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There is going to take place a global review of the rate of interest on which various banks borrowed money from each other. Their decision has now come into trouble as far as their benchmark of deciding the prices of the financial products is concerned which is now is being estimated around 360 trillion dollars that is almost 228.62 trillion pounds.

A secret source who was quite familiar to the proceeding said that the check and the scrutiny was quite strict that led BBA that is British Bankerâ€™s Association to maintain the parameters in relation to the benchmarks as well as hire consultants who would make sure that the rates that ha been devised were fit or not for the purpose that they would be used. All this thinking might not be of much use as London Interbank Offered Rate that is Libor, the manner in which it is important in the financial system and the manner in which it holds importance as far as devising of the prices is concerned in the matters of residential mortgages or corporate loans, what so ever.

The designing, operation as well as functioning of Libor was always under scanner. The board and the bodies that govern it are also under constant scrutiny. This happened in a similar manner in the way that the role of the credit rating agencies was also under check, at the time of the starting stage of financial crisis and also sometime after it. These systems are now being considered old and obsolete, which would be replaced by new systems. BBA was very much concerned with the growth of Libor from its starting days in the 1980â€™s. It plays an important role in all sorts of things and acts like a benchmark about starting from trading of commodities in Chicago to deriving contracts in London. Apply with 12 month loans @ http://www.12monthloansnofees.co.uk/12-month-loans.html and get funds for your urgent needs.

In case it is found out that Libor has not been working in a distorted or manipulative fashion then there would be doubts on all the contracts that had taken place through it. The very first case has already been lodged but nothing can be done as of now until and unless any thing is proved to be true as far as any criminal wrong doing is concerned. At the time when the recession was on, concerns were being laid about how the decisions were taken about the rates. At that time, Libor had remained less active.

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