



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.\*

## January 2022

### GLOBAL

#### [ISDA Publishes New Fallbacks for Additional IBORs \(December 16, 2021\)](#)

The International Swaps and Derivatives Association (ISDA) published a new set of fallbacks for derivatives referenced to certain IBORs not covered by their initial set of fallbacks. These include IBORs in India (MIFOR), Malaysia (KLIBOR), New Zealand (BKBM), Norway (NIBOR), the Philippines (PHIREF), and Sweden (STIBOR).

### NORTH AMERICA

#### Canada

#### [CARR Publishes White Paper on the Recommended Future of CDOR \(December 16, 2021\)](#)

The Canadian Alternative Reference Rate Working Group (CARR) published a white paper analyzing the recommended future of the Canadian Dollar Offered Rate (CDOR). CARR recommended that CDOR's administrator, Refinitiv Benchmark Services (UK) Limited (RBSL), cease publication of all of CDOR's remaining tenors after the end of June 2024. However, it is noted that this decision ultimately lies solely with RBSL.

#### US

#### [IRS Publishes Final Regulations that Provide Guidance on the Transition from IBORs to Other Reference Rates \(January 4, 2022\)](#)

The Internal Revenue Service (IRS) published their final regulations that provide guidance on the tax consequences of the transition away from the use of certain IBORs in debt instruments, derivative contracts, and other contracts. The final regulations are necessary to address the possibility that a modification to a terms of contract to replace an IBOR with a new reference rate could result in the realization of income, deduction, gain, or loss for Federal income tax purposes or that there could have other tax consequences.

#### [CFTC Staff Publishes Revised No-Action Letters Regarding Market Participants Transitioning from LIBOR \(December 22, 2021\)](#)

The Commodity Futures Trading Commission (CFTC) announced that the Division of Clearing and Risk (DCR), Division of Market Oversight (DMO), and Market Participants Division (MPD)

each issued revised no-action letters to swap dealers and other market participants related to the transition from swaps that reference LIBOR and other interbank offered rates to swaps that reference alternative benchmarks.

### [SEC Chair Gensler Delivers Remarks on LIBOR Transition at FSOC Meeting \(December 17, 2021\)](#)

Securities and Exchange Commission (SEC) Chair Gary Gensler included messages on the LIBOR transition during his statements at the 17 December Financial Stability Oversight Council (FSOC) meeting. Messages included that the SEC would use all of its tools to help market participants with the LIBOR transition, that he supports changes to the Trust Indenture Act of 1939 to help facilitate a smooth transition, and that he does not believe that the Bloomberg Short-Term Bank Yield Index (BSBY rate) complies with IOSOC principles.

### [ARRC Publishes LIBOR Transition Progress Report \(December 16, 2021\)](#)

The Alternative Reference Rates Committee (ARRC) released the “Year-End Progress Report: The Transition from U.S. Dollar LIBOR.” The report highlights significant, positive momentum in the transition from LIBOR to SOFR across cash and derivatives markets.

### [CFTC’s MRAC Subcommittee on Interest Rate Benchmark Reform Issues User Guide for Exchange Traded Derivative Transactions \(December 16, 2021\)](#)

The Commodity Futures Trading Commission’s (CFTC) Market Risk Advisory Committee (MRAC) Subcommittee on Interest Rate Benchmark Reform issued a “[User Guide for Exchange Traded Derivative Transactions](#).” The guide states that “all market participants are encouraged to ensure operational capability to transact in SOFR exchange-traded derivatives as soon as possible, and it would be a best practice for all market participants to replace use of LIBOR with SOFR for new contracts, including exchange-traded derivatives, after end-2021.” The Alternative Reference Rates Committee (ARRC) also [published a statement](#) welcoming the MRAC User Guide.

### [ARRC Publishes Newsletter \(December 2021 – January 2022\)](#)

The Alternative Reference Rates Committee (ARRC) published its newsletter for December 2021 – January 2022. 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 on the [ARRC site](#).

## **EUROPE**

### **EU**

### [ESMA Issues Statement on the Supervision of the Clearing and Derivative Trading Obligations Following the Benchmark Transition \(December 16, 2021\)](#)

The European Securities and Markets Authority (ESMA) released a [public statement](#) on the implementation of the changes to the clearing obligation (CO) and derivative trading obligation (DTO) relating to the benchmark transition.

### **UK**

### **FCA Publishes Changes to LIBOR as of End-2021 (January 1, 2022)**

The UK Financial Conduct Authority (FCA) published an official announcement for the changes to LIBOR as of end-2021. The announcement notes that the publication of 24 LIBOR settings has ended and that the 6 most widely used sterling and Japanese yen settings will be published using a changed methodology starting 4 January 2022. The announcement also includes links to the official notices for these changes.

### **Critical Benchmark Act of 2021 Goes into Effect (December 15, 2021)**

The Critical Benchmarks Bill received Royal Assent and officially became the Critical Benchmarks Act 2021. The Act provides legal certainty as to how contractual references to an Article 23A benchmark should be treated and also supports the continued operation of legacy contracts referencing synthetic LIBOR rates after the end-2021 deadline.

### **UK RFR WG December Newsletter (December 2021)**

The UK RFR WG released its newsletter for December 2021. The newsletter provides an update from the Working Group regarding the 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](#).

## **Asia**

### **Hong Kong**

#### **HKMA Issues Notice on LIBOR Transition (December 23, 2021)**

HKMA issued a [notice](#) on 23 December 2021 and stated that they were encouraged to observe that banks had made substantial progress in migrating to ARR's but they nonetheless reminded banks with outstanding contracts requiring remediation before the close of the year to complete the residual contract re-negotiation work as soon as practicable. Furthermore, HKMA also mentioned in the notice that they would switch the reporting frequency of the Survey on Reform of Interest Rate Benchmarks from monthly back to quarterly from January 2022.

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