3. Questionnaire

Question 1: Do you support the implementation of the Fallback Procedure described above, to the Method?

- YES
- NO

Comment:

Question 2: Do you support 5 consecutive Fixing Days as a maximum period for the Fallback Procedure application?

- YES
- NO

Comment: