

CITA Calculation Methodology

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Contents

1	Definitions.....	3
2	Calculation of the Benchmarks.....	4
2.1	Timings of Submissions/Calculations and Publication.....	4
2.2	Calculation Methodology and Contingency calculations	4
2.3	Quorum for Calculation.....	5
2.4	Re-fixing Due to Erroneous Submissions	5
2.5	Business Continuity Plan	5
3	Disclosure of and changes to the Methodology	6
4	Effect.....	6

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1 Definitions

For the purposes of the CITA Calculation Methodology (hereinafter referred to as the "Methodology"), the following definitions shall apply:

- a) "**Benchmark Administrator**" shall mean the Danish Financial Benchmark Facility (DFBF)
- b) "**Benchmarks Oversight Committee**" shall mean the committee (**the Committee**) within the DFBF that has the primary governance oversight of the methodology, determination, and dissemination of the Benchmarks. The Committee's purpose is to support the integrity, accuracy, and reliability of the Benchmarks to the benefit of all users of the Benchmarks and reliant market participants.
- c) "**Panel Bank**" shall mean a bank which has been assigned the status of Panel Bank pursuant to Section 1 of the Panel Bank Code of Conduct and submits Input Data for the calculation of the Benchmarks;
- d) "**Input Data**" shall mean the definition of Input Data, and the priority of Input Data as described in the DFBF Code of Conduct – CITA and SWAP.
- e) "**The Benchmark**" shall mean CITA
- f) '**CITA** being the interest rate swap offered rate quoted for the day-today rate (T/N) against a fixed DKK rate for the following maturities - 1 month, 2 months, 3 months, 6 months, 9 months and 12 months' maturity.
- g) "**DRP**" shall mean the Disaster Recovery Protocol.

2 Calculation of the Benchmarks

2.1 Timings of Submissions/Calculations and Publication

The Input Data for the calculation of CITA is based on a market quote for the rate at which Panel Banks are prepared to offer CITA interest rate swaps at 10:30am, to 3 decimal places. Rates shall be submitted by Panel Banks to the DFBF every good business day (being defined as a day when banks are open in Denmark), between 10:30am and 10:45am local time.

The DFBF shall check the formal correctness of the Input Data between 10:45am and 11:00am local time and resolve any discrepancies directly with the Panel Bank in question, should they occur. Panel Banks may, exceptionally, alter their Input Data at that time, but not later than 10:55am. local time.

The calculation of CITA shall take place at 11:00am. local time.

Activity	Key times
Submission time	10:30am – 10:45am
Check Input Data accuracy	10:45am – 11:00am
Submission deadline	10:55am
Calculation/Publication	11:00am
DRP Publication	11:30am
Reporting of errors	10.55am - 1:00pm
Notification of re-fix	2:00pm
Re-fix time	3:00pm
Publication of final submissions	Yes

2.2 Calculation Methodology and Contingency calculations

CITA shall be calculated for transactions that are to be settled on the second business day following the calculation date, with the act/360 convention.

CITA shall be calculated as the mathematical arithmetic mean rounded to four decimal places for the following maturities: 1 month, 2 months, 3 months, 6 month, 9 months and 12 months maturity

- a) if the DFBF receives Input Data from eight (8) or more panel banks, the rate for the relevant maturity shall be the arithmetic mean of the rates, net of the two highest and two lowest rates;
- b) if the DFBF receives Input Data from between four (4) and seven (7) panel banks, the rate for the relevant maturity shall be the arithmetic mean of the remaining rates net of the highest and lowest rate;
- c) if the DFBF receives Input Data from three (3) panel banks, the rate for the relevant maturities will be the arithmetic mean of submitted rates

- d) if the DFBF receives Input Data from two (2) panel banks, the shortfall of one contribution from three contributions will be replaced by using the previous day's aggregate benchmark rate for the relevant maturity.
- e) If the DFBF receives Input Data from only one (1) or zero (0) panel banks yesterday's aggregate benchmark rate will be published.

Number of Submissions	Calculation Method and Contingency calculations
8 or more	Top and tail (2) highest and lowest then arithmetic mean of remaining submissions
4-7	Top and tail (1) highest and lowest then arithmetic mean of remaining submissions
3	Arithmetic mean of submitted rates
2 Contingency	In the case where the required quorum is not met and the DFBF receives Input Data from less than three (3) panel banks, but greater than one panel bank, contingency measures are enacted and the shortfall of one contribution will be replaced by using the previous day's CITA rate once.
0-1 Contingency	Publish yesterday's aggregate benchmark rate

Once announced and published, the CITA rates shall be final, subject to the post Publication Re-determination policy as described in 2.4.

2.3 Quorum for Calculation

The quorum is 3 submissions. In the case that less than 3 contributions are received the contingency procedure will apply.

2.4 Re-fixing Due to Erroneous Submissions

The DFBF may publish re-determined CITA rates before 3:00pm local time at the latest, having announced the intention to republish corrected CITA rates by 2:00pm local time. Full details of this process are detailed in the DFBF 17028 Post Publication Re-Determination policy which is publicly available at www.dfbf.dk.

2.5 Business Continuity Plan

In-the-event that the DFBF 13001 Business Continuity Plan is initiated the Methodology applied for the calculation of CITA will be unchanged.

3 Disclosure of and changes to the Methodology

This Methodology shall be published by the DFBF via its website www.dfbf.dk

The method for calculating the Benchmarks given in Section 2 may be changed by the DFBF upon recommendation by the Committee and in accordance with the DFBF 17018 Consultation Policy.

When amendments are made to the Methodology, the Panel Banks shall be given reasonable and adequate time to adjust their procedures and processes.

4 Effect

These procedures detailed in this document shall take effect on 10 June 2020.