



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.*

March 2020

Global

[BCBS Publishes Newsletter on Benchmark Rate Reforms \(February 27, 2020\)](#)

The Basel Committee on Banking Supervision (BCBS) published a newsletter regarding benchmark reforms. The newsletter confirms that under the Basel Framework, any amendments to capital instruments pursued solely for the purpose of implementing benchmark rate reforms will not be treated as new instruments for the purpose of assessing the minimum maturity and call date requirements or affect an instrument's eligibility for transitional arrangements of Basel III. The newsletter also states that the Committee will continue monitoring issues related to benchmark reforms and that banks should expect greater supervisory scrutiny of their transition preparations and contingency plans. The Committee will also be considering if any further steps are necessary to ensure a smooth and timely transition.

[ISDA Launches Consultation on Pre-Cessation Fallbacks \(February 24, 2020\)](#)

The International Swaps and Derivatives Association (ISDA) launched a new consultation on how to implement pre-cessation fallbacks for derivatives contracts. This consultation asks if the 2006 ISDA Definitions should be amended to include fallbacks applying to all covered derivatives following the permanent cessation of an IBOR or in the event that an IBOR becomes "non-representative." The consultation is open until 25 March 2020 and its results and related next steps are expected to be published in April or early May. The full text of the consultation can be found [here](#). Additionally, ISDA announced that it will be holding a webcast 4 March 2020 at 9:00am NY time / 2:00pm London time on the consultation. A registration page is available at this [link](#).

[FSB Chair Includes LIBOR Transition as Focus Area for 2020 in Letter to G20 Finance Ministers and Central Bank Governors \(February 19, 2020\)](#)

Financial Stability Board (FSB) Chair Randal K. Quarles submitted a letter outlining key focus areas for 2020 to the G20 Finance Ministers and Central Bank Governors. The letter included the LIBOR Transition as a focus area and encouraged increased G20 focus on the issue. The letter also stated that the FSB will publish reports on the topic in July and December. The full text of the letter is available [here](#).

NORTH AMERICA

CAD

[CARR Holds February Meeting \(February 24, 2020\)](#)

The Canadian Alternative Reference Rate Working Group (CARR) held a 24 February meeting. Agenda items included a review of global work on interest rate benchmarks, an ISDA fallback update, updates from CARR subgroups, and any other business. Minutes and further details on the meeting are expected to be published on the CARR [site](#).

[Bank of Canada Announces it will Begin Publishing CORRA Average in June \(February 18, 2020\)](#)

The Bank of Canada announced that it will take over the responsibility for publishing the Canadian Overnight Repo Rate Average (CORRA) as of 15 June 2020. It will do so at no cost and publish on its website as a public good.

USD

[FRBNY Begins Publication of SOFR Averages and a SOFR Index \(March 2, 2020\)](#)

The Federal Reserve Bank of New York (FRBNY), in cooperation with the US Treasury Department's Office of Financial Research (OFR), began publishing SOFR 30-, 90-, and 180-day SOFR averages and a SOFR index on 2 March 2020. The calculation methodology for the averages and index were previously provided in a 12 February 2020 [statement](#). The SOFR averages and index will be published on the [FRBNY website](#) shortly after SOFR is published around 8:00 a.m. ET on each day that is not broadly recognized as a holiday by the **SIFMA** calendar for U.S. government securities. Additionally, Tom Wipf, Chair of the Alternative Reference Rates Committee (ARRC), [issued a statement](#) welcoming the inaugural publication of the average and index.

[ARRC Releases Consultation on Swaptions Impacted by Central Counterparty Clearing Houses' Discounting Transition from USD LIBOR to SOFR \(February 7, 2020\)](#)

The Alternative Reference Rates Committee (ARRC) released a consultation on swaptions based on USD LIBOR that could be impacted by the discounting change for cleared derivatives from the Effective Federal Funds Rate (EFFR) to SOFR. This change is to take place as of close of business 16 October 2020. The full text of the consultation can be found [here](#) and the feedback period will be open through **9 March 2020**.

[SEC Investor Advisory Committee Holds Meeting on Potential Impact of LIBOR Transition on Investors \(February 27, 2020\)](#)

At its latest meeting, the Securities and Exchange Commission (SEC) Investor Advisory Committee held a discussion session on the impact of the LIBOR transition on investors. A list of the speakers and full agenda can be found [here](#). Minutes are also expected to be published on the SEC [website](#).

[US House Financial Services Committee Announces Hearing on the End of LIBOR \(February 21, 2020\)](#)

The US House Financial Services Committee announced that its Subcommittee on Investor Protection, Entrepreneurship, and Capital Markets will be holding a hearing on the LIBOR

Transition on 25 March at 10:00 AM. The hearing is entitled, “The End of LIBOR: Transitioning to an Alternative Interest Rate Calculation for Mortgages, Student Loans, Derivatives, and Other Financial Products.”

[FHFA Provides Update for Fannie Mae and Freddie Mac on the LIBOR Transition \(February 5, 2020\)](#)

The Federal Housing Finance Agency (FHFA) announced new steps that Fannie Mae and Freddie Mac (the Enterprises) are taking as they transition away from LIBOR. The Enterprises will add new required language for single-family Uniform Adjustable Rate Mortgages (ARMs) on or after 1 June 2020. Additionally, all LIBOR-based single-family and multifamily ARMs will need to have loan application dates on or before 30 September 2020 to be eligible for acquisitions. The Enterprises will also end acquisitions of single-family and multifamily LIBOR ARMs on or before 31 December 2020. The Alternative Reference Rates Committee (ARRC) also [released a statement](#) welcoming the announcement by the FHFA.

[UST Announces RFI on SOFR-Indexed FRNs \(February 2, 2020\)](#)

In a Current Policy Press Release, the United States Treasury (UST) announced that it plans to issue a request for information (RFI) on SOFR-indexed floating rate notes (FRNs). The RFI is expected to be issued in the first half of calendar year 2020.

EUROPE

CHF

[SIX Swiss Exchange Obtains Endorsement for SARON and Other Indices Under the EU Benchmark Regulation \(February 5, 2020\)](#)

SIX Swiss Exchange, the Swiss reference rates administrator responsible for daily calculation and publication of SARON, has obtained endorsement for SARON and other major Swiss indices. The Swedish Financial Supervisory Authority has approved SARON and other major Swiss Indices that SIX is responsible for as compliant with the EU Benchmark Regulation.

EUR

[WG on EUR RFR Publishes Report on the Transfer of EONIA Market’s Liquidity to €STR \(February 19, 2020\)](#)

The Working Group on Euro Risk-Free Rates (WG on EUR RFR) published a report issuing recommendations to support the transfer of EONIA’s cash and derivatives market liquidity to the equivalent €STR markets. To help accelerate the transition process, the report recommends that market-makers proactively price in €STR rather than EONIA as their default and that central counterparties consider developments in the compression of €STR to EONIA. The full report text can be found [here](#).

[ISDA Publishes Results of Consultation Regarding Fallbacks for Derivatives Referencing Euro LIBOR and EURIBOR \(February 24, 2020\)](#)

The International Swaps and Derivatives Association (ISDA) published the results of its [consultation](#) on fallbacks for derivatives referencing Euro LIBOR and EURIBOR. The majority of responses supported a compounded setting in arrears rate with a backward shift and using

the five-year historical median approach to the spread adjustment for Euro LIBOR and EURIBOR. The text of the results released by ISDA can be found [here](#). It is expected that ISDA will publish an additional anonymized and aggregated summary of the feedback received.

GBP

[BoE Announces Plans to Publish a Daily SONIA Compounded Index and to Increase Haircuts on LIBOR-Linked Collateral \(February 26, 2020\)](#)

In a speech given at the International Swaps and Derivatives Association / **SIFMA Asset Management Group** Strategies Forum, Andrew Hauser from the Bank of England (BoE) stressed the importance of accelerating the LIBOR transition in 2020. He announced that in order to help facilitate this acceleration, the BoE intends to publish a daily SONIA compounded index and that BoE will be increasing haircuts on LIBOR-linked collateral. The haircut increases will begin in Q3 2020 and will progressively increase to 100% at the end of 2021. The full text of the speech can be found [here](#).

[BoE Publishes Discussion Paper on Compounded SONIA \(February 26, 2020\)](#)

Following the speech referenced above regarding plans to publish a daily SONIA compounded index, the Bank of England (BoE) issued a discussion paper focusing on the provision of compounded SONIA. The paper seeks views from market participants regarding the BoE's intention to publish a daily SONIA Compounded Index. The paper also seeks feedback on the usefulness of the BoE publishing a simple set of compounded SONIA Period Averages and it will attempt to determine if there is market consensus on how to define the relevant time periods for these averages. The full text is available [here](#) and responses are requested by 9 April 2020.

[BoE Publishes Market Notice on its Risk Management Approach to Collateral Referencing LIBOR for use in the Sterling Monetary Framework \(February 26, 2020\)](#)

As mentioned above, the Bank of England (BoE) announced that it will begin increasing haircuts on LIBOR-linked collateral in order to accelerate the transition away from LIBOR. Following this announcement, the BoE published a market notice providing further details on the plans to increase these haircuts and eventually completely phase out LIBOR based collateral from the Sterling Monetary Framework. The resources provided in the market notice include information on scope and definitions, haircut add-ons, eligibility, fallbacks, and a list of eligible securities impacted.

[UK RFRWG invites Loan/Treasury Management System Providers to Discuss their Readiness to Incorporate Compounded SONIA Capability in their Products \(January 23, 2020\)](#)

The discussion took place in a workshop arranged by the Working Group on Sterling Risk-Free Reference Rates (UK RFRWG) Infrastructure sub-group and included how the transition to RFR and particularly backwards looking interest rate calculations can be applied to the loan market. The slideshow used at the workshop can be found [here](#).

APAC

HKD

[HK TMA Postpones ISDA Presentation on LIBOR/IBOR Contractual Fallback Language \(February 2020\)](#)

The Hong Kong Treasury Markets Association (HK TMA) has postponed the ISDA Presentation on Contractual Fallback Language that was originally scheduled for 10 March 2020. This presentation was highlighted in the last version of this newsletter and it will be hosted by Ms. Jing Gu, Senior Counsel at ISDA. The updated date for the event has yet to be published.

JPY

[Cross-Industry Committee on JPY Interest Rate Benchmarks Publishes Determination that Quick Corp has been selected for the Calculation and Publishing of Prototype Rates for Term Reference Rates \(February 26, 2020\)](#)

The Cross-Industry Committee on Japanese Yen Interest Rate Benchmarks announced that Quick Corp has been selected for calculating and publishing prototype rates for term reference rates with support provided by the Task Force. This is the result of the Committee's previous [solicitation paper](#) released 29 October 2019.

[Cross-Industry Committee on JPY Interest Rate Benchmarks Holds February meeting \(February 25, 2020\)](#)

The Cross-Industry Committee on Japanese interest Rate Benchmarks held its latest meeting in February. Agenda items included an update on the international discussions on interest rate benchmarks, a report from the Task Force on Term Reference Rates, a report on industry groups' initiatives, a discussion on the way forward, and any other business. Meeting minutes are expected to be published on the Committee [web page](#).

[Cross-Industry Committee on JPY Interest Rate Benchmarks Publishes Minutes from its January 2020 Meeting \(February 21, 2020\)](#)

The Cross-Industry Committee on Japanese Interest Rate Benchmarks published the minutes from its January meeting. The minutes included an announcement that the Alternative Reference Rates Committee (ARRC) in the US released its "Recommendations for Interdealer Cross-Currency Swap Market Conventions." The minutes also included the attendance of the meeting. Further details for meetings can be found on the Committee [web page](#).

[BOJ Deputy Governor Gives Speech on Interest Rate Benchmark Reform in Japan \(January 30, 2020\)](#)

Bank of Japan (BOJ) Deputy Governor AMAMIYA Masayoshi gave a speech titled "Interest Rate Benchmark Reform in Japan." The speech provided background on benchmark reform internationally as well as in Japan. The speech also provided the latest status updates on the transition in Japan, as well as an overview of next steps. Next steps included the upcoming selection of an entity responsible for calculating and publishing Japanese interest rate benchmarks. Per post above, Quick Corp was recently selected to calculate and publish prototype rates.

Singapore

[ABS Holds Industry Workshops on SOR Transition to SORA \(February 2020\)](#)

The Association of Banks in Singapore (ABS) held two industry workshops on the transition from the Singapore Swap Offer Rate (SOR) to the Singapore Overnight Rate Average (SORA). The first workshop on 20 February was held for banks and the second workshop on 21 February was held for non-banks. Both were held via web conference. Further details on the transition can be found on the ABS [web page](#) focusing on SOR to SORA.

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