

The Hogg Tendering Advisory Committee for LIBOR: terms of reference

Purpose

1. The Hogg Tendering Advisory Committee for LIBOR, hereafter 'the Committee', will be an independently-chaired panel consisting of six to eight members, acting in a personal capacity, drawn from the authorities along with senior market and banking figures.
2. The remit of the Committee will be to design and implement an open and competitive process to determine a new administrator to take over responsibility for the administration of LIBOR. In the wake of the recommendations of the Wheatley Review of LIBOR, it has been decided that a new administrator is required to restore credibility to this important benchmark.
3. The Committee, once it has agreed on a preferred bidder, will make a recommendation to the British Bankers' Association (BBA) that the preferred bidder be appointed as the new LIBOR administrator.
4. Consistent with new legislation proposed by the Government in response to the recommendations of the Wheatley review, the new administrator will be required to be authorised by the Financial Conduct Authority (FCA). The administrator will also be expected to administer and govern LIBOR in such a manner that credibility will be restored in the benchmark in accordance with any relevant FCA rules, both new and existing.
5. The Committee will exist until its recommendation for the new administrator of LIBOR has been formally accepted by the BBA.

Composition, meetings, transparency and decision-making

6. The Chair and membership are appointed jointly by, HM Treasury (HMT) and the Financial Services Authority (FSA).
7. For voting and decision making, the presence of three Committee members and the Chair will constitute a quorum. The Chair has a casting vote in the event of a tied vote.
8. The decision as to the preferred bidder will be made by a majority vote.
9. The Committee will maintain a schedule of conflicts of interests of its members; where appropriate, members will excuse themselves from discussions and the receipt of further written materials relating to areas where conflict may actually or potentially exist.
10. The Committee shall meet as required, with the anticipation that meetings will likely become more frequent during the period of bid evaluation and clarification.
11. The Committee will publish the terms of reference for the Committee and the criteria to be used by the Committee to decide upon a preferred bidder.
12. The Committee will be supported by a secretariat provided by HMT and the FSA. The secretariat will be primarily responsible for briefing committee members, taking and circulating minutes, administering the tender process and maintaining the Conflicts of Interest register.
13. The Committee may, from time-to-time, commission work from external experts. The costs of the Committee, including fees for legal advice and other necessary external advice, will be met in full by the administrator.
14. The committee will proactively engage with interested bidders in an open and consultative process, including working with them to inform tender documentation.
15. The Committee will provide all organisations that submit a bid in response to the tender with written feedback on their responses.

Authority and responsibilities

16. The Committee will:

- a. Agree a transparent and competitive process for arriving at a recommendation as to the preferred bidder to be appointed as the new administrator for LIBOR;
- b. Agree a set of clear objective criteria against which tenders from bidders are to be evaluated;
- c. Provide an Invitation to Tender document including a detailed profile of the assets to be transferred to all qualified bidders;
- d. Engage with all interested bidders – whether commercial or not-for-profit;
- e. Recommend, on the basis of the criteria that have been set out, the preferred bidder to be appointed to take over administration of LIBOR.

17. The Committee may delegate any of its duties as is appropriate to such persons or person as it sees fit.