

To: liborconsultation@bballibor.com

The Association of Corporate Treasurers
Comments in response to
***Strengthening LIBOR – proposal to implement
recommendation number 6 of ‘The Wheatley Review
of LIBOR’***

British Bankers Association, November 8th 2012

December 7th 2012

The Association of Corporate Treasurers (ACT)

The ACT is a professional body for those working in corporate treasury, risk and corporate finance. Further information is provided at the back of these comments and on our website www.treasurers.org.

Contact details are also at the back of these comments.

We canvas the opinion of our members through seminars and conferences, our monthly e-newsletter to members and others, *The Treasurer magazine*, topic-specific working groups and our Policy and Technical Committee.

General

The ACT welcomes the opportunity to comment on this matter.

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Implementation of Wheatley Review recommendation 6

We are broadly accepting of the Wheatley recommendation 6 – albeit with some regret.

Deletion of some Libor fixings will cause inconvenience for some of the non-financial companies that we are most concerned with. However, we accept that the risks are greater for the banks in those rates where there is a shortage of transactions for reference in forming a view.

Following that logic through, we broadly accept the deletions.

However, we would expect that volumes may be more material for two-week and two-month settings for the remaining currencies and giving a more complete yield curve would be

useful. Where volume may justify it for any particular maturity of remaining currency, we think it should be retained, even if that particular maturity is not appropriate for all of the retained currencies. Allowing the “most difficult currency” to set the standard for all should be avoided.

The Association of Corporate Treasurers

The Association of Corporate Treasurers (ACT) is the leading professional body for international treasury providing the widest scope of benchmark qualifications for those working in treasury, risk and corporate finance. Membership is by examination. We define standards, promote best practice and support continuing professional development. We are the professional voice of corporate treasury, representing our members.

Our 4,300 members work widely in companies of all sizes through industry, commerce and professional service firms.

For further information visit www.treasurers.org

Guidelines about our approach to policy and technical matters are available at <http://www.treasurers.org/technical/manifesto>.

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