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## PRESS RELEASE

### ECB WELCOMES THE EUROPEAN COMMISSION'S PROPOSAL TO REGULATE SYSTEMICALLY IMPORTANT REFERENCE RATES

The Governing Council of the European Central Bank welcomes the European Commission's intention to introduce further legislation regulating systemically important reference rates. In its response to the Commission's consultation on the regulation of indices, the Eurosystem has called for the regulation of systemically important reference rates, with a view to enhancing the governance of all key processes surrounding the rate-setting calculation and increasing market's confidence in the rates.

The Eurosystem notes the recent decisions of some banks to withdraw from the Euribor panel. Reference rates such as Euribor are of particular importance to the implementation of monetary policy in the euro area. Therefore, the Eurosystem considers it crucial to ensure that such reference rates always serve their purpose of adequately reflecting developments in the euro area. For such rates to remain representative, it is essential that there is an appropriate level of bank participation in the respective panels. The Eurosystem therefore welcomes the Commission's intention to also include in its legislative proposal the power to compel mandatory submissions for systemically important reference rates, in order to prevent disruptions to their production process.

In the light of these initiatives, the Eurosystem strongly encourages banks to remain in, or join, the Euribor panel to prevent potential disruptions to the functioning of the financial markets while the regulatory framework is being refined.

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