



**FINANCE
DENMARK**

Final Recommendation on the reformation of CITA (Copenhagen Interbank Tomorrow/Next Average)

Following the public consultation on a CITA-reform the Risk-Free Rate Working Group under Finance Denmark recommends that the Danish Financial Benchmark Facility (DFBF), as the administrator of the CITA rate, takes the following steps:

- The CITA methodology will be changed on 1 February 2023, so that panel banks submissions are based on DESTR OIS plus a Spread (between Tom/Next and DESTR as determined by DFBF/Danmarks Nationalbank on 22 March 2022) of 19,0 basis points.
- After 1 January 2026, the CITA methodology is changed in a final step so that panel banks submissions are still based on DESTR OIS, but without the Spread. The reference rate will consequently be reduced (fall) with the Spread.
- DFBF will revise the CITA methodology during Q4 2022 in accordance with DFBF's Consultation Policy.

The RFR Working Group further recommends that CITA continues with an unchanged name because a renaming may conflict with the wording in contracts with reference to CITA.

To support the transition the RFR Working Group further recommends that a DESTR OIS market maker agreement is established in Q4 2022 between Finance Denmark's members active in the DKK money market.

All responses to the public consultation agreed on a reformation for CITA and their responses have been considered in the final recommendation from the working group. A summary of the responses to the public consultation can be found on Finance Denmark's website.

Memo

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