

**MARKET NOTICE IN RESPONSE TO CONSULTATION DATED
9th August 2016 – 16th September 2016**

CHANGE TO RONIA BENCHMARK METHODOLOGY

Following the consultation published by WMBA Limited on 9th August 2016 regarding proposed changes to the WMBA Benchmark Methodology for RONIA, WMBA Limited have considered responses received. It was recommended by the WMBA Limited and approved by the RONIA Oversight Committee on Wednesday 12th October that the changes to the methodology shall be adopted.

The changes to the methodology shall take effect from **Tuesday 1st November**.

The definition shall read as follows:

“RONIA is the weighted average rate to four decimal places of all secured sterling overnight cash transactions brokered in London by contributing WMBA member firms between 00:00 hrs and 18:00 hrs UK time with all counterparties with no minimum deal size.

RONIA eligible transactions are Delivery by Value (DBV) which is a mechanism whereby a market participant, or member of a relevant qualifying Central Securities Depository (‘CSD’)*, who has borrowed money against overnight UK Gilt collateral may have Gilts on its account to the required value delivered automatically by the CSD system to the account of the money lender.

The index is a weighted average overnight deposit rate for each business day. Each rate in the average is weighted by the principal amount of deposits which were taken on that day”.

** relevant qualifying Central Securities Depository (‘CSD’) are those CSD’s recognised by ESMA or other European Competent Authorities under the Central Securities Depositories Regulation (‘CSDR’) or its equivalent in other European states.*

If you have any questions, please contact BenchmarkAdministrator@wmba.org.uk.

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