



July 12, 2022

Minutes of the Telbor Committee meeting held on July 11, 2022

Committee members present: Mimi Regev, Bank of Israel Markets Department (Committee Chairperson)
Eyal Klein, Representative of ACI Israel (Forex)
Ketty Cohen, Bank of Israel Markets Department

Other participants: Ran Abraham, Mizrahi-Tefahot Bank
Yossi Cuomo, Bank Hapoalim
Heli Siman Tov, Bank Hapoalim
Zach Sharon, Bank Leumi
Ian Klotnick, Israel Discount Bank
Rami Ugdan, First International Bank of Israel
Shuki Hay, First International Bank of Israel
Tsila Billet Blank, BOI Markets Department

The issues that were discussed:

1. Developments regarding the publication of the SHIR interest rate were presented—the daily publication of the interest rate on the Bank of Israel website, and the screens built in Bloomberg and Reuters for this interest rate.
2. The assessment looking ahead—according to which ISDA is expected to add the SHIR interest rate to the table of interest rates at the base of ISDA agreements in the coming months—was presented. In addition, the fallback issue will be arranged. LCH is expected to be prepared for clearing SHIR transactions during the first quarter of 2023. Precise timetables for beginning the execution of SHIR transactions and ending the execution of Telbor transactions, as well as timetables for shifting existing transactions to the SHIR interest rate, will be set in accordance with the progress of the preceding stages.
3. Representatives of the banks presented their expectation that the preparation within the bank for shifting the stock of transactions from Telbor to SHIR will take approximately a year. However, they noted that it is difficult to initiate the preparation for the project so long as the legal documents related to adding the interest rate and the fallback at ISDA have not yet been signed and published, and while there still aren't clear timetables.
4. Representatives of the banks presented that the alternatives for how to carry out the shifting of the transactions should be formulated. They noted that there is an alternative according to which the shift is made on a predetermined designated date, and another alternative with a gradual period in which the transactions are shifted as they reach their fixing dates until a final predetermined period. The Bank of Israel will examine this issue as well vis-à-vis the ISDA.

5. The Bank of Israel updated that the expected date of elections, November 1, will be added to the list of days on which the Telbor and SHIR interest rate will not be published.

Decisions reached at this meeting:

None.