

ICE SWAP RATE®

TRANSPARENCY OF BENCHMARK DETERMINATIONS

The ICE Swap Rate® (formerly known as ISDAFIX) is recognised as the principal global benchmark for swap rates and spreads for interest rate swaps. ICE Swap Rate is used as the exercise value for cash-settled swaptions, for close-out payments on early terminations of interest rate swaps, for some floating rate bonds and for valuing portfolios of interest rate swaps.

The ICE Swap Rate represents the mid-price for interest rate swaps (the fixed leg) in three major currencies (USD, GBP and EUR) and swap spreads (the applicable mid-price minus a corresponding specified government bond yield) in USD in various tenors ranging from 1 year to 30 years at particular specified times of the day.

Currently, IBA publishes ICE Swap Rate benchmarks based on swaps linked to EURIBOR, GBP SONIA, USD SOFR and, until the end of June 2023, USD LIBOR (after which these settings will cease), all calculated using the published [‘Waterfall’ Methodology](#) using eligible prices and volumes for specified interest rate derivative products, provided by trading venues.

The first level of the Waterfall (“Level 1”) uses eligible, executable prices and volumes provided by regulated, electronic, trading venues. If these trading venues do not provide sufficient eligible input data to calculate a rate in accordance with Level 1 of the Methodology, then the second level of the Waterfall (“Level 2”) uses eligible dealer to client prices and volumes displayed electronically by trading venues. If there is insufficient eligible input data to calculate a rate in accordance with Level 2 of the Methodology, then the third level of the Waterfall (“Level 3”) uses movement interpolation, where possible for applicable tenors, to calculate a rate. Where it is not possible to calculate an ICE Swap Rate benchmark rate at Level 1, Level 2 or Level 3 of the Waterfall, then the [Insufficient Data Policy](#) applies for that rate.

The below table provides information on the percentage range of ICE Swap Rate determinations for EURIBOR, GBP SONIA, USD LIBOR and USD SOFR runs, based on the waterfall methodology levels:

Period	Level	EUR (EURIBOR)	GBP (LIBOR)	USD (LIBOR)
Q3 2020	Level 1	90 - 100%	90 - 100%	30 - 40%
Q3 2020	Level 2	0 - 10%	0 - 10%	60 - 70%
Q3 2020	Level 3	-	-	-
Q4 2020	Level 1	90 - 100%	80 - 90%	30 - 40%
Q4 2020	Level 2	0 - 10%	10 - 20%	60 - 70%
Q4 2020	Level 3	-	-	-

Period	Level	EUR (EURIBOR)	GBP SONIA	USD (LIBOR)	USD SOFR
Q1 2021	Level 1	90 - 100%	90 - 100%	30 - 40%	
Q1 2021	Level 2	0 - 10%	0 - 10%	60 - 70%	
Q1 2021	Level 3	-	-	-	
Q2 2021	Level 1	90 - 100%	90 - 100%	30 - 40%	
Q2 2021	Level 2	0 - 10%	0 - 10%	60 - 70%	
Q2 2021	Level 3	-	-	-	
Q3 2021	Level 1	90 - 100%	80 - 90%	10 - 20%	
Q3 2021	Level 2	0 - 10%	10 - 20%	80 - 90%	
Q3 2021	Level 3	-	-	-	
Q4 2021	Level 1	90 - 100%	20 - 30%	30 - 40%	-
Q4 2021	Level 2	0 - 10%	70 - 80%	60 - 70%	90 - 100%
Q4 2021	Level 3	-	-	-	-
Q1 2022	Level 1	80 - 90%	40 - 50%	30 - 40%	-
Q1 2022	Level 2	10 - 20%	50 - 60%	60 - 70%	90 - 100%
Q1 2022	Level 3	-	-	-	-
Q2 2022	Level 1	70 - 80%	20 - 30%	20 - 30%	-
Q2 2022	Level 2	20 - 30%	70 - 80%	70 - 80%	90 - 100%
Q2 2022	Level 3	-	-	-	-
Q3 2022	Level 1	60 - 70%	20 - 30%	10 - 20%	-
Q3 2022	Level 2	20 - 30%	70 - 80%	80 - 90%	90 - 100%
Q3 2022	Level 3	-	-	-	-

Q4 2022	Level 1	70 - 80%	10 - 20%	-	-
Q4 2022	Level 2	20 - 30%	80 - 90%	90 - 100%	90 - 100%
Q4 2022	Level 3	-	-	-	-
Period	Level	EUR (EURIBOR)	GBP SONIA	USD (LIBOR)	USD SOFR
Q1 2023	Level 1	70 - 80%	10 - 20%	-	-
Q1 2023	Level 2	20 - 30%	80 - 90%	90 - 100%	90 - 100%
Q1 2023	Level 3	-	-	-	-
Q2 2023	Level 1	90 - 100%	20 - 30%	-	-
Q2 2023	Level 2	0 - 10%	70 - 80%	90 - 100%	90 - 100%
Q2 2023	Level 3	-	-	-	-

Please note IBA also determines and publishes GBP SONIA Spread-Adjusted ICE Swap Rate settings in line with the methodology proposed by the Non-Linear Task Force of the Working Group on Sterling Risk-Free Reference Rates in its paper ["Transition in Sterling Non-Linear Derivatives referencing GBP LIBOR ICE Swap Rate \(ISR\)"](#).

Assuming satisfactory testing and feedback, IBA also expects to publish USD SOFR Spread-Adjusted ICE Swap Rate benchmark settings, determined in line with the methodology suggested by the Alternative Reference Rates Committee (ARRC) in its white paper ["Suggested Fallback Formula for the USD LIBOR ICE Swap Rate"](#), for use by licensees from 30 June 2023.

ICE Swap Rate® is administered by ICE Benchmark Administration ("IBA"), which is authorised and regulated by the Financial Conduct Authority for the regulated activity of administering a benchmark.

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