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Information message on the results of the periodic review of the UONIA money market indicator

The Oversight Council for Ukrainian Money Market and FX Market Indicators (the Oversight Council) at its meeting on 19 February 2025 conducted the third periodic review of the [UONIA Money Market Indicator](#).

When conducting the review, the council noted that the money market continues to experience a significant liquidity surplus, which minimizes banks' activity in the market. This poses significant challenges for the UONIA indicator. The calculation of the UONIA is possible only by taking into account the transactions of banks with the National Bank of Ukraine (the NBU), [which does not fully comply with the IOSCO principles for money market indicators](#).

The current main forecast scenarios give no reason to expect the interbank lending market to pick up in the foreseeable future. This makes it important to consider alternative options for calculating the UONIA. The same reason hinders the calculation of other money market indicators based on overnight agreements between banks: the [reference swap index](#) is calculated sporadically.

According to the banks' statistical reports, the banks did not use the UONIA in the second half of the 2024 to structure floating-rate loan and deposit products. In contrast, the [UIRD](#) was most often used as an indicator for such products.

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As part of the periodic review, the council calculated and presented, for the first time, an assessment of the concentration of the blank segment of the Ukrainian interbank money market, based on the Herfindahl–Hirschman index (HHI). The assessment results show that concentration in the interbank

money market, excluding transactions with the NBU, remained insignificant in 2024. Taking into account transactions with the NBU, the index mainly reflected high concentration, with the highest level of concentration recorded in December 2024, when the NBU's liquidity management operations were at their height. In the second half of the 2024, there were no complaints, inquiries or requests from stakeholders regarding UONIA determination, calculation and disclosure.

Based on the results of the review, the following conclusions were made:

although the current methodology for calculating the UONIA is not perfect, the UONIA remains an objective indicator of the money market that said, there is a need to find ways to improve the UONIA calculation methodology, which the NBU plans to do through seeking international technical assistance.

The next regular review of the UONIA Ukrainian money market indicator is tentatively scheduled to be conducted in August this year.

Background. The periodic review of the UONIA money market indicator is a special procedure aimed at determining whether or not there have been any structural changes in the market and/or other grounds that may indicate the need to replace the existing indicator, adjust its methodology, or address other important aspects of its calculation and publication (calculation time, publication procedure, and so on).

Periodic reviews are carried out by the [Oversight Council for Ukrainian Money Market and FX Market Indicators](#). The first review was done in February 2024. In future, this review will take place every six months: no later than in February and in August respectively.

Money and FX market indicators are periodically reviewed to ensure that they comply with the principles set forth in the following [IOSCO document: Principles for Financial Benchmarks Final Report July 2013](#). Principle 10 "Periodic Review" of this document states the following:

*"The Administrator should **periodically review the conditions in the underlying Interest** that the Benchmark measures to determine whether the Interest has undergone structural changes that might require changes to the design of the Methodology. The Administrator should also **periodically review whether the Interest has diminished or is non-functioning** such that it can no longer function as the basis for a credible Benchmark.*

*The **Administrator should Publish** or Make Available a **summary of such reviews** where material revisions have been made to a Benchmark, including the rationale for the revisions.”*