
REGULATIONS FOR THE WIBID AND WIBOR REFERENCE RATES



**Warsaw,
November 30th, 2017**

TABLE OF CONTENTS

DEFINITIONS	3
1. REGULATIONS.....	5
2. ADMINISTRATOR	5
3. OVERSIGHT COMMITTEE	5
4. EXCHANGE OF INFORMATION BETWEEN THE ADMINISTRATOR AND THE USERS OF REFERENCE RATES.....	8
5. REFERENCE RATES	9
6. FIXING	9
7. PUBLICATION OF REFERENCE RATES	11
8. USE OF REFERENCE RATES	11
9. COMPLAINTS OF USERS OF REFERENCE RATES	12
10. RESPONSIBILITY OF THE ADMINISTRATOR.....	12
11. SUSPENSION OF DETERMINING THE REFERENCE RATES	12
12. CESSATION OF REFERENCE RATES.....	13
13. CHANGES TO THE REGULATIONS	13
14. ENTRY INTO FORCE AND TERM OF VALIDITY OF THE REGULATIONS.....	13

DEFINITIONS

Administrator	GPW Benchmark S.A. with a registered office in Warsaw, ul. Książęca 4, 00-498 Warsaw, entered into register of entrepreneurs of the National Court Register by the District Court for the capital city of Warsaw in Warsaw, 12th Commercial Division under KRS no. 0000493097; with share capital of PLN 1 900 000 - fully paid up; NIP 5252546511
Agreement for Use of Reference Rates	an agreement concluded in the manner provided for in the Regulations, on the basis of which Entities Using Reference Rates will be authorized to use Reference Rates within the scope described in clause 8.1
Benchmarks Regulation	Regulation (EU) 2016/1011 of the European Parliament and the Council of June 8 th , 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No. 596/2014
Bid Rate	interest rate, at which the Fixing Participant is ready to accept a Deposit from another Fixing Participant
Business Day	a calendar day, other than a Saturday or a statutory holiday, including Sundays, during which the Fixing Participants operate on the Polish money market
Code of Conduct	WIBID and WIBOR Code of Conduct of Fixing Participant
Competent Authority	Polish Financial Supervision Authority
Deposit	an unsecured deposit in zlotys (PLN), accepted or placed on the interbank market
Entities Using Reference Rates	Users of Reference Rates and Recipients of Reference Rates
Financial Agreement	a financial agreement as defined in Art. 3 (1) (18) of the Benchmarks Regulation
Financial Instrument	a financial instrument as defined in Art. 3 (1) (16) of the Benchmarks Regulation
Fixing	the procedure of determining the Reference Rates
Fixing Date	a Business Day, during which Fixing takes place
Fixing Participant	an entity, which has received confirmation of having been granted Fixing Participant status from the Administrator in accordance with the Code of Conduct
Fixing Suspension Period	a period, in which suspension of determining the Reference Rates takes place in accordance with clause 11.1
Fund	an investment fund as defined in Art. 3 (1) (19) of the Benchmarks Regulation
Independent Member	a member of the Oversight Committee, not related to the Administrator otherwise than through participation in the Oversight Committee and free from any conflict of interests associated with participation in determining the Reference Rates
MAR	Regulation of the European Parliament and the Council no. 596/2014 of April 16 th , 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC

NBP	National Bank of Poland
Observer	an entity authorized to designate a representative other than a member of the Oversight Committee to participate in meetings of the Oversight Committee without voting rights
Offered Rate	interest rate, at which the Fixing Participant is ready to place a Deposit at another Fixing Participant
Oversight Committee	A committee appointed by the Administrator, acting as the oversight function as defined in Art. 5 of the Benchmarks Regulation
Procedure for submission and handling of complaints	"The procedure for submission and handling of complaints concerning Reference Rates"
Publication of Reference Rates	publication of Fixing results in accordance with the provisions of clause 7.1
Quote	a simultaneous Quote for a given Deposit by a Fixing Participant of a bid rate and an offered rate, expressing the readiness of the Fixing Participant to enter into the Deposit transaction with another Fixing Participant, in accordance with the terms and conditions specified in the Code of Conduct
Recipient of Reference Rates	an entity being a party to the Financial Agreement entered into with the User of Reference Rates, holder of a Financial Instrument issued by the User of Reference Rates or holder of units in a Fund, for which the Reference Rates constitute a reference
Reference Rates	WIBID and WIBOR
Regulations	Regulations for the WIBID and WIBOR Reference Rates including its all changes and supplementations
Suspicious Quote	A Quote, towards which there is a suspicion of manipulation as defined in the MAR
Temporary Change of Method	a change in the method of determining the Reference Rates, conducted under the circumstances specified in clause 11.5
User of Reference Rates	an entity using Reference Rates within the scope referred to in clause 8.1
WIBID	benchmark for bid rates from Quotes calculated during Fixing (Warsaw Interbank Bid Rate)
WIBOR	benchmark for offer rates from Quotes calculated during Fixing (Warsaw Interbank Offered Rate)

1. REGULATIONS

In order to maintain the reliability and representativeness of Reference Rates, as well as the transparency of their determining within the framework of Fixing, the Regulations specify the rules of determining and publication of the Reference Rates, the role of the Administrator and the Oversight Committee in provision of Reference Rates and the rules for application of Reference Rates by Users of Reference Rates.

2. ADMINISTRATOR

- 2.1. The Administrator supervises determining the Reference Rates through:
 - 2.1.1. management of mechanisms for determining the Reference Rates,
 - 2.1.2. collecting, analyzing or processing input data for the purpose of determining the Reference Rates
 - 2.1.3. determining the Reference Rates in accordance with the Regulations

3. OVERSIGHT COMMITTEE

- 3.1. The Administrator establishes and maintains the Oversight Committee, which constitutes a permanent oversight function for the purpose of ensuring supervision over all aspects of provision of Reference Rates. The Administrator ensures management of the Oversight Committee and access to information necessary for performance of the tasks of the Oversight Committee
- 3.2. The tasks of the Oversight Committee include:
 - 3.2.1. reviewing the definition and method for determining the Reference Rates and formulating recommendations for changes, at least annually,
 - 3.2.2. recommending and overseeing changes introduced with regard to the definition and method of determining the Reference Rates,
 - 3.2.3. overseeing the Administrator with regard to the management and functioning of Reference Rates,
 - 3.2.4. overseeing over the fulfillment of obligations by Fixing Participants as specified in the Code of Conduct,
 - 3.2.5. reviewing and approving of the procedures for suspension and cessation of provision of Reference Rates,
 - 3.2.6. overseeing of third persons participating in provision of Reference Rates, including calculation or dissemination agents of Reference Rates,
 - 3.2.7. assessing internal and external audits or reviews conducted in relation to the Administrator and monitoring the implementation of identified remedial actions,
 - 3.2.8. reporting to relevant the competent authorities of Suspicious Quotes identified by the Administrator,
 - 3.2.9. reporting the Competent Authority of any misconduct by the Administrator,
 - 3.2.10. performance of tasks other than those indicated in clauses 3.2.1 - 3.2.9, assigned to the Oversight Committee in the Regulations and in the Code of Conduct.

- 3.3. The Oversight Committee consists of at least 5 members, appointed for a 2-year independent term of office.
- 3.4. A member of the Oversight Committee can be a person:
 - 3.4.1. who has not been subject to penal or administrative sanctions, associated with the violation of financial sector regulations, in particular:
 - (a) the Benchmarks Regulation,
 - (b) the MAR,
 - (c) the act of July 29th, 2005 on trade in financial instruments,
 - (d) the act of July 29th on public offering,
 - (e) the act of August 29th, 1997 - Banking Law,
 - (f) the act of May 27th, 2004 on investment funds
 - 3.4.2. possesses knowledge of Reference Rates or other financial indicators, measuring the interest rate market,
 - 3.4.3. has at least 5 years of work experience in the financial market,
 - 3.4.4. works in a position not related directly to the determining of the Reference Rates,
 - 3.4.5. has an excellent reputation and is recognized as an authority based on merit and ethics,
 - 3.4.6. is familiar with the regulatory environment of the Administrator in association with provision of Reference Rates.
- 3.5. Most members of the Oversight Committee established by the Administrator should be Independent Members.
- 3.6. The Administrator hereby undertakes to address the following entities to recommend candidates for members of the Oversight Committee:
 - 3.6.1. The competent minister for supervision of financial institutions - 1 candidate,
 - 3.6.2. President of the Office of Competition and Consumers Protection - 1 candidate,
 - 3.6.3. Polish Banks Association (ZBP) - 2 candidates,
 - 3.6.4. ACI Polska – the Financial Markets Association - 1 candidate.
- 3.7. The Administrator hereby undertakes to appoint the candidates selected in accordance with clause 3.6 for members of the Oversight Committee, if they meet the criteria specified in clause 3.4 and may act as Independent Members. If a candidate does not meet the criteria or is unable to act as an Independent Members, the Administrator refuses to accept such a candidate, and the establishing entity may propose another candidate in accordance with the same rules.
- 3.8. Moreover, the Administrator may, on the basis of an opinion of the operating Oversight Committee, enable entities other than those listed in clause 3.6 to select candidates, if such a decision is recommendable to ensure the stability and reliability of Reference Rates, the proper competences of the Oversight Committee, appropriate representativeness of stakeholders of Reference Rates and in order to ensure the minimum number of members of the Oversight Committee.

- 3.9. Dismissal of a member of the Oversight Committee, indicated by an entity referred to in clause 3.6 and 3.8, by the Administrator, is only possible if due to significant reasons (e.g. loss of required independence, conflict of interest). The Administrator addresses the entity which proposed this member of the Oversight Committee, as the entity is entitled under such circumstances to propose another candidate for membership in the Oversight Committee.
- 3.10. The Administrator may, after consulting with Oversight Committee, grant Observer status to institutions or entities engaged in activity which may enhance the stability, reliability and provision of Reference Rates.
- 3.11. The Administrator provides the NBP, as well as the entities referred to in clauses 3.6 and 3.8, with the possibility of accepting Observer status, if these entities give their consent.
- 3.12. A person appointed by the Observer may participate in meetings of the Oversight Committee without voting rights. The Observer is informed of results of voting of the Oversight Committee, conducted in circulation mode.
- 3.13. The chairman of the Oversight Committee is elected by its members from among the Independent Members. The chairman should not be a member of the Oversight Committee related to Entities Using Reference Rates or their associations.
- 3.14. The Administrator introduces the Oversight Committee regulations, specifying in particular:
 - 3.14.1. the procedure of appointment and dismissal of members of the Oversight Committee
 - 3.14.2. the procedure of making decisions by the Oversight Committee,
 - 3.14.3. the rules of participation of persons indicated by the Observer in the meetings of the Oversight Committee,
 - 3.14.4. the procedure for performance by the Oversight Committee of the tasks referred to in clause 3.2,
 - 3.14.5. the rules of remunerating members of the Oversight Committee,
 - 3.14.6. the rules of preparation and approval of communications on meetings of the Oversight Committee and their publication on the website of the Administrator,
 - 3.14.7. the rules of preparation and approval of protocols and their submission to the Competent Authority and the NBP.

4. EXCHANGE OF INFORMATION BETWEEN THE ADMINISTRATOR AND THE USERS OF REFERENCE RATES

- 4.1 Information and documents addressed to Entities Using Reference Rates are shared by the Administrator by publishing them on the website of the Administrator: <https://gpwbenchmark.pl/>.
- 4.2 Users of Reference Rates communicate with the Administrator, using contact information provided on the website of the Administrator: <https://gpwbenchmark.pl/> or in the manner indicated in the Agreements for use of Reference Rates concluded with them.

5. REFERENCE RATES

- 5.1. Reference Rates determining on the basis of the Regulations constitute interest rates benchmarks, at which banks meeting the Fixing Participant criteria are ready to place or accept Deposits for specified time periods from other banks meeting the Fixing Participant criteria.
- 5.2. The Administrator sets the Reference Rates on the basis of Quotes contributed to the Administrator within the framework of the Fixing. The Quotes are committed quotes as specified in the Benchmarks Regulation.
- 5.3. The Quotes are input by the Fixing Participants.
- 5.4. The minimum number of Quotes necessary to carry out a Fixing is 6.
- 5.5. Specification of Quotes, the rules of their determining and inputting, the criteria for selection of Fixing Participants and their duties are specified in the Code of Conduct, published on the website of the Administrator: <https://gpwbenchmark.pl/>.
- 5.6. If it turns out to be necessary to introduce a significant change to the definition of Reference Rates or the method of determining them, the Administrator engages in public consultations with the Users of Reference Rates, the Competent Authority, the NBP and other entities which should be involved in the consultation process in the opinion of the Administrator.
- 5.7. Within the framework of the public consultations referred to in clause 5.6, the Administrator notifies the general public in the manner specified in clause 4.1 of the consultation procedure, specifying the time frame for the consultations to be conducted, the scope of analyses justifying introduction of changes, the consultation mode and entities involved in the consultation process.

6. FIXING

- 6.1. Reference Rates are appointed for the following Deposit time periods:
 - 6.1.1. 1 Business Day – overnight (O/N),
 - 6.1.2. 1 Business Day – tomorrow/next (T/N),
 - 6.1.3. 1 week (SW),
 - 6.1.4. 2 weeks (2W),
 - 6.1.5. 1 month (1M),
 - 6.1.6. 3 months (3M),
 - 6.1.7. 6 months (6M),
 - 6.1.8. 9 months (9M),
 - 6.1.9. 1 year (1Y).
- 6.2. Reference Rates are determining in accordance with interest rate convention ACT/365, to two decimal places.
- 6.3. Subject to situations specified in the Regulations, Fixing takes place on each Business Day.

- 6.4. WIBID for a Deposit for a given rate is calculated by the Administrator on the basis of the bid Rates specified in the Quotes of the Fixing Participants as:
- 6.4.1. the arithmetical mean of bid Rates remaining after exclusion of the two highest and two lowest rates, if at least 10 bid Rates have been proposed,
 - 6.4.2. the arithmetical mean of bid Rates remaining after exclusion of the highest and lowest rates, if 8 or 9 bid Rates have been proposed,
 - 6.4.3. the arithmetical mean, if 6 or 7 bid Rates have been proposed,
- 6.5. If 5 or less bid Rates have been proposed, WIBID for a given term is not set within the framework of the Fixing process.
- 6.6. WIBOR for a Deposit for a given rate is calculated by the Administrator on the basis of the offer Rates specified in the Quotes of the Fixing Participants as:
- 6.6.1. the arithmetical mean of bid Rates remaining after exclusion of the two highest and two lowest rates, if at least 10 offer Rates have been proposed,
 - 6.6.2. the arithmetical mean of bid Rates remaining after exclusion of the highest and lowest rates, if 8 or 9 offer Rates have been proposed,
 - 6.6.3. the arithmetical mean, if 6 or 7 offer Rates have been proposed,
- 6.7. If 5 or less offered Rates have been proposed, WIBOR for a given term is not set within the framework of the Fixing process.
- 6.8. Reference Rates are set at 11:00 a.m.
- 6.9. If Reference Rates cannot be set within the framework of the Fixing by 11:00 a.m., Fixing time may be postponed no later than until 3:00 p.m. The Administrator is obliged to inform the Fixing Participants of the postponement immediately, but no later than until 11:05 a.m. on the day of such a postponement of the Fixing, and inform the Fixing Participants of the reasons for such a postponement and the time at which Fixing will be conducted on a given day. In such a case, the Fixing Participants are obliged to submit Quotes until the Fixing time indicated by the Administrator. The Administrator has developed the appropriate emergency procedures, setting the rules of conduct which take effect under the circumstances described above.
- 6.10. The information referred to in clause 6.9 is also submitted to the Competent Authority, the NBP, and published on the website of the Administrator: <https://gpwbenchmark.pl/>.
- 6.11. If, in accordance with clause 6.9, it is not possible to calculate the Reference Rate no later than by 3:00 p.m., a given Reference Rate remains undetermined on a given day. In such case, the Chairman of the Oversight Committee is obliged to convene a meeting of the Oversight Committee for the same Business Day, during which it was not possible to calculate the Reference Rate, in order to develop a strategy of further proceedings in order to restore the continuity of determining the Reference Rates. In the situation described above, the Oversight Committee may make decisions in circulation mode.
- 6.12. The information concerning a failure to set the Reference Rate on a given day is immediately submitted to the Competent Authority, the NBP and published on the website of the Administrator: <https://gpwbenchmark.pl/>.

7. PUBLICATION OF REFERENCE RATES

- 7.1. Reference Rates determining on the basis of Fixing on a given Business Day are published by the Administrator on the website of the Administrator: <https://gpwbenchmark.pl/> on the same Business Day at 11:00 p.m.
- 7.2. Entities Using Reference Rates may gain access to information concerning Reference Rates between the closing of the Fixing and the Publication of Reference Rates on the websites of information distributors in accordance with the conditions set by the information distributors.

8. USE OF REFERENCE RATES

- 8.1. Use of Reference Rates, consisting of:
 - 8.1.1. issuing Financial Instruments, for which a given Reference Rate serves as a reference,
 - 8.1.2. specifying the amount payable due to a Financial Instrument or a Financial Agreement through reference to a given Reference Rate or a combination of indices containing a given Reference Rate,
 - 8.1.3. being a party to a Financial Agreement, concluded within the framework of the services rendered, for which Reference Rates serve as a reference,
 - 8.1.4. offering an interest rate on the loan in accordance with the definition contained in art. 3 (j) of Directive 2008/48/EC of the European Parliament and the Council of April 23rd, 2008 on credit agreements for consumers and repealing Council Directive 87/102/EEC, calculated as a spread or margin above a given Reference Rate or a combination of indices containing a given Reference Rate,
 - 8.1.5. measuring the results of a Fund using a given Reference Rate or combination of indices containing a given Reference Rate for the purpose of monitoring the rate of return in relation to the Reference Rate or a combination of indices containing the Reference Rate, specifying the allocation of assets from a portfolio or performance fees,may take place exclusively on the basis of an Agreement for Use of Reference Rates.
- 8.2. An Agreement for Use of Reference Rates specifies in particular:
 - 8.2.1. the commitment of the Administrator to provide Reference Rates in accordance with the rules specified by legal provisions, applicable to the Administrator, and with the Regulations,
 - 8.2.2. commitment of the User of Reference Rates to pay a remuneration to the Administrator for provision of the Reference Rates.
- 8.3. The Administrator provides, in the manner specified in clause 4.1, access to the template of the Agreement for Use of Reference Rates and specifies the rules of conclusion of the Agreement by Users of Reference Rates.

9. COMPLAINTS OF USERS OF REFERENCE RATES

- 9.1. Users of Reference Rates may address the Administrator with complaints concerning the determining or publication of the Reference Rates.
- 9.2. The Administrator provides the Oversight Committee with information on complaints received, referred to in clause 9.1, and the replies sent.
- 9.3. The detailed rules of submitting complaints and the mode of replying to these by the Administrator have been specified in the Procedure for submission and handling of complaints, published in accordance with clause 4.1.

10. RESPONSIBILITY OF THE ADMINISTRATOR

- 10.1. The rules of responsibility of the Administrator to Users of Reference Rates are specified in the Agreement for Use of Reference Rates.
- 10.2. The Administrator is not responsible for damages resulting from use of Reference Rates or other use of these Rates without the knowledge or consent of the Administrator.

11. SUSPENSION OF DETERMINING THE REFERENCE RATES

- 11.1. If the number of Fixing Participants drops below 6, the Administrator suspends the determining of the Reference Rates, which means that no Fixing is conducted in the Fixing Suspension Period.
- 11.2. The Administrator may decide to suspend Fixing, if, despite the required number of Fixing Participants, they repeatedly fail to submit the number of Quotes necessary to conduct the Fixing.
- 11.3. The Administrator's decision to suspend Fixing, referred to in clause 11.2, requires a consultation with the Oversight Committee and must be preceded by consultations with the Competent Authority and the NBP.
- 11.4. The Administrator submits information concerning the suspension of Fixing in the manner specified in clause 4.1. In the same way, the Administrator delivers information on the cessation of causes of the suspension and the date that Fixing will resume.
- 11.5. If the Administrator decides to suspend Fixing, the chairman of the Oversight Committee, after having been notified by the Administrator, is obliged to convene a meeting of the Oversight Committee immediately in order to develop, in cooperation with the Administrator, a strategy for further proceedings in order to restore the continuity of determining the Reference Rates. The information concerning suspension of Fixing is immediately submitted to the Competent Authority, the NBP and published on the website of the Administrator: <https://gpwbenchmark.pl/>.
- 11.6. The strategy referred to in clause 11.5 must be prepared within two Business Days from the Administrator's decision to suspend Fixing, and it must contain recommendations for a Temporary Change of Method to ensure continuity of setting Reference Rates.
- 11.7. Introduction of a Temporary Change of Method does not require any changes to the Regulations and the Code of Conduct. The Administrator submits information concerning the Temporary Method Change in the manner specified in clause 4.1. Information concerning the introduction of a Temporary Method Change is also submitted to the Competent Authority and the NBP.

- 11.8. A Temporary Change of Method must not last longer than 6 months.

12. CESSATION OF REFERENCE RATES

- 12.1. The Administrator may decide to cease to provide Reference Rates, in the following situations in particular:
- 12.1.1. if the period of validity of the Temporary Method Change has ended and determining the of the Reference Rates in accordance with the Regulations has not been restored,
 - 12.1.2. the Administrator has not obtained authorization within a set time period, after the expiry of which the Reference Rates cannot be used by supervised entities as defined in the Benchmarks Regulation,
 - 12.1.3. due to reasons beyond the control of the Administrator, it is not possible to provide Reference Rates in accordance with the Benchmarks Regulation.
- 12.2. The decision of the Administrator to cease to provide Reference Rates due to reasons specified in clauses 12.1.1 and 12.1.3 requires consultation with the Oversight Committee and must be preceded by consultations with the Competent Authority and the NBP.
- 12.3. Information concerning the decision to cease to provide Reference Rates, indicating the date of the decision coming into force, is communicated in the manner specified in clause 4.1. In addition, information concerning this decision is delivered to the Competent Authority and the NBP.

13. CHANGES TO THE REGULATIONS

- 13.1. Subject to provisions of clauses 5.6 and 5.7 (if applicable), the Administrator, upon obtaining a positive opinion of the Oversight Committee, may introduce changes to the Regulations.
- 13.2. The amended Regulations are made available to the Entities Using Reference Rates in the manner specified in clause 4.1.
- 13.3. Changes to the Regulations come into force on the date indicated in the information concerning change of the Regulations, however, not earlier than 30 days after making the amended Regulations available in the manner specified in clause 4.1. subject to provisions of clause 13.4.
- 13.4. The Administrator may decide to make the amended Regulations come into force prior to expiry of the time period referred to in clause 13.3, if the change is aimed at adapting the Regulations to the legal provisions in force or is due to a decision of the Competent Authority.

14. ENTRY INTO FORCE AND TERM OF VALIDITY OF THE REGULATIONS

- 14.1. The Regulations will come into force on February 1st, 2018, with the exception of clause 8, which is to come into force as of May 1st, 2018.
- 14.2. As of February 1st, 2018:
- 14.2.1. the previous Regulations for Fixing of WIBID and WIBOR Reference Rates, valid since June 30, 2017, published on the website:
<https://gpwbenchmark.pl/>,

- 14.2.2. the procedure for determining the Reference Rates, the rules of granting Fixing Participant Status and contribution of Quotes are specified in the appropriate provisions of the Regulations and the Code of Conduct, maintaining continuity of the previously valid method of determining and defining the Reference Rates and the status of Fixing Participants by entities holding the status of Fixing Participants on January 31, 2018, under the condition that these entities submit the declaration referred to in the Code of Conduct,
- 14.2.3. the term of office of members of the Council of WIBOR, referred to in the previously valid Regulations for Fixing of WIBID and WIBOR Reference Rates, valid since June 30, 2017, will expire.
- 14.3. The Regulations will cease to be valid on the date that the decision of the Administrator to withdraw from provision of Reference Rates enters into force.