

## ANNEX I

**This section contains a summary of the responses to Q 5 – Q 10. The responses are based of liquidity analysis conducted by IHS Markit with trade data sourced from IHS Markit’s derivatives processing business.**

Contract Specification							IHS Markit liquidity analysis		
Question reference from CP	Case/Trade Start Type/Settlement Currency	Floating reference rate with term	Fixed leg payment frequency	Fixed rate day count fraction	Floating leg reset frequency	Benchmark tenors +/- 5 days	Illiquid contracts	Number of trades globally (Jan 2016 – June 2017) tpd = times per business day	Additional comments
Q.5	A1/Spot starting (t+2)/EUR	Euribor 3M	Annual	30/360	Quarterly	2Y, 3Y, 4Y, 5Y, 6Y, 7Y, 10Y, 15Y, 20Y, 30Y	Benchmark tenors: 2Y, 7Y, 15Y, 20Y and 30Y	15Y, 20Y, and 30Y <5 tpd 2Y, 7Yr <10 tpd 3Y, 4Y <12 tpd 5Y and 10Y ~15 tpd	Benchmark tenors 15Y, 20Y, 30Y are added by ESMA based on feedback from stakeholders. TO should be mandated only where liquidity is established by trade data. Liquidity in this sub asset class is limited and ESMA should consider whether to subject any tenors to the TO
Q.5	A1/Spot starting (t+2)/EUR	Euribor 3M	Annual	ACT/360	Quarterly	2Y, 3Y, 4Y, 5Y, 6Y, 7Y, 10Y, 15Y, 20Y, 30Y	All Benchmark tenors	Between 1-5 tbd	Benchmark tenors 15Y, 20Y, 30Y are added by ESMA based on feedback from stakeholders. TO should be mandated only where liquidity is established by trade data.
Q.5	A2/Spot starting (t+2)/EUR	Euribor 6M	Annual	30/360	Semi-annual	2Y, 3Y, 4Y, 5Y, 6Y, 7Y, 8Y, 9Y 10Y, 12Y, 15, 20Y, 30Y	Benchmark tenors – 6Y, 8Y and 12Y	6Y, 8Y and 12Y <20 tpd	The tenors 6Y, 8Y and 12Y are mainly part of package transactions and hence they are likely illiquid as outright transactions
Q.5	A2/Spot starting (t+2)/EUR	Euribor 6M	Annual	ACT/360	Semi-annual	2Y, 3Y, 4Y, 5Y, 6Y, 7Y, 8Y, 9Y 10Y, 12Y, 15, 20Y, 30Y	All Benchmark tenors	Less than 1 tpd in aggregate across all tenor points	All tenors are highly illiquid
Q.6	A3/Spot starting (t+2)/EUR	Euribor 3M	Semi-annual	30/360 & ACT/360	Quarterly		All contracts	Less than 100 trades in total	All tenors are highly illiquid
Q.6	A4/Spot starting (t+2)/EUR	Euribor 6M	Semi-annual	30/360& ACT/360	Semi-annual		All contracts	Less than 300 trades in total	All tenors are highly illiquid
Q.7	C1/Spot starting (t+2)/USD	Libor 3M	Semi-annual	ACT/360	Quarterly	2Y, 3Y, 4Y, 5Y, 7Y, 10Y, 30Y	All Benchmark tenors	Less than 2 trades per week	All tenors are highly illiquid. All Benchmark tenors in the same sub-class with Fixed rate Day count fraction as 30/360 is liquid

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Question reference from CP	Case/Trade Start Type/Settle ment Currency	Floating reference rate with term	Fixed leg payment frequency	Fixed rate day count	Floating leg reset frequency	Benchmark tenors +/- 5 days	Illiquid contracts	Number of trades	Additional comments
Q.7	C1/Spot starting (t+2)/USD	Libor 3M	Semi-annual	30/360	Quarterly	2Y, 3Y, 4Y, 5Y, 7Y, 10Y, 30Y	All Benchmark tenors are liquid		
Q.7	C2/IMM/USD	Libor 3M	Semi-annual	30/360 & ACT/360	Quarterly	5Y, 6Y, 30Y	All Benchmark tenors	Not available	We believe liquidity in most of these contracts is in the US.
Q.7	C3/Spot starting (t+2)/USD	Libor 3M	Annual	ACT/360	Quarterly	2Y, 3Y, 4Y, 5Y, 7Y, 10Y, 30Y	All Benchmark tenors	<10 tpd for all tenors	All tenors are highly illiquid
Q.7	C3/Spot starting (t+2)/USD	Libor 3M	Annual	30/360	Quarterly	2Y, 3Y, 4Y, 5Y, 7Y, 10Y, 30Y	All Benchmark tenors	< 1 trade per week in aggregate across all tenors	All tenors are highly illiquid
Q.7	C4/IMM/USD	Libor 3M	Annual	30/360 & ACT/360	Quarterly	5Y, 6Y, 30Y	All Benchmark tenors	Not available	We believe liquidity in most of these contracts is in the US.
Q.8	C5/Spot starting (t+2)/USD	Libor 3M	Semi-annual	30/360	Quarterly	2Y, 3Y, 4Y, 5Y, 6Y, 7Y, 10Y, 12Y, 15Y, 20Y, 30Y	6Y, 12Y, 15Y, 20Y	6Y, 12Y, 15Y and 20Y <20 tpd	ESMA has included these contracts to align with US CFTC MAT. We believe liquidity in most of these contracts is in the US.
Q.8	C5/Spot starting (t+2)/USD	Libor 3M	Semi-annual	ACT/360	Quarterly	2Y, 3Y, 4Y, 5Y, 6Y, 7Y, 10Y, 12Y, 15Y, 20Y, 30Y	6Y, 12Y, 15Y, 20Y	6Y, 12Y, 15Y and 20Y <20 tpd	ESMA has included these contracts to align with US CFTC MAT. We believe liquidity in most of these contracts is in the US.
Q.8	C5/Spot starting (t+2)/USD	Libor 3M	Annual	ACT/360	Quarterly	2Y, 3Y, 4Y, 5Y, 6Y, 7Y, 10Y, 12Y, 15Y, 20Y, 30Y	All Benchmark tenors specifically 6Y, 12Y, 15Y, 20Y	6Y < 2 tpd 12Y, 15Y, 20Y <1 tpd	ESMA has included these contracts to align with US CFTC MAT. All tenors are highly illiquid
Q.8	C5/Spot starting (t+2)/USD	Libor 3M	Annual	30/360	Quarterly	2Y, 3Y, 4Y, 5Y, 6Y, 7Y, 10Y, 12Y, 15Y, 20Y, 30Y	All Benchmark tenors but specifically 6Y, 12Y, 15Y, 20Y	< 1 trade per week in aggregate across all tenors	ESMA has included these contracts to align with US CFTC MAT. We believe liquidity of these contracts in EU is not sufficient.
Q.8	C6/Spot starting (t+2)/USD	Libor 6M	Semi-annual	30/360	Semi-annual	2Y, 3Y, 4Y, 5Y, 6Y, 7Y, 10Y, 12Y, 15Y, 20Y, 30Y	All Benchmark tenors	~ 1 tpd in aggregate across all tenors	All tenors are highly illiquid

Contract Specification							IHS Markit liquidity analysis		
Question reference from CP	Case/Trade Start Type/Settlement Currency	Floating reference rate with term	Fixed leg payment frequency	Fixed rate day count	Floating leg reset frequency	Benchmark tenors +/- 5 days	Illiquid contracts	Number of trades	Additional comments
Q.8	C6/Spot starting (t+2)/USD	Libor 6M	Semi-annual	ACT/360	Semi-annual	2Y, 3Y, 4Y, 5Y, 6Y, 7Y, 10Y, 12Y, 15Y, 20Y, 30Y	All Benchmark tenors	~ 1 trade per week in aggregate across all tenors	All tenors are highly illiquid
Q.8	C6/Spot starting (t+2)/USD	Libor 6M	Annual	30/360	Semi-annual	2Y, 3Y, 4Y, 5Y, 6Y, 7Y, 10Y, 12Y, 15Y, 20Y, 30Y	All Benchmark tenors	Aggregate volume is 5 trades	All tenors are highly illiquid
Q.8	C6/Spot starting (t+2)/USD	Libor 6M	Annual	ACT/360	Semi-annual	2Y, 3Y, 4Y, 5Y, 6Y, 7Y, 10Y, 12Y, 15Y, 20Y, 30Y	All Benchmark tenors	Aggregate volume is ~2 trades per day	All tenors are highly illiquid
Q.8	C7 /IMM/USD	Libor 3M	Semi-annual/Annual	30/360 and ACT/360	Quarterly/Semi-Annual	2Y, 3Y, 4Y, 5Y, 6Y, 7Y, 10Y, 12Y, 15Y, 20Y, 30Y	All Benchmark tenors	Not available	ESMA acknowledges that volume of IMM is rather low in Europe. IMM dates vary by currency but are typically start, roll and end on the third Wednesday of the applicable month. So the date can vary from 15th to 21st of the applicable month which could exceed the +/- 5 days rule
Q.8	C8 /IMM/USD	Libor 6M	Semi-annual/Annual	30/360 and ACT/360	Quarterly/Semi-Annual	2Y, 3Y, 4Y, 5Y, 6Y, 7Y, 10Y, 12Y, 15Y, 20Y, 30Y	All Benchmark tenors	Not available	
Q.9	D1/Spot starting (t+0)/GBP	Libor 6M	Semi-annual	ACT/365F	Semi-annual	2Y, 3Y, 4Y, 5Y, 6Y, 7Y, 10Y, 15Y, 20Y, 30Y	2Y, 3Y, 4Y, 6Y, 7Y, 15Y and 20Y	<< 10 tpd for all additional tenors. 6Y <3 tpd	All additional tenors are illiquid

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Question reference from CP	Case/Trade Start Type/Settlement Currency	Floating reference rate with term	Fixed leg payment frequency	Fixed rate day count	Floating leg reset frequency	Benchmark tenors +/- 5 days	Illiquid contracts	Number of trades	Additional comments
Q.9	D2/Spot starting (t+0)/GBP	Libor 3M	Quarterly	ACT/365F	Quarterly	2Y, 3Y, 4Y, 5Y, 6Y, 7Y, 10Y, 15Y, 20Y, 30Y	All Benchmark tenors	Less than 10 trade per day in aggregate across all tenor points	We believe that “sufficient streaming of prices” is not necessarily indicative of liquidity in these derivatives sub-class. All additional tenors are highly illiquid
Q.10	D3/Spot starting (t+0)/GBP	Libor 6M	Quarterly	ACT/365F	Semi-Annual		All Benchmark tenors	Aggregate volume is 2 trades	All tenors are highly illiquid
Q.10	D4/Spot starting (t+0)/GBP	Libor 3M	Semi-Annual	ACT/365F	Quarterly		All Benchmark tenors	Aggregate volume is less than 3.5 trades per day across all tenor points	All tenors are highly illiquid

## ANNEX II

**This annex contains the list of derivatives sub-classes which do not make sense as the “designated maturity” or “term” of the floating reference rate with term should match the floating leg reset frequency. We believe they have been included in error and should therefore should not be subject to the TO.**

Question reference from CP	Case/Trade Start Type/Settlement Currency	Floating reference rate with term	Fixed leg payment frequency	Fixed rate day count	Floating leg reset frequency
Q.6	A3/Spot starting (t+2)/EUR	Euribor <b>3M</b>	Semi-annual/Annual	ACT/360 or 30/360	<b>Semi-annual</b>
Q.6	A4/Spot starting (t+2)/EUR	Euribor <b>6M</b>	Semi-annual/Annual	ACT/360 or 30/360	<b>Quarterly</b>
Q.8	C5/Spot starting (t+2)/USD	Libor <b>3M</b>	Semi-annual/Annual	ACT/360 or 30/360	<b>Semi-annual</b>
Q.8	C7/IMM/USD	Libor <b>3M</b>	Semi-annual/Annual	ACT/360 or 30/360	<b>Semi-annual</b>
Q.8	C6/Spot starting (t+2)/USD	Libor <b>6M</b>	Semi-annual/Annual	ACT/360 or 30/360	<b>Quarterly</b>
Q.8	C8/IMM/USD	Libor <b>6M</b>	Semi-annual/Annual	ACT/360 or 30/360	<b>Quarterly</b>
Q.10	D3/Spot starting (t+0)/GBP	Libor <b>6m</b>	Quarterly/Semi-annual	ACT/365F	<b>Quarterly</b>
Q.10	D4/Spot starting (t+0)/GBP	Libor <b>3m</b>	Quarterly/Semi-annual	ACT/365F	<b>Semi-annual</b>