

KEY INFORMATION
WIBOR AND WIBID BENCHMARK REFORM
UPDATE OF THE ROADMAP FOR THE PROCESS OF REPLACEMENT OF
WIBOR AND WIBID BENCHMARKS

On 9 April 2025, the KNF [*Polish Financial Supervision Authority*] announced that on 28 March 2025, the Steering Committee of the National Working Group for Benchmark Reform (Steering Committee), established in July 2022, had accepted the updated Roadmap for the process of replacement of the WIBOR and WIBID benchmarks (Roadmap).

The Roadmap for the ongoing reform required updating due to the final decision to select the POLSTR (Polish Short Term Rate) index as the target interest rate benchmark to replace the WIBOR benchmarks. The POLSTR index is based on unsecured O/N deposits placed by Credit Institutions and Financial Institutions.

The aim of the reform is to implement the safe and efficient transition to a new type of benchmarks effective the end of December 2027. The Steering Committee will monitor the implementation of key elements of the Roadmap to ensure the effectiveness of the entire process and optimal conditions for market development.

On 18 April 2025, the KNF, in addition to the above-mentioned announcement, posted the updated Roadmap on its website. The updated Roadmap is attached to this information.

We recommend reviewing the detailed information available in the 'Benchmarks' section of the KNF's official website and following the latest updates on this topic.

Attachment – ROADMAP

Document of the National Working Group for Benchmark Reform

Updated Roadmap for the process of discontinuing the provision of the WIBID and WIBOR benchmarks and implementing the POLSTR index

Preparatory phase

Year 2025 **Task:** The target RFR (Risk Free Rate) benchmark is to be selected, the Steering Committee of the National Working Group for Benchmark Reform (NWG Steering Committee) is to adopt the updated Roadmap of the reform, financial market institutions get prepared for the implementation of the POLSTR index and the first issues of treasury bonds are arranged using the POLSTR index.

- In December 2024, the NWG Steering Committee selected POLSTR as the recommended index to replace the current WIBOR benchmarks, which allowed for a review and adoption by the NWG SC of the updated Roadmap for the reform effective from the end of the first quarter of 2025.
- In the second quarter, the Administrator (GPO Benchmark) will complete the adjustment process, ensure the availability of the index and publish BMR-compliant index documentation for POLSTR, including statements regarding these indices and the Code of Conduct. All formal requirements allowing the POLSTR index to be used in the Polish financial market will be met.
- Preparations are underway for the publication of analytical documents and recommendations developed by the National Working Group, which will define standards for the use of the POLSTR index in credit products, debt instruments and derivatives. The documentation will include in particular the recommended catalog of interest conventions for instruments in which POLSTR will be used. Recommendations for standards for new production will be published by the end of the third quarter of 2025 – and for already concluded agreements and financial instruments in the fourth quarter of 2025.
- Banks and other financial market institutions will adapt their IT systems, operational procedures and legal solutions to achieve full operational readiness to offer all types of financial products using the POLSTR index to customers.
- Changes to the ISDA Definitions and IBOR Fallbacks Protocol documentation will be published, including the introduction of provisions regarding the rules for replacing the WIBOR benchmark in existing derivative instruments.
- It is assumed that the first issue of Treasury bonds using the POLSTR index will take place in December 2025.
- An educational and information campaign related to the rules of using POLSTR is in progress.

Implementation phase

Year 2026 **Task:** Gradual introduction of the newly selected benchmark to financial contracts and instruments - creating a real basis for rebuilding the functioning of the financial system

- Work on the adaptation of IT systems, internal procedures, market participants' contract templates for all types of products and other elements requiring effective implementation of the index in contracts and financial instruments will be completed.
- At the beginning of the year, banks begin to offer short-term credit products for entrepreneurs (companies) with interest rates linked with the POLSTR benchmark.
- From the second quarter, banks will start selling credit products for individual, corporate and institutional customers with a compound interest rate determined based on the POLSTR benchmark. In particular, banks will introduce home loans with a compound interest rate determined based on the POLSTR benchmark, while developing the market for home loans with a fixed/periodically fixed interest rate.
- The debt market sees the issuance of bonds, including bank bonds and corporate and municipal bonds, using the POLSTR benchmark or a fixed interest rate.
- In the first quarter, banks conclude transactions in the POLSTR OIS derivatives market. A liquid market for bilaterally settled transactions is being built.
- Starting from the second quarter, domestic and international clearing houses (including KDPW_CCP, LCH Ltd) are reaching regulatory and operational readiness and start offering central clearing of OIS derivative transactions, for which POLSTR is a benchmark. As a result, in addition to bilaterally cleared transactions, centrally cleared transactions are developing in the derivatives market. This provides an important element of the market infrastructure, which is the services of central clearing of swaps using the new benchmark.
- The goal behind the gradual building of liquidity in the derivatives market is to create a forward curve for the POLSTR benchmark, which supports the development of the cash instruments market.
- If a regulatory event occurs, a statutory procedure for designating a replacement for the WIBOR benchmark will be initiated.
- An educational and information campaign related to the rules of using the new benchmark is continued.

Year 2027

Phasing out phase

Task: Creation of space for the withdrawal of products using WIBOR and WIBID in favor of contracts and instruments using POLSTR

- The standard Bank's products and other entities includes new products using POLSTR, including primarily for consumers and sole proprietorships, civil partnerships. In particular, banks offer mortgage loans with interest at a compound rate determined on the basis of the POLSTR reference indicator, while developing the market for mortgage loans using a fixed/periodically fixed interest rate.
- The OIS market reaches the desired liquidity necessary to build the forward curve for POLSTR
- By the end of the year, clearing houses will also ensure the conversion of existing derivative contracts using the WIBOR reference index into instruments using POLSTR – based on the provisions of the ISDAIBOR Fallbacks Protocol and their own internal regulations• The debt market sees the issuance of bonds, including bank bonds and corporate and municipal bonds, using the POLSTR benchmark or a fixed interest rate.
- The MF Regulation is published, with an appropriate vacatio legis, ensuring an appropriate period for adapting to the content of the regulation. The substitute specified in the MF Regulation will apply to contracts and financial instruments that meet the conditions specified in the BMR

Regulation, with the date specified there in. The provisions of the MF Regulation will also define the corrective spread. All legal acts (national and EU) relating to the WIBOR and WIBID reference indices are amended

- An educational and information campaign related to the rules of using the new benchmark is continued.

From Year 2028

Finalization phase

Goal: Stopping the development of WIBOR, using POLSTR

- In accordance with the assumptions of the Road Map of the National Working Group, it is assumed that market participants are ready for the Administrator to discontinue the development and publication of the WIBID and WIBOR reference indices.
- After the implementation of the Regulation of the Minister of Finance, the conversion of existing contracts and instruments using WIBOR takes place, taking into account the principles specified therein. In the interest clauses of contracts and instruments to which the substitute will apply, the substitutes for the corrective spread indicated in the Regulation of the Minister of Finance shall be used