The following provides a collection of relevant publications for transition to new reference rates related to the following currencies: USD, Euro, Japanese Yen, British Pound, Swiss Franc, Australian Dollar, Singapore Dollar, HK Dollar, Brazilian Real, Canadian Dollar, Mexican Peso, South African Rand, China/SHIBOR and Indonesia/JIBOR.*

**December 2019**

**GFMA, AFME, ASIFMA and SIFMA**

**AFME and Simmons & Simmons Publish White Paper on Managing Conduct Risk During LIBOR Transition (December 17, 2019)**

AFME in conjunction with Simmons & Simmons published a paper highlighting the questions that compliance teams should be asking themselves in order to mitigate conduct risk during the LIBOR transition. Full text of the paper can be found [here](#).

**SIFMA Submits Comments to FRBNY on Proposed Publication of SOFR Averages and a SOFR Index (December 4, 2019)**

SIFMA submitted comments to the Federal Reserve Bank of New York (FRBNY) supporting its proposal to publish a SOFR index and three compounded averages of SOFR including tenors of 30-, 90-, and 180- calendar days. The full text of the SIFMA response can be found [here](#).

**GLOBAL**

**FSB Publishes its Annual Progress Report on Reforming Interest Rate Benchmarks (December 18, 2019)**

The Financial Stability Board (FSB) published its annual progress report on the transition to more robust financial benchmarks. The report emphasizes that continued reliance of IBOR products by the global markets poses a risk to financial stability. The report also provides overviews and status updates for various markets and their corresponding benchmarks. The full text of the report can be found [here](#).

**ISDA Launches Consultation on EURIBOR and EURO LIBOR Fallbacks (December 18, 2019)**

ISDA launched a supplemental consultation on the spread and term adjustments that would apply to fallbacks for derivatives that reference EURIBOR and EURO LIBOR. This consultation will be open until January 21, 2020. Additionally, ISDA plans to subsequently publish amendments to the 2006 Definitions to incorporate fallbacks for new trades referenced to the nine IBORs already covered, as well as a protocol to enable market participants to include fallbacks within legacy IBOR contracts. ISDA plans to publish both of these in Q1 2020 and have these go into effect three months after publication.
FSB Announces 2020 Work Programme (December 17, 2019)

As a part of its 2020 work programme, the Financial Stability Board (FSB) announced that it will conduct a survey of exposures to LIBOR and supervisory measures being taken to address transition issues. The FSB will deliver the results of this survey to the G20 Finance Ministers and Central Bank Governors in July 2020. Following this presentation, FSB also plans to publish a report on remaining challenges.

ISDA Responds to FSB’s Letter on Pre-Cessation Triggers (December 4, 2019)

ISDA released its response to the Financial Stability Board’s (FSB) letter on pre-cessation triggers for derivatives. The letter requests further clarity for market participants regarding the implications of a “non-representative” LIBOR.

NORTH AMERICA

CAD

CARR Holds December Meeting (December 16, 2019)

The Canadian Alternative Reference Rate Working Group (CARR) held a 16 December meeting. Agenda items included an update from the UK national working group, an ISDA fallback update, a review of global work on interest rate benchmarks, and updates from CARR subgroups. Minutes and further details on the meeting are expected to be published on the CARR site.

USD

CFTC Issues No-Action Letters Providing Relief to Market Participants Transitioning Away from LIBOR (December 18, 2019)

Three divisions U.S. Commodity Futures Trading Commission (CFTC) issued no-action letters providing relief to swap dealers and other market participants. This relief relates to the transition from swaps referencing IBORs to swaps referencing alternative benchmarks. The Division of Swap Dealer and Intermediary Oversight Letter provides relief from registration de minimis requirements, uncleared swap margin rules, business conduct requirements, confirmation, documentation, and reconciliation requirements, as well as other eligibility requirements. The Division of Market Oversight Letter provides time-limited relief from the trade execution requirement. The Division of Clearing and Risk provides time-limited relief from the swap clearing requirement and its related exceptions and exemptions. Each of these letters can be downloaded on the CFTC site.


The Alternative Reference Rates Committee (ARRC) published a letter addressed to the Internal Revenue Services (IRS) and United States Treasury requesting guidance on anticipated ISDA protocol on IBOR fallback provisions.

ARRC Releases Comment Letter on the Notice of Proposed Rulemaking Regarding Margin and Capital Requirements for Covered Swap Entities (December 9, 2019)
The Alternative Reference Rates Committee (ARRC) released a comment letter addressed to the Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System (FRB), the Federal Deposit Insurance Corporation (FDIC), the Farm Credit Administration (FCA), and the Federal Housing Finance Agency (FHFA) regarding their recent proposed rulemaking on margin and capital requirements for covered swap entities. Information on the proposed rule can be found here.

**ARRC Publishes Letter on SEC Feedback Relating to Relief on Preferred Shares (December 6, 2019)**

The Alternative Reference Rates Committee’s Tax Working Group published a letter addressed to the Securities and Exchange Commission (SEC) regarding relief for preferred shares. The letter references that it is ARRC’s understanding that the SEC does not object to conclusions that certain amendments to preferred shares would be accounted for as modifications, rather than extinguishments, and that these modifications would not result in the recognition of an exchange of value.

**ARRC Chair Tom Wipf Authors Opinion-Editorial on the Transition to SOFR (December 6, 2019)**

Tom Wipf, Chair of the Alternative Reference Rates Committee (ARRC), authored an opinion-editorial regarding the transition to the Secured Overnight Financing Rate (SOFR). In the editorial, Chairman Wipf emphasized the importance of transitioning and highlighted a recent consultation by the FRBNY regarding a proposed publication of SOFR averages and a SOFR index (see SIFMA consultation response in GFMA Publications Section). The editorial was published in Bloomberg and the full text can be found here.

**CME Announces SOFR Discounting and Price Alignment Transition Plan for Cleared USD Interest Rate Swaps (December 3, 2019)**

The CME Group announced its discounting and price alignment transition plan for USD IRS products. This plan targets a transition date of October 16, 2020 and would effectively move discounting risk for all participants from the effective federal funds rate (EFFR) to the secured overnight financing rate (SOFR).

**EUROPE**

**CHF**

**NWG Publishes Final Minutes of its 12 November Meeting (December 2, 2019)**

The National Working Group on Swiss Franc Reference Rates (NWG) published the final minutes of its 12 November 2019 meeting. The minutes highlight that the Swiss Secretariat of the Competition Commission (COMCO) provided an assessment on the compatibility of a greater standardization of SARON-based credit products. Based on the results of the assessment, the NWG decide to provide additional guidance on options for using compounded SARON. Additionally, the minutes note that there was a presentation on the transition of the legacy book. The presentation specifically included an assessment on the use of pre-cessation triggers when fallbacks are used to transition the legacy book. Further details on both the assessment and presentation can be found in the meeting minutes.
EUR

Belgian FSMA Grants EMMI Authorisation for Provision and Administration of EONIA Under EU BMR (December 11, 2019)

The Belgian Financial Services and Money Markets Authority (FSMA) granted the European Money Markets Institute (EMMI) authorization to provision and administer EONIA under Article 34 of the European Benchmarks Regulation (EU BMR). For this reason, EONIA can continue to be used until January 3, 2022 since this is the date that the benchmark will be discontinued.

WG on EUR RFR Publishes Materials from its 4 December 2019 Meeting (December 4, 2019)

The Working Group on Euro Risk-Free Rates (WG on EUR RFR) published the materials from its 4 December meeting. The materials include the meeting agenda, a proposed roadmap for the group’s work through 2020, and a presentation from Subgroup 7 on the WG’s communication plans for the EONIA transition, Euribor fallbacks, and retail. Meeting minutes and materials for future meetings are expected to be published on the ECB site.

WG on EUR RFR Publishes December Newsletter (December 2019)

The newsletter provides an update on the work of the working group on euro risk-free rates, with a focus on communication and education. The newsletter covers recent working group updates, publications and information on the launch of the €STR.

EMMI Confirms Successful Completion of Phase-In of All EURIBOR Panel Banks to the Hybrid Methodology (November 28, 2019)

The European Money Markets Institute (EMMI) confirmed that it has successfully completed the phase-in of all Panel Banks to the EURIBOR hybrid methodology. EMMI is the administrator for EURIBOR and the phase-in began Q2 2019.

GBP

PRA Deputy Governor and CEO Publishes Letter to UK RFRWG (December 18, 2019)

Sam Woods, Deputy Governor and CEO of the Prudential Regulation Authority (PRA), published a letter addressed to the Working Group on Sterling Risk-Free Rates (UK RFRWG). The letter was in response to a UK RFRWG letter focusing on capital impediments to the IBOR transition. The letter references that the PRA has “been working on the potential interactions between the prudential framework and benchmark rate reform, both in the transition period and in steady state.” It also suggests that the PRA and UK RFRWG meet in spring 2020 to consider regulatory impediments and the progress of the transition.

Financial Policy Committee Report Provides Overview on the LIBOR Transition and its Risk to Financial Stability (December 16, 2019)

The Financial Policy Committee included an overview on the LIBOR Transition and its risk to overall financial stability in its December 2019 Financial Stability Report. The report emphasizes that this financial stability risk “can only be reduced through a transition to alternative risk-free rates” and it also highlights the market share of SONIA linked volumes compared to GBP LIBOR since July 2019. The full text of the report can be found here.
UK RFRWG Issues Consultation on Credit Adjustment Spread Methodologies for Fallbacks in Cash Products Referencing GBP LIBOR (December 2019)

The Working Group on Sterling Risk-Free Rates (UK RFRWG) issued a consultation on credit adjustment spread methodologies for fallbacks in cash products referencing GBP LIBOR. This consultation focuses specifically on cash market products including loans, bonds, and securitisations. Spread methodology for Sterling LIBOR interest rate swaps has previously been spearheaded by ISDA. UK RFRWG requests that all feedback be submitted by 6 February 2020.

UK RFRWG Publishes November Newsletter (December 2019)

The UK RFRWG released its latest newsletter for November 2019. The newsletter provides an update from the Working Group regarding RFR transition in the GBP market with a focus on market developments, official sector updates, key liquidity indicators and key milestone dates. Previous editions of the Newsletter can be found on the Bank of England site.

UK RFRWG opens invitations for membership of the Tough legacy, Cash Market Legacy Transition, and Loans Flow Enablers Task Forces (December 2019)

The Working Group on Sterling Risk-Free Reference Rates (UK RFRWG) has opened invitations to join three new task forces, focusing on (i) enablers to moving new loans issuance away from GBP LIBOR, (ii) frameworks to support transition of legacy cash products, and (iii) providing market input regarding the ‘tough legacy’ of products that may prove unable to be converted or amended to include robust fallbacks. The invitations to these three task forces are open to interested market participants with relevant expertise.

APAC

HKD

HK TMA Publishes Consultation Conclusion on Technical Refinements to HONIA (December 13, 2019)

The Hong Kong Treasury Markets Association (TMA) published the conclusion for its consultation on technical refinements to the HKD Overnight Index Average (HONIA). The consultation conclusion summarizes the feedback from the consultation as well as the TMA’s responses. The consultation focused on three technical refinements including HONIA’s data source, reporting window, and publication time. The full text of the consultation conclusion can be found here.

JPY

Cross-Industry Committee on JPY Interest Rate Benchmarks Announces Closing of the Call for Application for Potential Future Administrators of JPY Term Reference Rates (December 6, 2019)

The Cross-Industry Committee on JPY Interest Rate Benchmarks announced that it is closing its solicitation for applicants to calculate and publish term structures based on JPY overnight swaps. The application period will be ending on December 31, 2019 because the Committee has received sufficient applications from entities with relevant experience. The initial solicitation can be found here.
Cross-Industry Committee on JPY Interest Rate Benchmarks Publishes Results of its Consultation on the Appropriate Choice and Usage of JPY Interest Rate Benchmarks (November 29, 2019)

The Cross-Industry Committee on JPY Interest Rate Benchmarks published the final report and results of its public consultation on the appropriate choice and usage of JPY interest rate benchmarks. The full text of the consultation can be found [here](#) and an overview presentation deck of the results is also [available](#).

*All information collected and provided for this report is publicly available*