

**EUROPEAN  
REPO  
COMMITTEE**

**Submitted for publication on the ICMA website on November 22, 2006**

The European Repo Committee agreed in its meeting on November 22, 2006, that the following practice is common practice. The European Repo Council has taken note of this clarification in its meeting on February 28, 2007.

**Calculation of interest in floating rate repos based on EONIA**

In floating rate repo based on EONIA, it is market practice for the calculation of the interest to be effected by using the simple average (not compound) of the daily EONIA benchmark. To avoid any uncertainty, the calculation method should be agreed between the parties or at least be mentioned in the confirmation.

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**Important notice**

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