



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.*

April 2020

Global

[ISDA Announces Preliminary Results of its Consultation on Pre-cessation Fallbacks for LIBOR \(April 15, 2020\)](#)

ISDA announced that the preliminary results of its consultation on pre-cessation fallbacks for LIBOR show that there is a significant majority of respondents that are in favor of including both pre-cessation and permanent cessation fallbacks as standard language in the amended 2006 ISDA Definitions for LIBOR. The results are subject to further analysis, however ISDA currently expects to move forward on the basis that these fallbacks would apply to all new legacy derivatives referencing LIBOR that incorporate the amended 2006 ISDA Definitions.

[FSB Provides Update on Report to G20 Finance Ministers and Central Bank Governors \(April 14, 2020\)](#)

FSB Chair, Randal K. Quarles, sent a letter to the G20 Finance Ministers and Central Bank Governors ahead of their virtual meeting on 15 April 2020. The letter provides an update on the FSB's response to COVID-19 and also includes information on ongoing FSB policy work to promote a global financial system that supports a strong recovery after the crisis, including a section on the IBOR transition. As a part of this section, the letter states that the FSB plans to provide a report in July to the G20 Finance Ministers and Central Bank Governors highlighting supervisory measures being taken, as well as the remaining challenges to transition and how these will be handled.

[FSB Announces Inclusion of the Benchmark Transition in its Reprioritized Work Programme \(April 2, 2020\)](#)

The Financial Stability Board (FSB) announced a reprioritized work programme for 2020 due to the COVID-19 crisis. Benchmark transition is included in this work programme and the FSB states that "the transition from LIBOR remains a priority as firms cannot rely on LIBOR being produced after end 2021." The FSB announcement also highlights that "benchmark transition will help to strengthen the global financial system."

NORTH AMERICA

USD

[ARRC Publishes Key Objectives for 2020 \(April 17, 2020\)](#)

The Alternative Reference Rates Committee (ARRC) announced its set of key objectives for 2020 including goals and anticipated milestones that build upon the ARRC's existing work towards achieving market readiness and support for adoption of SOFR. The full list of objectives can be found [here](#). The ARRC announced it is also developing recommended best practices to be released in coming weeks. These are being developed considering the potential impacts of COVID-19 and the recent UK Financial Conduct Authority (FCA) [statement](#) reinforcing that firms cannot rely on LIBOR being published after the end of 2021.

[ARRC Welcomes Fannie Mae and Freddie Mac's Progress on First SOFR-Based Consumer Loan Products \(April 13, 2020\)](#)

The Alternative Reference Rates Committee (ARRC) published that it commends [Fannie Mae](#) and [Freddie Mac's](#) latest announcements about their adjustable-rate mortgage (ARM) products indexed to the 30-day average SOFR. As a part of their recent announcements, Fannie Mae and Freddie Mac confirmed eligibility, underwriting, and delivery requirements for residential SOFR-based ARMs.

[ARRC Recommends a Spread Adjustment Methodology for Cash Products \(April 8, 2020\)](#)

The Alternative Reference Rates Committee (ARRC) announced its recommended spread methodology for cash products referencing USD LIBOR. This recommended methodology is for market participants' voluntary use to produce spread adjustments intended for USD LIBOR contracts incorporating the ARRC's recommended fallback language or for legacy USD LIBOR contracts in which a spread-adjustment SOFR can be selected as a fallback. The spread adjustment methodology is based on a historical median over a five-year lookback period calculating the difference between USD LIBOR and SOFR. This five-year median spread adjustment also matches the methodology recommended by ISDA.

[ARRC Announces Consultation on Fallback Language for New Variable Rate Private Student Loans \(March 27, 2020\)](#)

The Alternative Reference Rates Committee (ARRC) released a consultation on fallback language for new variable rate private student loans. The consultation outlines draft language for new contracts referencing USD LIBOR to minimize risks in the event that LIBOR is no longer usable. Feedback for the consultation is open until 15 May 2020. The full text of the consultation can be found [here](#). Additionally, fallback contract language details for the six previous ARRC consultations can also be found on the ARRC [website](#).

[ARRC Sends Letter to the UST and IRS on Proposed Tax Relief Guidance \(March 24, 2020\)](#)

The Alternative Reference Rates Committee (ARRC) sent a letter to the U.S. Treasury Department (UST) and Internal Revenue Service (IRS) focusing on their proposed regulations regarding guidance on the IBOR transition. The full text of the proposed regulations can be found [here](#). The letter welcomes many of the aspects of the proposed regulations and also respectfully requests additional recommendations relating to one-time payments, the integration and hedging transaction rules, the OID regulations, fixed investment trusts, fast-pay stock, and accounting methods.

[GNMA Announces Adoption of ARRC LIBOR Fallback Recommendation for New Issuance of LIBOR Classes of GNMA Multiclass Securities \(March 19, 2020\)](#)

Ginnie Mae (GNMA) announced updates to its Multiclass Securities Guide and the adoption of the Alternative Reference Rates Committee's (ARRC) fallback recommendation for new issuance of LIBOR classes of GNMA multiclass securities. The update will apply for LIBOR Classes issued after 1 March 2020.

[FASB Issues Guidance to Assist in Transition Away from IBORs to New Reference Rates \(March 12, 2020\)](#)

The Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (ASU) to provide temporary optional guidance to help ease the potential burden in accounting relating to reference rate reform. The ASU applies only to contracts, hedging relationships, and other transactions that reference LIBOR or other reference rates expected to be discontinued due to reference rate reform. The ASU does not apply to contract modifications or hedging relationships entered into or evaluated after 31 December 2022. The text of the ASU can be found [here](#), and a summary is also [available](#).

[ARRC Publishes Proposal for NY State Legislation for USD LIBOR Contracts \(March 6, 2020\)](#)

The Alternative Reference Rates Committee (ARRC) released a proposal for New York State legislation intended to minimize potential legal uncertainty and adverse economic impacts associated with the LIBOR transition. The announcement and overview of the proposed legislation can be found [here](#), and the full text of the proposal is available [here](#). On April 17, the ARRC also conducted a [webinar](#) to provide an in-depth overview on this proposal.

[ARRC Publishes Newsletter \(February 2020 – March 2020\)](#)

The Alternative Reference Rates Committee (ARRC) published its latest newsletter for February 2020 – March 2020. The newsletter provides an update from ARRC on global IBOR transition topics with an added focus on the US market. Previous versions of the Newsletter can be found at the [ARRC site](#).

[FRBNY Announces Credit Sensitivity Workshops for Spring of 2020 \(February 25, 2020\)](#)

The Federal Reserve Bank of New York (FRBNY) announced that it will be hosting credit sensitivity workshops throughout the spring of 2020. These workshops are separate from and supportive of the work of the Alternative Reference Rates Committee (ARRC). These workshops follow a previous 25 February meeting between the Federal Deposit Insurance Corporation (FDIC), the Federal Reserve Board of Governors (FRB), the Office of the Comptroller of the Currency (OCC), the U.S. Department of the Treasury (UST), and many U.S. regional banks. Information regarding the timing, location, and agendas of the workshops is expected to be posted on this [page](#).

EUROPE

EUR

[EACH Publishes Statement Regarding Transition from EONIA to €STR Discount Regime \(April 17, 2020\)](#)

The members of the European Association of CCP Clearing Houses (EACH) published a statement suggesting the €STR discounting regime switch date be postponed to 27 July 2020. As a part of the announcement, EACH Members also highlighted that any longer delay could “severely impact the USD discounting switch planned for 16/19 October 2020 as well as jeopardize the ability of EACH Members to act in an orderly and unified manner.”

[WG on EUR RFR Launches Consultation on Swaptions Impacted by the Transition from EONIA to €STR \(March 13, 2020\)](#)

The Working Group on Euro Risk-Free Rates (WG on EUR RFR) issued a public consultation regarding recommendations to address specific issues for swaptions products resulting from the proposed transition from EONIA to €STR and the CCP discounting switch planned for June 2020. The full text of the consultation can be found [here](#).

[WG on EUR RFR Publishes March Newsletter \(March 2020\)](#)

The Working Group on Euro Risk-Free Rates (WG on EUR RFR) released its latest newsletter for March 2020. The newsletter provides an update from the Working Group regarding the RFR transition in the EUR market with a focus on market and regulatory developments, and recent publications and recommendations. Previous editions of the Newsletter can be found on the European Central Bank [site](#).

[ESMA Responds to EC’s Consultation on the Review of EU BMR \(February 14, 2020\)](#)

The European Securities and Markets Authority (ESMA) sent a response to the European Commission’s (EC) consultation on the European Benchmark Regulation (EU BMR). The response highlights ESMA’s views on key issues including propositions to enhance the critical benchmarks framework, alternative approaches when defining the scope of the EU BMR, and increasing transparency to benefit benchmark users. The EC will utilize this feedback in the development of a report to the European Parliament and Council regarding the effectiveness of the EU BMR.

GBP

[UK RFRWG Publishes March Newsletter \(March 2020\)](#)

The UK RFRWG released its latest newsletter for March 2020. 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](#).

[The FCA, BoE, and UK RFR WG Release Statement on the Impact of Coronavirus on Firms’ LIBOR Transition Plans \(March 25, 2020\)](#)

The Financial Conduct Authority (FCA), Bank of England (BoE), and Working Group on Sterling Risk-Free Reference Rates (UK RFR WG) released a joint statement regarding the impact of the coronavirus on firms’ LIBOR transition plans. The release states that “the central assumption that firms cannot rely on LIBOR being published after the end of 2021 has not changed and end-2021 should remain the target date for all firms to meet.” The FCA, BoE, and UK RFR WG also stated that they “will continue to monitor and assess the impact on transition timelines and will update the market as soon as possible.” The full statement is available on both the [FCA](#) and [BoE](#) webpages.

[The FCA Issues Statement Clarifying Process for Announcing LIBOR Contractual Triggers \(March 11, 2020\)](#)

The Financial Conduct Authority (FCA) released a statement on how it would announce LIBOR contractual triggers. The statement notes that announcements will be made via the Regulatory News Service (RNS) in conjunction with a message on the FCA website. Messages will also clearly state the impacted LIBOR currencies and tenors, and the date of cessation.

[FCA Sends Letter to Trade Associations to Provide Guidance and Raise Awareness Regarding the Transition from LIBOR \(March 9, 2020\)](#)

The Financial Conduct Authority (FCA) sent a letter to trade associations providing an overview of the LIBOR transition and its impacts to their members and stakeholders. The letter also outlines next steps in the transition and highlights key upcoming dates.

[UK RFR WG Issues Statement on Bond Market Conventions and the Use of SONIA Index and Weighting Approaches for Observation Periods \(March 2020\)](#)

The Working Group on Sterling Risk-Free Reference Rates (UK RFR WG) issued a statement on bond market conventions focusing on the use of the SONIA Index and weighting approaches for observation periods. The statement was released in response to a 26 February 2020 [discussion paper](#) from the Bank of England (BoE) that announced the BoE's intention to publish a daily SONIA Compounded Index.

[UK RFR WG's Loans Enablers Task Force Publishes Path to Discontinuing GBP LIBOR Lending by End-Q3 2020 \(March 2020\)](#)

The Working Group on Sterling Risk-Free Reference Rate's (UK RFR WG) Loans Enablers Task Force published its path to discontinuing new GBP LIBOR lending. The goal of the path is to end this lending by the end of Q3 2020 and it includes background on the plan a timeline with key milestones.

[UK RFR WG Publishes a Summary of Results for Survey of Dealers in Non-Linear Interest Rate Derivatives \(March 2020\)](#)

Between 10 December 2019 and 4 February 2020, the Working Group on Sterling Risk-Free Reference Rates (UK RFR WG) conducted a survey of 15 dealers in non-linear Sterling interest rate derivatives to determine the preferred approach of market participants for trading interbank SONIA swaptions and caps and floors. The UK RFR WG published the questions and the anonymized aggregated results of this survey.

[UK RFR WG Publishes Summary of Responses to Consultation on Credit Adjustment Spread Methodologies for Fallback in Cash Products Referencing GBP LIBOR \(March 2020\)](#)

The Working Group on Sterling Risk-Free Reference Rates (UK RFR WG) published a summary of responses to its consultation on credit adjustment spread methodologies for fallbacks in cash products referencing GBP LIBOR. The consultation ran from December 2019 through 6 February 2020 and its full text can be found [here](#). The summary highlighted that the responses indicated a strong consensus in favor of a historical 5-year median approach, which is in line with the approach adopted by ISDA.

[The FCA Issues “Dear CEO Letter” to Asset Managers Regarding Preparation for the Transition from LIBOR \(February 27, 2020\)](#)

The Financial Conduct Authority (FCA) sent a “Dear CEO Letter” to asset managers regarding expectations as firms prepare for the transition away from LIBOR. The letter emphasized the importance that firms begin their transition now and advised firms with best practices to consider when developing and implementing their transition plans.

[UK RFRWG Publishes February Newsletter \(February 2020\)](#)

The UK RFRWG released its latest newsletter for February 2020. 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](#).

APAC

JPY

[Cross-Industry Committee on JPY Interest Rate Benchmarks Publishes February Meeting Minutes \(March 17, 2020\)](#)

The Cross-Industry Committee on Japanese interest Rate Benchmarks published the minutes from its 25 February meeting. 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 future initiatives, and any other business. Meeting materials are available for downloading, along with resources from additional Committee meetings, on the Committee [web page](#).

NZD

[The Reserve Bank of New Zealand Announces Support for the Official Cash Rate as New Zealand’s Fallback Interest Rate \(January 28, 2020\)](#)

The Reserve Bank of New Zealand announced that it supports the selection of the Official Cash Rate (OCR) as the fallback benchmark interest rate for New Zealand’s benchmark interest rate (BKBM). The announcement also stated that BKBM is not being discontinued and that the New Zealand Financial Markets Association is improving the BKBM’s reliability and robustness in line with international developments and best practices.

SGD

[SC-STs Announces Key Priorities and an Updated Transition Roadmap for Achieving a Smooth Transition from SOR to SORA \(March 19, 2020\)](#)

The Steering Committee for SOR Transition to SORA (SC-STs) announced key priorities to ensure a smooth and successful transition from SOR to SORA. The announcement included an [updated transition roadmap](#) that includes key milestones. The announcement also includes a [publication summarizing feedback and responses](#) that were considered in the development of the updated transition roadmap.

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