

# Tom/Next Calculation Methodology

Date: April 2022

Original Release: October 2019



# Contents

1	Definitions.....	3
2	Calculation of the Tom/Next Benchmark .....	4
2.1	Timings of Calculations and Publication.....	4
2.2	Calculation Methodology .....	4
2.3	Business Continuity Plan .....	4
2.4	Definition of DESTRA.....	4
3	Publication of the Methodology.....	5
4	Effect .....	5

Copyright © by Danish Financial Benchmark ApS (DFBF) All rights reserved. This document or any portion thereof may not be reproduced or used in any manner whatsoever without the express written permission of DFBF.

# 1 Definitions

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

**"Benchmark Administrator"** shall mean the Danish Financial Benchmark Facility (DFBF).

**"Benchmarks Oversight Committee"** shall mean the committee (**the OC**) 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.

**"Input Data"** shall mean DESTR as produced by Danmarks Nationalbank.

**"The Benchmark"** shall mean Tom/Next.

**"Tom/Next"** The Tom/Next interest rate is the Denmark Short Term Rate (DESTR) plus a fixed spread of 19 basis points.

**"DRP"** shall mean the Disaster Recovery Protocol.

## 2 Calculation of the Tom/Next Benchmark

### 2.1 Timings of Calculations and Publication

The Tom/Next shall be calculated every good business day (being defined as a day when banks are open in Denmark), by 11:15am local time.

The publication of Tom/Next shall take place at 11:15am local time.

### 2.2 Calculation Methodology

Tom/Next shall be calculated as the Denmark Short Term Rate (DESTR) plus a fixed spread of 19 basis points, rounded to three decimal places.

Once announced and published, the Tom/Next rates shall be final. Tom/Next is not subject to any re-determination.

### 2.3 Business Continuity Plan

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

In the event that the Danish Nationalbank fails to publish DESTR by 11:00am the DFBF will calculate DESTR using the DESTR Methodology contingency calculation and apply the fixed spread adjustment to publish Tom/Next by 11:15am.

### 2.4 Definition of DESTR

DESTR is a rate which reflects the wholesale Danish krone unsecured overnight borrowing costs of banks active in the Danish krone market. The rate is published for each Danish banking day based on transactions conducted and settled on the previous banking day (reporting date T) with a maturity date of T+1 and which are deemed to be executed at arm's length and in competition, hence reflecting market rates in an unbiased way.

### 3 Publication of the Methodology

This Methodology shall be published by the DFBF via its website [www.dfbf.dk](http://www.dfbf.dk)

### 4 Effect

The procedures detailed in this document shall take effect on 1 April 2022<sup>1</sup>.

---

<sup>1</sup> The first date of publication will be 4 April 2022.