

# Chapter

## Article 24a Distribution on own funds instruments — broad market indices

(1) An interest rate index shall be deemed to be a broad market index if it fulfils all of the following conditions:

- (a) it is used to set interbank lending rates in one or more currencies;
- (b) it is used as a reference rate for floating rate debt issued by the institution in the same currency, where applicable;
- (c) it is calculated as an average rate by a body independent of the institutions that are contributing to the index ("panel");
- (d) each of the rates set under the index is based on quotes submitted by a panel of institutions active in that interbank market;
- (e) the composition of the panel referred to in point (c) ensures a sufficient level of representativeness of institutions present in the United Kingdom.

(2) For the purposes of point (e) of paragraph 1, a sufficient level of representativeness shall be deemed to be achieved in either of the following cases:

- (a) where the panel referred to in point (c) of paragraph 1 includes at least 6 different contributors before any discount of quotes is applied for the purposes of setting the rate;
- (b) where all of the following conditions are met:
  - (i) the panel referred to in point (c) of paragraph 1 includes at least 4 different contributors before any discount of quotes is applied for the purposes of setting the rate;
  - (ii) the contributors to the panel referred to in point (c) of paragraph 1 represent at least 60 % of the related market.

(3) The related market referred to in point (b)(ii) of paragraph 2 shall be the sum of assets and liabilities of the effective contributors to the panel in the domestic currency divided by the sum of assets and liabilities in the domestic currency of credit institutions in

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the United Kingdom, including branches established in the United Kingdom, and money market funds in the United Kingdom.

(4) A stock index shall be deemed to be a broad market index where it is appropriately diversified in accordance with Article 344 of Regulation (EU) No 575/2013.