

February 24, 2016

TMPG Releases Updated Best Practice Guidance to Address the Use of Financial Benchmarks

The Treasury Market Practices Group (TMPG) today updated the existing [Best Practices for Treasury, Agency Debt and Agency Mortgage Backed Securities Markets](#) by incorporating recommendations to address the use of financial benchmarks in TMPG covered markets. The TMPG believes that these additions will provide guidance to market participants to promote the integrity and efficiency of the TMPG covered markets.

Financial benchmarks are widely used in TMPG covered markets as reference rates for transactions or contracts with trillions of dollars in aggregate notional value. Consequently, the TMPG considers it essential for market participants to understand and manage the risks around the use of benchmarks, and to choose financial benchmarks that are compliant or consistent with [IOSCO Principles for Financial Benchmarks](#). All market participants should develop plans to move to such benchmarks over time. The TMPG continues to work with industry groups to advance the use of benchmarks that are compliant or consistent with the IOSCO Principles in TMPG covered markets.

The TMPG has also released a final version of its supporting document, [Use of Financial Benchmarks in TMPG-Covered Markets: Three Sample Case Studies](#) that helped inform the best practice guidance to address the use of benchmarks.

“By recommending the use of benchmarks that are compliant or consistent with the IOSCO Principles, the TMPG is setting a high standard and is committed to working with market participants and moving the industry to use such benchmarks,” said Tom Wipf, Chair of the TMPG.

The TMPG recommends that market participants should implement these best practice recommendations as expeditiously as possible.

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About the Treasury Market Practices Group (TMPG):

The Treasury Market Practices Group (TMPG) is a group of market professionals committed to supporting the integrity and efficiency of the Treasury, agency debt and agency mortgage-backed securities (MBS) markets. The TMPG is composed of senior business managers and legal and compliance professionals from a variety of institutions – including securities dealers, banks, buy-side firms, market

The logo features the text "TMPG | Treasury Market Practices Group" in white serif font against a dark blue background. The background image shows a close-up of a metal grid or grate, possibly a window or a piece of machinery, with some numbers like "23" and "30" visible on the right side.

TMPG | Treasury Market Practices Group

utilities and others – and is sponsored by the Federal Reserve Bank of New York. More information is available at: www.newyorkfed.org/tmpg

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