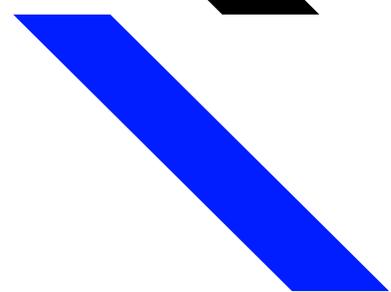
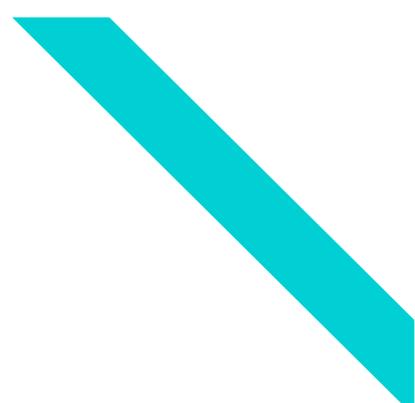


# TRYFIX

## CESSATION CONSULTATION

Release date: 6<sup>th</sup> September 2022  
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# 1. Responding to this consultation

## Introduction

Refinitiv is committed to transparency when reviewing benchmark and index methodologies or considering material changes to its benchmarks and indices. To that end, Refinitiv is seeking feedback from interested parties on the future of TRYFIX. Refinitiv invites comments on all proposals put forward in this paper and in particular on the specific questions in section 6. Please structure your comments to:

- Respond to the questions stated
- Contain a clear rationale that includes evidence to support the views expressed
- Describe any alternative choices that Refinitiv should consider

## Submission of responses

Please email your comments to [index\\_queries@refinitiv.com](mailto:index_queries@refinitiv.com) with 'TRYFIX' in the subject by no later than 17:00 (UK time) on 30 September 2022. Please note that comments submitted after this deadline or submitted via other means may not be processed.

## Handling of responses

All responses to this consultation will be treated as confidential and will not be made public. A summary of key points may be made available by Refinitiv on an anonymised basis as appropriate.

**This consultation paper is not a cessation notice for TRYFIX.**

## 2. Introduction

Refinitiv is a leading calculator and administrator of benchmarks and indices. Refinitiv benchmark products include the WM/Refinitiv FX benchmarks and commodity indices. Within the interest rate asset class, Refinitiv administers products such as the Canadian Dollar Offered Rate (CDOR) and the Saudi Arabian Interbank Offered Rate (SAIBOR). In January 2021, [Refinitiv Term SONIA](#), a family of GBP term rates based on OIS, was released as a regulated benchmark and in March 2021, the Alternative Reference Rates Committee (ARRC) [announced](#) that Refinitiv had been selected to publish its recommended spread adjustments and spread adjusted rates for USD cash products.

The purpose of this consultation paper is to collect industry feedback on the future of TRYFIX. **TRYFIX is not administered by our FCA regulated entity, Refinitiv Benchmark Services (UK) Limited, and is not subject to UK Benchmark Regulation.**

## 3. Overview of TRYFIX

TRYFIX is an index that measures the Turkish Lira implied interest rate. It is published on a daily basis in overnight, 1-month, 3-month, 6-month and 12-month settings. It is calculated using input data comprising market data from 4 brokers as well as other parameters. Market data is collected from the brokers during the window 11:00:00 to 11:29:59 EET (East European Time). The last data value received from each broker before the window closes will be used as an input into calculation of TRYFIX.

For any given tenor, where there is data from at least 4 brokers the highest and lowest rates will be discarded, and the remaining rates averaged. Where data from 3 brokers is received, the values will be averaged with no rates being discarded. If there is data from fewer than 3 brokers TRYFIX will not be calculated and "no fix" will be declared for that tenor(s).

TRYFIX is published on RICs <TRYFIX>, <TRYFIX=>, <TRYFIXON=>, <TRYFIX1M=>, <TRYFIX3M=>, <TRYFIX6M=> and <TRYFIX1Y=> at 11:30 EET on the common trading days of both Turkey and United States.

The administrator does not exercise expert judgement.

## 4. Use of TRYFIX

Refinitiv believes TRYFIX is used by a small number of firms. In 2021, 72 clients accessed TRYFIX via Refinitiv EIKON (our desktop product) and / or Refinitiv Real Time (our real time feed product). Many of these firms accessed TRYFIX on an infrequent basis with fewer than 30 clients systematically accessing it on 9 or more months of the year.

Following initial client engagement Refinitiv has identified that many of the clients who systematically accessed TRYFIX in 2021, did not use the rate. It is likely that they accessed it for legacy reasons. Refinitiv has identified a small number of firms that use TRYFIX – either as an internal reference in order to check their own calculations or as a reference rate in legacy derivatives. Refinitiv is not aware of any use of TRYFIX as a reference rate in new derivatives. Refinitiv is not aware of any other use of TRYFIX.

## 5. Recommendations

Refinitiv does not believe the industry requires continued publication of TRYFIX since:

- Refinitiv hasn't identified use of TRYFIX as a reference rate in any new financial contracts as users have already transitioned to alternatives, such as the new TLREF from Borsa Istanbul, for new products<sup>1</sup>.
- TRYFIX has limited use in legacy contracts and Refinitiv understand such legacy contracts can likely be transitioned to alternative rates
- During initial client engagement Refinitiv did not identify any users willing to pay for the continued publication of TRYFIX, in order to allow Refinitiv to recover costs associated with producing this rate

Refinitiv intends to cease TRYFIX, as published on <TRYFIX>, <TRYFIX=>, <TRYFIXON=>, <TRYFIX1M=>, <TRYFIX3M=>, <TRYFIX6M=> and <TRYFIX1Y=> immediately following publication at 11:30 EET on **28 April 2023**.

Users of TRYFIX should ensure their contractual and other arrangements linked to this index contain appropriate and robust fallback plans or other arrangements to address the cessation.

If TRYFIX ceases publication on 28 April 2023 (as proposed), following the final publication the page <TRYFIX> would display the final published rates and the notice "TRYFIX has now ceased. Users may want to consider using an alternative rate." The other RICs will display the final published rates without the notice. Refinitiv is proposing that three months after TRYFIX cessation the RICs and pages shown in the Appendix will be removed from Refinitiv products.

Consequently, if this proposal is implemented, Refinitiv would not publish a fallback for TRYFIX after 28 April 2023.

**This consultation paper is not a cessation notice for TRYFIX.**

## 6. Consultation Questions

1. How widely is TRYFIX used
  - a. As a reference rate in legacy financial contracts, instruments or funds
    - i. What type of legacy financial contracts, legacy financial instruments or funds is it used in?
    - ii. How widely is it adopted in each of these financial contracts or instruments? E.g., number of contracts outstanding and notional outstanding
    - iii. What is the average and longest remaining maturity of these legacy TRYFIX financial contracts?
    - iv. Do these legacy financial contracts have suitable fallback language whereby the contract could operate without the publication of TRYFIX?
    - v. Could these legacy financial contracts be amended so that they could operate without the publication of TRYFIX?
    - vi. What is the location of these financial contracts? – i.e., were they issued or traded in the UK, Europe, or rest of world?

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<sup>1</sup> Such alternative rate usage has also been encouraged by the transition away from TRLIBOR published by the Banks Association of Turkey, which ceased on 30 June 2022

- b. As a reference rate in new financial contracts or new financial instruments
    - i. What type of new financial contracts or new financial instruments is it used in?
    - ii. Approximately how many new financial contracts do you plan on issuing referencing TRYFIX this year?
    - iii. What is the typical and longest maturity of new financial contracts, which reference TRYFIX?
    - iv. Do these new financial contracts have suitable fallback language whereby the contract could operate without the publication of TRYFIX?
    - v. What is the location of these new financial contracts? – i.e., will they be issued or traded in the UK, Europe, or rest of world?
  - c. As an input into an index or benchmark
    - i. Please specify which benchmark(s)
    - ii. Could it be replaced with an alternative input?
    - iii. How long would you require to implement the alternative input?
  - d. Please specify any other use cases
2. What is the impact of TRYFIX cessation on your business?
  3. Does cessation of TRYFIX immediately following publication on 28 April 2023 provide sufficient time for you to implement suitable fallbacks or other arrangements in your contracts? If not, please provide a detailed explanation why not and how much additional time is required.
  4. Following cessation, TRYFIX RICs and pages would display the final published rates for a period of 3-months. Following this the rates would be removed.
    - a. Does displaying the final rates on the RICs and pages following cessation cause any issues? If so, please explain why.
    - b. Does removing the rates 3 months after cessation cause any issues? If so, please explain why.

# Appendix

List of RICs and pages for proposed cessation immediately following publication on 28 April 2023

Tenor	RICs and pages
All	<TRYFIX=> <TRYFIX> <TRYFIXRECAP01> <TRYFIXRECAP02> <TRYFIXRECAP03>
Overnight	<TRYFIXON=>
1-month	<TRYFIX1M=>
3-month	<TRYFIX3M=>
6-month	<TRYFIX6M=>
12-month	<TRYFIX1Y=>

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Refinitiv, an LSEG (London Stock Exchange Group) business, is one of the world's largest providers of financial markets data and infrastructure. With \$6.25 billion in revenue, over 40,000 customers and 400,000 end users across 190 countries, Refinitiv is powering participants across the global financial marketplace. We provide information, insights, and technology that enable customers to execute critical investing, trading and risk decisions with confidence. By combining a unique open platform with best-in-class data and expertise, we connect people to choice and opportunity – driving performance, innovation and growth for our customers and partners.

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