

# Rules for fixing WIBOR and WIBID reference rates

## 1. Definitions and interpretation

### 1.1 Definitions

Unless the content or context implies otherwise, the terms and expressions used in these Rules have the following meaning:

**Business day** – a day, except for Saturdays, Sundays and statutory holidays when Fixing Participants operate on the Polish monetary market.

**Fixing** – it has the meaning assigned to it in point 2.1 of these Rules;

**Minimum limit** – the minimum limit required by the Agent and set by a Participant applied to PLN deposits granted to other Participant:

- a) for up to three months inclusive, or
- b) from three months to six months inclusive, or
- c) from six months to twelve months inclusive;

**Agent** - Stowarzyszenie Rynków Finansowych - ACI Polska seated in Warsaw at ul. Marszałkowska 111, incorporated in the register of associations kept by the Seventh Civil and Registration Unit in the Regional Court in Warsaw under RST 1917;

**Attorney** – an entity with required experience and technical/administration background entrusted with fixing in the manner and on terms and conditions specified in these Rules and the agreement between the Agent and such entity;

**Banking Law** – Banking Law Act of 29 August 1997 (Journal of Laws, Issue 140, Item 939 as amended);

**Rules** – these Rules for fixing Wibor and Wibid reference rates as amended and supplemented;

**Reuters** – Reuters Ltd;

**Participant** – pursuant to the Banking Law, a domestic bank or a branch of a foreign bank in Poland that operates based on and in accordance with the Banking Law, who is invited to participate in the fixing process and meets relevant requirements set out in these Rules;

**Wibid (Warsaw Interbank Bid Rate)** – a reference rate computed in the fixing process in accordance with point 4.7 of these Rules;

**Wibor (Warsaw Interbank Offer Rate)** - a reference rate computed in the fixing process in accordance with point 4.6 of these Rules;

### 1.2 Interpretation

1.2 .1 Any references to time in these Rules shall be held and considered to be a reference to Warsaw local time.

1.2.2 The “change in the Rules” shall mean any changes, amendments, deletions, additions or replacements, partial or full, of these Rules.

## 2. General Provisions

2.1 The fixing process consists of actions intended to fix Wibor and Wibid reference rates for PLN deposits on the Polish interbank market.

2.2 These Rules set out the terms and conditions of the fixing process, the manner of fixing and publishing reference rates as well as competences of the Participants, the Agent and the Attorney at the time of fixing Wibor and Wibid reference rates.

## 3. Granting ‘Fixing Participant’ status

3.1. All domestic banks or branches of foreign banks operating in Poland that currently act as the Monetary Market Dealer can participate in the fixing process. The composition of the Participants shall be verified by the Management Board of Stowarzyszenie Rynków Finansowych - ACI Polska based on a current list of banks acting as Money Market Dealer

produced by the National Bank of Poland (the “NBP”). The participants are the banks which:

- have been invited by the Agent to participate in the fixing process,
- have submitted to the Agent a declaration concerning participation in the fixing process and compliance with these Rules (in accordance with the template in Appendix 1 to these Rules),

- have been provided by the Agent with confirmation about being granted the status of Fixing Participant,
- have not withdrawn their declaration concerning compliance with these Rules, and
- have not been deprived of the status of Fixing Participant.”

**3.2** The Agent shall grant a domestic bank or a branch of a foreign bank operating in Poland the status of Fixing Participant if the following conditions are met:

- a) it operates on the Polish monetary market,
- b) it applies limits to PLN deposits lent to any other Participant that are not below the Minimum Limits (unless the Agent decides otherwise),
- c) other Participants apply limits to PLN deposits lent to this Participant that are not lower than the Minimum Limits (unless the Agent decides otherwise).
- d) it currently acts as Money Market Dealer.

**3.3.** The activity of the participants and applicants for the participant status on the Polish monetary market shall be evaluated by the Agent based on statistic data provided by the National Bank of Poland and information from the National Bank of Poland whether a bank has the status of Money Market Dealer. The activity can also be assessed based on the outcome of survey conducted amongst banks operating on the Polish monetary market.

**3.4** The activity of the Participants and applicants shall be verified by the Agent at least once a year.

**3.5** Based on the results of verification and compliance with other terms and criteria referred to in points 3.1 and 3.2, the Agent shall confer or take away the status of Fixing Participant to/from a domestic bank or a branch of a foreign bank operating in Poland.

**3.6** If the applicant meets the requirements set out in point 3.2 in the Rules, the Agent can invite such an applicant to participate in the fixing process referred to in point 3.1 (a) in the Rules.

**3.7** The invitation to the fixing process shall specify a date on which the applicant can join the fixing process. The template of the declaration referred to in point 3.1.b in the Rules shall be enclosed to the invitation.

**3.8** The invitation shall be valid for 30 days of being issued by the Agent. If the invitation is accepted, the applicant shall provide the Agent with the declaration referred to in point 3.1.b in the Rules.

**3.9** The Agent shall be the only entity entitled to confer the 'Participant' status.

**3.10** The number of Fixing Participants shall be set by the Agent in accordance with point 3.1 in the Rules.

**3.11** The Agent shall advise about the required Minimum Limits:

- a) in the case of applicants – in the invitation to the fixing process,
- b) in other cases – in written decisions passed to all the Participants (to the attention of the Attorney) not later than 60 before any change in the Minimum Limits.

#### **4. Fixing**

**4.1** . Wibor and Wibid reference rates shall be set for deposits for the following maturities:

- a) 1 business day - overnight (O/N),
- b) 1 business day - tomorrow / next (T/N),
- c) 1 week (SW),
- d) 2 weeks (2W),
- e) 1 month (1M),
- f) 3 months (3M),
- g) 6 months (6M),
- h) 9 months (9M),
- i) 12 months (12M).

**4.2** The quotations of PLN deposits rates as well as Wibor and Wibid rates shall be submitted by the Participants in the form of percentage in accordance with the convention applicable on the Polish monetary market and rounded to two decimal places.

**4.3** Unless the Agent decides otherwise, fixing of Wibor and Wibid rates for PLN deposits shall take place on each Business Day at 11:00 am.

**4.4** On the fixing day by 11:00 am each Participant shall provide the Agent with one rate at which the Participant wishes to lend to another Participant (the offer rate) and borrow from other Participant (the bid rate) a PLN deposit for all the maturities outlined in point 4.1. in the Rules on this day within the first fifteen minutes after Wibor and Wibid rates are published by the Attorney in accordance with point 4.9 in the Rules.

**4.5.** Subject to point 11.2, spread between offer rates and bid rates for a given maturity quoted by each Participant shall not exceed:

- 0.3% for O/N, T/N;
- 0.2% for maturities lasting one week up to one year,

**4.6** The Wibor reference rate for a given maturity shall be computed by the Attorney as the arithmetical mean of the rates quoted by the Participants on a given day (the rates at which the Participants wish to lend to other Participant a PLN deposit for a given maturity within the first fifteen minutes after the Wibor and Wibid reference rates are published by the Attorney in accordance with point 4.8 in the Rules) net of:

- a) the two lowest and the two highest quotations in the event the Agent has received at least eight quotations,
- b) the one lowest and the one highest quotation in the event the Agent has received less than eight quotations.

**4.7** The Wibid reference rate for a given maturity shall be computed by the Attorney as the arithmetical mean of the rates quoted by the Participants on a given day (the rates at which the Participants wish to borrow from another Participant a PLN deposit for a given maturity within the first fifteen minutes after the Wibor and Wibid reference rates are published by the Attorney in accordance with point 4.8 in the Rules) net of:

- a) the two lowest and the two highest quotations in the event the Agent has received at least eight quotations,
- b) the one lowest and the one highest quotation in the event the Agent has received less than eight quotations.

**4.8** The Wibor and Wibid reference rates set in the fixing process on a given day shall be published on the Reuters' sites on the same day within the first fifteen minutes after the fixing process.

## **5. Obligation to conclude transactions**

**5.1** The Fixing Participant is obliged to make sure that their phone lines or connections in the Reuters' dealing system work properly so that other Participants can:

- a) contact another Participant at their phone numbers or codes referred to in point 6.4, and
- b) conclude deposit transactions with another Participant within the first fifteen minutes after the Wibor and Wibid rates are published by the Attorney in accordance with point 4.8 in the Rules.

**5.2** Each Participant is obliged to:

- a) reply to enquiries which another Participant submits using their phone numbers or codes referred to in point 6.4 within the first fifteen minutes after the Wibor and Wibid rates are published by the Attorney in line with point 4.8 in the Rules, and
- b) provide another Participant with rates at which they wish to lend to or borrow from other Participant a PLN deposit that are not worse than the rates quoted for fixing on the same day.

**5.3** The Participants shall be released from this obligation if:

- a) the limit for PLN deposits granted to the Participant who enquires about quotations has been utilized (then only a rate is quoted at which a given Participant wishes to borrow a deposit),
- b) information which can have a material impact on interest rates on the Polish money market is conveyed in the public media within the first fifteen minutes after the fixing process.

**5.4** The quotation referred to in point 5.1 shall be applicable to:

- a) O/N and T/N deposits for transactions up to PLN 30m inclusive,
- b) SW, 2W, 1M and 3M deposits for transactions up to PLN 20m inclusive,
- c) 6M deposits for transactions up to PLN 10m inclusive,
- d) 9M and 12M deposits for transactions up to PLN 5m inclusive.

**5.5** Within the first fifteen minutes after the Wibor and Wibid rates have been published by the Attorney in accordance with point 4.8 in the Rules each Participant can conclude one or two transactions at the quotation of each other Participant with two different maturities selected by the Participant.

## **6. Other obligations of Participant**

**6.1** If the Participant does not participate in fixing, they are obliged to provide the Agent with written explanation of reasons for not participating in fixing on a given day, not later than by the third business day following the fixing in which the Participant did not participate.

**6.2** At the Agent's request, the Participant is obliged to provide a completed questionnaire to make sure that the Participant's limits for PLN deposits granted to other Participants or applicants are at least equal to the Minimum Limits set by the Agent.

**6.3** In the event of cancelling or reducing the limit for PLN deposits granted to other Participant below the Minimum Limit, the Participant is obliged to immediately send a relevant written notification to the Agent.

**6.4** The Participants are obliged to update the Attorney on phone numbers and dealing codes applied in the Reuters' system that the Participants use to contact and make dealings with other Participants.

## **7. Waiving of the 'Participant' status**

**7.1** The Fixing Participant has a right to withdraw from fixing and waive the Participant status by withdrawing the declaration under which the Participant undertook to participate in fixing and comply with these Rules.

**7.2** The Participant can withdraw the declaration by way of sending a relevant written notification to the Agent.

**7.3** Withdrawal of the declaration and from participation in fixing shall be effective after fourteen days of receipt by the Agent of the notification referred to in point 7.2 subject to point 7.5 in the Rules.

**7.4** The Agent is obliged to immediately notify other Participants and the Attorney in writing that the Participant has withdrawn the declaration and indicate the date when the Participant is deprived of the Participant status.

**7.5** If after the Participant's withdrawal the number of Participants falls below the required minimum, then such withdrawal of declaration shall become effective once the Agent grants the status to another domestic bank or a branch of a foreign bank operating in Poland so that the number of Participants at least meets the required minimum.

## **8. Breach of the Rules**

**8.1** If the Agent establishes that the Participant has breached the Rules, the Agent has a right to reprimand the Participant. A reprimand shall be addressed to the Participant in writing and indicate the provisions in the Rules which the Participant has breached as well as describe circumstances of such breach.

**8.2** In the case of repetitive breaches or if a breach of the Rules, even if one-off, has the nature and weight of repetitive breaches and if, in the Agent's opinion, further participation of the breaching Participant in fixing puts the fixing process at risk, then the Agent has a right to deprive the breaching Participant of the status on the terms and conditions set out in Chapter 9.

**8.3** If the Agent establishes that the Attorney has breached the Rules, the Agent, upon consultation with the Participants, has a right to revoke the power of attorney and appoint a new Attorney in accordance with Chapter 10.

## **9. Deprivation of the 'Participant' status**

**9.1** The Agent shall have a right to deprive the Participant of the status if:

- a) the Participant has not participated in the fixing process more than twice per calendar month, or
- b) at least one third of Participants has reported to the Agent that they have limits for PLN deposits lent to a given Participant below the Minimum Limits, or
- c) the Participant has reported limits for PLN deposits lent to at least one third of the Participants below the Minimum Limits, or
- d) the Participant has breached any provision of the Rules and despite being reprimanded the Participant breaches the Rules again within ninety days, or
- e) dealers who represent the Participant have grossly breached the best market practice code recommended by the Agent, or
- f) the Participant has breached any provision of the Rules and in the Agent's opinion, the breach is of the nature referred to in point 8.2 in the Rules, or
- g) as a result of verification of the Participants' activity on the Polish monetary market referred to in Chapter 2 it proves that

the Participant is not one of the most active Participants of the Polish money market,

- h) as a result of the review by the NBP, the Bank ceases to act as the Money Market Dealer.

**9.2** If the Agent decides to deprive the Participant of the status, the Agent shall immediately send notification to the Participant whom the decision concerns and provide reasons.

**9.3** The Agent's decision to deprive the Participant of the status shall be final.

**9.4** Depriving the Participant of the status shall become effective on the day indicated in the written notification sent by the Agent to the Participant whom the decision concerns. If the afore-mentioned notification does not indicate the date when the Participant's right to participate in fixing is terminated, the decision becomes effective within 14 days.

**9.5** The Agent is obliged to immediately notify in writing the Attorney and other Fixing Participants about a decision to deprive the Participant of the status, indicating the expiry date of the affected Participant's rights to participate in fixing.

## **10. Obligations of Attorney**

**10.1** The Agent shall appoint the Attorney in charge of fixing in accordance with these Rules.

**10.2** The Agent shall advise the Fixing Participants about the appointment or change of the Attorney at least sixty days prior to commencement of the role by the Attorney.

**10.3** The Attorney is obliged to:

- a) make sure that the Participants provide quotations of fixing rates,
- b) calculate Wibor and Wibid reference rates in accordance with these Rules,
- c) immediately publish (not later than within the first five minutes of fixing) all the reference rates calculated during the fixing process and fixing quotations provided by all the Participants,
- d) provide news agencies concerned with fixing results on the terms and conditions applicable at the time of quoting the source of information,
- e) provide the Participants with valid phone numbers and dealing codes used in the Reuters' system used by each Participant to contact or make dealings with other Participants,
- f) immediately send a written notification to the Agent about the Participant breaching points 4.4 and 4.5 in these Rules.

**10.4** The Attorney shall have a right to submit to the Agent any comments and requests related to the functioning of the fixing process.

### **11. Changes in circumstances, extraordinary events**

**11.1** Wibor and Wibid reference rates shall not be subject to fixing if less than five rates were quoted at which the Participants are willing to lend or borrow deposits with a given maturity.

**11.2** If the liquid position of the Polish monetary market is inadequate or rates on this market have sharply increased, the Agent can temporarily raise acceptable spreads referred to in point 4.5 between the lend and borrow rates quoted by each Fixing Participant.

**11.3** In the event referred to in 11.2 the Agent is obliged to notify in writing the Participants and the Attorney about the decision before it takes effect.

**11.4** Unless it is impossible to calculate and publish reference rates in accordance with Chapter 4 of these Rules for reasons not listed in point 11.1, the fixing time can be postponed until 15.00 at the latest ("postponement"). The Attorney is obliged to immediately, not later than by 11:05 on the day of postponement, advise the Agent and the Participants about postponement and put information on reasons for postponement and the fixing time on a given day in public domain.

### **12. Exemption from responsibility**

**12.1** The Agent and the Participant shall not be liable for any loss or damage incurred as a result of applying Wibor and Wibid reference rates.

**12.2** The Agent and the Attorney shall not be liable for any loss or damage incurred as a result of failure to put Wibor and Wibid reference rate in public domain in accordance with these Rules nor for changes in the manner of setting, calculating and publishing nor for any other actual and potential loss or damage directly or indirectly related to application, reference or citing Wibor and Wibid reference rates.

### **13. Final provisions**

**13.1** The Agent shall keep confidential information on mutual transactional limits obtained from the Participant and applicants.

**13.2** Any changes to these Rules shall be made by way of a decision taken by the Agent. Revised Rules shall be distributed to all the Participants and the Attorney along with a relevant notification.

**13.3** Changes in the Rules shall come into force on the day indicated in the notification distributed to each Participant, not earlier than 60 days of delivering the revised Rules.

**13.4** If the revised Rules are not approved, each Participant shall send, not later than 30 days of delivering the revised Rules, a notification about rejecting the changes to the Agent. Otherwise the changes shall be deemed approved in the wording proposed by the Agent.

**13.5** If the Agent is notified by a Participant about rejecting the changes by the date indicated in point 13.4, the Participant shall be deemed to withdraw the declaration on participation in fixing and compliance with these Rules as well as to lose the status of the Participant

effective on the day when the changes come into force. The Agent shall immediately so notify in writing all other Participants and the Attorney.

**13.6** If after one or more Participants' notification, in accordance with point 13.5 of these Rules, about rejection of the changes in the Rules, the number of the Participants falls below the minimum number specified in these Rules, then such changes shall take effect once the Agent grants the status of Participant to an applicant or applicants so as to raise the number of the Participants involved in fixing on the terms and conditions specified in the revised Rules at least to the minimum required level.

**13.7** . These Rules shall take effect on 1 February 2004.

**13.8.** The Rules for fixing Wibor and Wibid reference rates dated 31 October 2002 shall expire on 31 January 2004.