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The AFTE (\*) supports the aim of the EU Benchmark Regulation (BMR) to rebuild robust and reliable indexes for financial operations. The end of the transitional period on 31/12/2019 for current benchmarks to be replaced by compliant ones seems, nevertheless, extremely short to ensure that all design and testing stages can be finalized in time, and that a new set of renovated benchmarks may be enforced.

AFTE members raise the following issues:

1) **EURIBORs.**

EU companies have entered into millions of hedging contracts representing billions of Euros.

Not having enough time to adapt and amend legal documentation, hedge accounting, and adjust internal processes to ensure a smooth transition to credible renovated EURIBORs benchmarks might trigger considerable disorder between market participants and in the financial markets themselves.

2) **3<sup>rd</sup> country benchmarks**, relating to currencies of countries such as Russia, India, South Korea, Argentina, Taiwan, Singapore...

Processes to get alternatives benchmarks and an equivalence decision from the EU for the relevant benchmarks are even more complex than for EURIBORs and unlikely to be accomplished within the deadline of 31/12/2019.

A recent survey conducted by AFTE shows that more than 65 % of large French companies are exposed to 3<sup>rd</sup> country currencies.

Hedging activities are crucial to secure all types of financing and commercial operations with 3<sup>rd</sup> countries, such as investments, purchases and sales.

Reliable and compliant 3<sup>rd</sup> country benchmarks are vital for most companies conducting international business.

For above mentioned reasons, AFTE is voicing a strong request for a two years extension period for BMR transition, to allow sufficient time for sound renovation and qualification of EURIBORs and 3<sup>rd</sup> country benchmarks.

This would allow a smooth transition to the benefit of all market participants and specifically to all companies with international exposures.

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President

(\*) Created in 1976, AFTE (French Association of Corporate Treasurers) represents around 1000 corporate treasurers or financial managers of approximately 800 industrial and commercial companies or groups.