

Deep, liquid, and transparent (DLT) assessment for January 2024 implementation

The DLT assessments were carried out in accordance with the statement of policy – The PRA's approach to the publication of Solvency II technical information

Published on 30 October 2023

Currency	Reference Instrument	Maturity																		
		1	2	3	4	5	6	7	8	9	10	11	12	15	20	25	30	40	50	
AUD	Bank Bill Swap Rates (BBSW)	D	D	D	D	D		D	D	D	D		D	D	D	D	L			
CAD	Canadian Overnight Repo Rate (CORRA)	D*	D	D		D		-		D							L			
DKK	Euro Ibor (Euribor)	D	D	D	D	D	D	D	D	D	D	D	D	D	L					
EUR	Euro Ibor (Euribor)	D	D	D	D	D	D	D	D	D	D	D	D	D	L					
GBP	SONIA OIS	D	D	D	D	D	D	D	D	D	D		D	D	D	D	D	D	L	
NOK	Norwegian Ibor (Nibor)		D			D					L									
SEK	Stockholm Ibor (Stibor)	D*	D	D		D				L										
USD	United States Dollar SOFR	D	D	D	D	D	D	D	D	D	D		D	D	D	D	L			

Key:

D = DLT point

L = Last Liquid Point

- = No longer DLT since most recent assessment

D* = New DLT point since most recent assessment

The above table shows the outcomes of the annual DLT assessment for PRA relevant currencies, which will be effective from 1 January 2024.

The DLT assessment was carried out in accordance with the statement of policy – [The PRA's approach to the publication of Solvency II technical information](#). This primarily involves analysis of historic aggregated interest rate swap data from the EMIR Trade Repositories dataset in the 12 months up to and including July 2023.

In the event of sustained structural changes to any of the relevant markets, the PRA may review this DLT assessment and issue an update before its next DLT publication.

Our DLT conclusions include the following considerations.

GBP

The DLT conclusions for GBP risk-free rates are based on analysis of SONIA OIS and are unchanged from the [PRA's previous DLT assessment](#). The 40 year point fell just short of one of the volume indicators (the average daily number of trades) for assessing the liquidity of the swap market set out in the statement of policy – [The PRA's approach to the publication of Solvency II technical information](#). However, the PRA concluded that this point should remain DLT based on supplementary analysis of bid-ask spread data as well as consulting with relevant market experts within the Bank of England.

EUR

The PRA considered Recital 21 of the onshored Solvency II Delegated Regulation and EIOPA's DLT conclusion when determining the 20-year Last Liquid Point (LLP) for EUR.

CAD

From 1 January 2024, the reference instrument for CAD risk-free rates will be the Canadian Overnight Repo Rate Average (CORRA). The change in reference instrument is due to the cessation of Canadian Dollar Offered Rate (CDOR) later in 2024. The CAD risk-free rates will therefore be constructed with zero credit risk adjustment, in line with the approach for other OIS rates as described in PS12/21.

Due to the ongoing transition away from CDOR rates and increased adoption of CORRA by market participants, the PRA based its DLT assessment for CAD on an analysis of EMIR Trade Repositories data in the six months up to and including July 2023 (rather than 12 months). For the construction of CAD risk free rates from 1 January 2024, the PRA assumes all relevant CORRA data will be available from established third-party providers.

AUD

The EMIR Trade Repositories dataset only includes a relatively small amount of AUD Libor trades. Therefore, the trades were scaled using a scaling factor, derived from the triennial OTC derivative statistics of the Bank for International Settlements.

[Download pdf](#)

©2023 Bank of England
