

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Wheatley Review of LIBOR Implementation	
Lead Department/Agency	HM Treasury	
Stage	Final	
Origin	Domestic	
IA number	Not provided	
Date submitted to RPC	08/10/2012	
RPC Opinion date and reference	27/11/2012	RPC12-HMT-1603
OIOO Assessment	GREEN	
<p>Overall comments on the robustness of the OIOO assessment</p> <p>The IA states that this proposal deals with financial systemic risk. Whilst this assessment is not a clear cut case, on balance the Committee accepts the case presented by HM Treasury. This proposal is therefore out of scope of 'One-in, One-out' in accordance with the current One-in, One-out Methodology (paragraph 16; xiv).</p>		
<p>Overall quality of the analysis and evidence presented in the IA</p> <p>Costs and Benefits: The IA provides an estimate of costs. However, whilst the IA provides an overview of the scale of the importance of LIBOR explaining that it is used in contracts with a value of at least \$300 trillion globally (paragraph 25), the IA only has two paragraphs (25 and 26) on benefits, and no quantification of the benefits. The IA should provide a more detailed assessment of possible benefits, as it appears from the rationale for intervention that these could be substantial.</p> <p>Do Nothing/Counterfactual: The IA discusses the potential impact of future EU-related legislation that may come into force over the next few years (paragraph 20). The IA would benefit from further discussion on how far these measures would address the problem under consideration. The IA would also benefit from further discussion on how these domestically driven proposals will be coherent with such possible future EU legislation.</p>		
Signed	 	Michael Gibbons, Chairman