



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.*

May - June 2020

GFMA, ASIFMA, AFME, SIFMA

[GFMA Publishes Updated IBOR Transition Reference Materials \(June 1, 2020\)](#)

To aid in the awareness of the IBOR transition processes impacting globally-active financial institutions, GFMA has created the following documents outlining the various parts and players. This version of the documents has been updated from its previous September 2019 [version](#) to provide the latest information regarding rates for major currencies including the Australian dollar, Canadian dollar, Euro, Hong Kong dollar, Japanese yen, Singapore dollar, Swiss franc, UK pound sterling and U.S. dollar. This information is organized into the enclosed four products:

- 1) Key Timelines and Milestones for the Japanese yen, Euro, UK pound sterling, U.S. dollar, Swiss franc, Australian dollar, Canadian dollar, Hong Kong dollar and Singapore dollar;
- 2) 2020 Objectives and Milestones
- 3) Snapshot of the IBOR and RFR variables associated with each currency;
- 4) 'At a Glance' Tracker of each official sector working group activities and near-term expected actions.

Global

[FMSB Publishes Spotlight Review on LIBOR Transition \(June 11, 2020\)](#)

The FICC Markets Standards Board (FMSB) has issued a Spotlight Review on 'LIBOR transition: Case studies for navigating conduct risk,' along with an accompanying [press release](#). The paper includes practical case studies to support firms when considering the risks to fairness and effectiveness as the market moves to risk-free rates. The paper also highlights key issues for market participants to address when offering new products to clients or changing performance benchmarks.

[BCBS Publishes Answers to Basel Framework FAQs Relating to Benchmark Reference Rate Reform \(June 5, 2020\)](#)

The Basel Committee on Banking Supervision (BCBS) published the latest answers to frequently asked questions (FAQs) to be added to the Basel Framework. This version includes answers relating to FAQs regarding the reform to benchmark reference rates. The answers specifically cover definition of capital, market risk, CCR, liquidity, and operational risk. The full text of the Basel Framework FAQs can be found [here](#).

[ISDA Publishes Factsheet on IBOR Benchmark Fallbacks \(June 2, 2020\)](#)

ISDA published a [factsheet](#) titled “Understanding IBOR Benchmark Fallbacks.” This factsheet is intended to help inform market participants in advance of ISDA’s planned publication of a supplement to their 2006 ISDA Definitions in July. The updated Definitions will incorporate new fallbacks for derivatives referencing key IBORs. ISDA also plans to simultaneously publish a protocol that will allow market participants to incorporate the updated revisions into legacy contracts.

[ISDA Releases Key 2020 Milestones and Deliverables for Derivatives \(May 2020\)](#)

ISDA published a summary of milestones and ISDA deliverables for 2020 specifically pertaining to derivatives referencing LIBOR and RFRs. The summary also includes completed 2020 milestones and deliverables and additional work expected for 2021.

[ISDA Publishes Report Summarizing the Final Results of its Consultation on Pre-cessation Fallbacks \(May 14, 2020\)](#)

ISDA published a report summarizing the final results of its consultation on pre-cessation fallbacks for LIBOR. The [consultation](#) was launched in February and [preliminary findings](#) had previously been released in April. The report finds that a “significant majority of respondents support including pre-cessation and permanent cessation fallbacks without optionality or flexibility in the amended 2006 ISDA Definitions for LIBOR and in a single protocol for including the updated definitions in legacy trades.” Based on these results, ISDA plans to publish amendments to the 2006 ISDA Definitions to incorporate the fallbacks for new trades, while also simultaneously launching a new protocol to allow participants to incorporate revisions into legacy trades. These changes are expected to be published in June. The full text of the summary report can be found [here](#).

[Bloomberg Publishes Rulebook for IBOR Fallback Methodology \(April 22, 2020\)](#)

Bloomberg published a rulebook outlining the final methodologies for IBOR fallbacks that ISDA expects to implement as a part of a supplement to its 2006 ISDA Definitions and related protocol. Bloomberg and ISDA plan to publish additional educational materials regarding IBOR fallback methodologies and how these will be implemented in ISDA documentation.

[IASB Issues Consultation on Proposed Amendments to IFRS Standards \(April 2020\)](#)

The International Accounting Standards Board (IASB) issued a consultation on proposed amendments to IFRS9, IAS 39, IFRS 7, IFRS 4, and IFRS 16. The proposed amendments address issues affecting financial statements when changes are made to cash flows and hedging relationships due to the transition. The comment period for this consultation was open until 25 May 2020 and the full text of the proposals are available [here](#).

NORTH AMERICA

CAD

[BoC Becomes Administrator of CORRA \(June 15, 2020\)](#)

On 15 June, the Bank of Canada (BoC) officially became administrator of the Canadian Overnight Repo Rate Average (CORRA) and published it for the first time using an improved

methodology. The daily CORRA publication can be found on the BoC [website](#) and it is published at no cost as a public good.

USD

[ARRC Files No-Action Letter with CFTC's Division of Swap Dealer and Intermediary Oversight \(June 16, 2020\)](#)

The Alternative Reference Rates Committee (ARRC) sent a letter to the CFTC's Division of Swap Dealer and Intermediary Oversight (DSIO). The letter requests that the CFTC grant no-action relief regarding the exchange of voluntary compensation for a swaption and that the CFTC clarify that CSA amendments would not trigger regulatory requirements covered by the DSIO's existing relief letter (CFTC Letter 19-26).

[CFPB Announces Updated Consumer Handbook and Proposed Rule that Facilitates the LIBOR Transition \(June 5, 2020\)](#)

The Consumer Financial Protection Bureau (CFPB) announced new steps to help facilitate the LIBOR transition. The first is a [proposed rule to amend](#) Regulation Z to address the discontinuation of LIBOR. Comments on this rule are open until 4 August 2020. Additional steps include releasing [frequently asked questions](#) on transition topics that do not require amendments to Regulation Z, as well as publishing an updated [Consumer Handbook on Adjustable-Rate Mortgages](#) (CHARM).

[ARRC Publishes Updated FAQ Document \(June 2, 2020\)](#)

The Alternative Reference Rates Committee (ARRC) published the latest version of its FAQ resource document on 2 June 2020. This new version includes its view on impacts to the transition timing due to COVID-19 (question 17). The answer to this question reinforces the expectation for the transition to be completed by the end of 2021.

[ARRC Extends Comment Period for Student Loan and Spread Adjustment Consultations \(June 1, 2020\)](#)

The ARRC extended its consultation period until 15 June for both its [student loan](#) consultation and [supplemental spread adjustment](#) consultation.

GSEs Publish Joint LIBOR Playbook and Additional Transition Resources (May 28, 2020)

The Government Sponsored Enterprises (GSEs), [Fannie Mae](#) and [Freddie Mac](#), published joint LIBOR playbooks. These playbooks cover a multitude of mortgage products. Additionally, each GSE also established LIBOR resource pages on their websites.

[ARRC Accounting and Tax WG Sends Confirming Letter to the SEC on Accounting Considerations for Embedded Derivatives \(May 29, 2020\)](#)

The ARRC Accounting and Tax Working Group released a letter to the US Securities and Exchange Commission (SEC) which confirmed that they do not object to the ARRC Accounting and Tax subgroup's conclusions from their previous 20 April [letter](#) on the subject (see related 20 April update for more details).

[ARRC Publishes Recommended Best Practices for Completing the Transition from LIBOR \(May 27, 2020\)](#)

ARRC published a set of recommended best practices to assist market participants in their efforts to transition from USD LIBOR by the end of 2021. A summary of the recommendations can be found [here](#) and the full text is also [available](#).

[ARRC Announces Federal Reserve Office Hours on LIBOR Transition \(May 19, 2020\)](#)

ARRC announced that the Federal Reserve will be holding open office hours for market participants on Friday afternoons from 2:00 – 3:00 PM EST. These calls will be led by David Bowman, Senior Advisor at the Board of Governors of the Federal Reserve.

[ARRC Recommends Voluntary Compensation for Swaptions Impacted by the CCP Discounting Transition to SOFR \(May 14, 2020\)](#)

ARRC announced recommendations that a voluntary exchange of cash compensation take place between counterparties to legacy swaptions referencing USD LIBOR. The recommendations also included that counterparties specify an agreed discount rate based off SOFR for new swaptions expiring after 16 October 2020.

[ARRC Publishes Best Practices for Vendors' Transition to SOFR \(May 7, 2020\)](#)

The Alternative Reference Rates Committee (ARRC) issued recommended best practices to assist vendors with completing the transition from LIBOR by the end of 2021. This resource includes best practices regarding vendor readiness for floating rate notes, business loans, consumer loans, and securitizations.

[ARRC Publishes Results of Vendor Readiness Survey \(May 7, 2020\)](#)

ARRC published the results of its vendor readiness survey from January 2020. The survey was segmented into two key sections. The first focused on foundational questions and the second focused only on applications impacted by the transition.

[ARRC Issues Supplemental Consultation on Spread Adjustment Methodologies for Cash Products Referencing USD LIBOR \(May 6, 2020\)](#)

ARRC issued a supplemental consultation requesting feedback on technical issues related to spread adjustment methodologies for cash products referencing USD LIBOR. The initial ARRC announcement for the recommended spread adjustment can be found [here](#) and the full supplemental consultation text can be found [here](#). The feedback period for the consultation has been [extended](#) until 15 June.

[ARRC Floating Rate Notes Working Group Publishes Statement on the Use of the FRBNY SOFR Index \(May 6, 2020\)](#)

The ARRC Floating Rate Notes Working Group released a statement to provide market participants with information regarding how the Federal Reserve Bank of New York's (FRBNY) [SOFR Index](#) may be referenced in floating rate notes. This information provided includes structuring considerations and a sample term sheet for floating rate notes referencing the index.

[ARRC Sends Letter to the SEC on Accounting Considerations for Embedded Derivatives \(April 20, 2020\)](#)

The Chair of ARRC's Accounting and Tax Working Group sent a letter to the US Securities and Exchange Commission (SEC) regarding accounting issues associated with certain embedded

derivatives related to the transition from LIBOR to SOFR. An [appendix](#) including additional background information was sent accompanying the letter.

[ARRC Publishes Newsletter \(April 2020 – May 2020\)](#)

The Alternative Reference Rates Committee (ARRC) published its latest newsletter for April 2020 – May 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](#).

EUROPE

CHF

[NWG Publishes Executive Summary of its May 2020 Meeting and Key Related Decisions \(May 7, 2020\)](#)

The Swiss National Working Group on CHF Reference Rates (NWG) published the executive summary of its 7 May 2020 meeting. The meeting included discussions on using compound SARON, SARON-based derivatives, LIBOR end-scenarios and fallback language, operational readiness, and recommendations and next steps. The NWG recommended the use of a lookback option for CHF syndicated loans with an offset of five business days, and also published a [term sheet](#) for a SARON/SOFR cross currency basis swap.

EUR

[WG on EUR RFR Recommends Voluntary Compensation for Legacy Swaption Contracts Affected by the Discounting Transition to €STR \(June 16, 2020\)](#)

The Working Group on Euro Risk-Free Rates (WG on EUR RFR) published its recommendation on swaptions affected by the central clearing counterparties' discounting transition from EONIA to €STR. The WG recommends voluntary compensation for legacy swaption contracts and advises market participants to contact swaption counterparties to discuss and decide on voluntary compensation. The recommendation also notes that there is no single preferred option for implementing voluntary compensation and acknowledges that there have been several potential modalities identified. The full text of the recommendation is available [here](#).

[WG on EUR RFR Publishes Summary of Responses to Public Consultation on Swaptions Impacted by the CCP Discounting Transition from EONIA to €STR \(May 4, 2020\)](#)

The Working Group on Euro Risk-Free Rates (WG on EUR RFR) published a summary of responses to its [public consultation](#) on swaptions impacted by the CCP discounting transition from EONIA to €STR. This includes responses to questions on whether the WG should recommend a voluntary compensation mechanism, what timing should the WG recommend for such a compensation exchange, and which contracts should the WG recommend be covered by the voluntary compensation mechanism?

[WG on EUR RFR Publishes April Newsletter \(April 27, 2020\)](#)

The Working Group on Euro Risk-Free Rates (WG on EUR RFR) released its latest newsletter for April 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](#).

[EIOPA Extends Deadline for Responses to Discussion Paper on Proposed Options to Treat New RFR Benchmark Rates \(April 2020\)](#)

The European Insurance and Occupational Pensions Authority (EIOPA) extended the deadline for responses to its [discussion paper](#) on proposed options to treat new RFR benchmark rates. The previous deadline, 30 April 2020, has been updated to 30 June 2020.

GBP

[UK RFRWG Publishes Paper on the Identification of Tough Legacy Issues \(May 29, 2020\)](#)

The Working Group on Sterling Risk-Free Reference Rate's (UK RFRWG) Tough Legacy Taskforce published a "Paper on the identification of Tough Legacy issues." This Taskforce was established to discuss "the potential outcomes for legacy contracts that prove unable to convert or be amended to include fallbacks ahead of LIBOR discontinuation," and the paper outlines their initial work and findings.

[PRA and FCA Announce Plan to Resume Full Supervisory Engagement on LIBOR Transition Progress in June \(May 13, 2020\)](#)

The PRA and FCA announced a decision to resume full supervisory engagement for dual regulated firms on LIBOR transition progress on 1 June 2020, including data reporting at the end of Q2. Data reporting had been suspended at the end of Q1 due to COVID-19.

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

The UK RFRWG released its newsletter for May 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](#).

[BoE Financial Policy Committee Interim Financial Stability Report Stresses Continued Importance of the LIBOR Transition \(May 2020\)](#)

The Bank of England (BoE) Financial Policy Committee's Interim Financial Stability Report included a section highlighting the continued importance of completing the transition away from LIBOR by the end of 2021. The section can be found in Box 1 on page 13 of the report.

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

The UK RFRWG released its newsletter for April 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 RFRWG Announce Interim Transition Timeline Updates due to the Impacts of COVID-19 \(April 29, 2020\)](#)

The FCA, BoE, and UK RFRWG announced additional considerations and extensions for interim transition milestones due to the COVID-19 pandemic. This included moving the original

end-Q2 2020 target for the complete transition away from sterling LIBOR linked loans to the end-Q1 2021.

APAC

AUD

[ASIC Publishes Feedback for 'Dear CEO' Letter \(April 2020\)](#)

The Australian Securities and Investments Commission (ASIC) [published feedback](#) from its May 2019 ['Dear CEO' letters](#). The responses confirmed that the overall expected impact of the LIBOR transition in Australia is substantial.

JPY

[JFSA and BoJ Announce Letters to Financial Institution CEOs Urging Action Regarding the Transition \(June 1, 2020\)](#)

The Financial Services Agency of Japan (JFSA) and Bank of Japan (BoJ) announced they have written letters to the CEOs of major financial institutions regarding the LIBOR transition. The purpose of these letters was to urge these institutions to take action, as well as check on the current level of progress and preparedness of these firms.

[Quick Corp. Begins Publishing Prototype JPY Term Reference Rates \(May 26, 2020\)](#)

Quick Corp was selected by the Cross-Industry Committee on Japanese Yen Interest Rate Benchmarks to calculate and publish prototype JPY term reference rates in February 2020. On 26 May, Quick Corp began publishing prototype rates available on their [website](#) and on the Bank of Japan [website](#).

SGD

[SC-STs Publishes Statement Supporting Launch of Central Clearing for SORA Derivatives \(May 19, 2020\)](#)

The Steering Committee for SOR Transition to SORA (SC-STs) issued a statement welcoming the launch of central clearing for OTC SORA derivatives by LCH. As part of the statement, SC-STs stresses that implementing central clearing arrangements for SORA derivatives is one of their key priorities for the transition.

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