



PRESS RELEASE

Workshop on Libor reform and the introduction of a new Risk Free Rate

Rabat, November 27th, 2019

Bank Al-Maghrib and The European Bank for Reconstruction and Development organised November 27th, 2019 a workshop on LIBOR reform and the launch of a new money market benchmark in Morocco.

During the workshop participants presented the implications of changes in the benchmark indexes used on the international markets, and shared with all interested parties the outcome of the process for choosing the new money market benchmark index for Morocco, due to be published in January 2020.

A working group composed of the official sector (Ministry of Economy, Finance and Administration Reform, Bank Al-Maghrib, the Moroccan Capital Markets Authority) and the private sector (the Association of Moroccan Management Companies and Investment Funds, and Moroccan banks) and supported by technical assistance from the EBRD, was set up in 2018 to establish a viable alternative risk free rate for the Moroccan money markets.

The working group recommended the use of the rate for overnight repo transactions as the risk-free rate for the Moroccan money markets.

Mr Abderrahim Bouazza, Managing Director of Bank Al-Maghrib, welcomed the reform which is in line with recent changes made in the international money markets. He said it was "an important milestone to strengthen transparency and add depth to the market so as to develop a broader set of products and instruments for those in the financial sector."

EBRD Vice President Mr Alain Pilloux said: "We welcome Morocco to the small club of countries which have already developed robust and transparent risk-free rate benchmarks. This is an important step towards the development of an interest rate swap market in Morocco."