

# LIBOR Transition

Market update:  
June 1-15, 2021

198  
744 days to December 31, 2021  
June 30, 2023

## 1 Highlights

### FSB statements on LIBOR transition: All together now

**What happened?** The Financial Stability Board (FSB) [issued](#) a series of statements and documents related to LIBOR transition, including an updated [global transition roadmap](#) reflecting LIBOR's now definitive end dates, along with interim milestones set by the various national working groups and regulators. While the most frequently used settings of USD LIBOR will continue into June 2023, the FSB's roadmap highlights its expectation that firms conduct all new transactions, including those in USD, in alternative reference rates after December 31, 2021. A separate [statement](#) to local regulators stresses the FSB's support of corresponding supervisory guidance issued by US banking regulators and appeals to all national authorities to "reinforce the message and timeline from US Supervisors on a global scale." The Board of the International Organization of Securities Commissions (IOSCO) echoed that message in a subsequent [statement](#), encouraging all "global market participants to discontinue new use of USD LIBOR-linked contracts, as soon as practicable."

The FSB acknowledged that the slower pace of transition in loan markets remains a concern, cautioning market participants not to wait for the development of forward-looking term rates based on risk-free rates (RFRs). A supporting [discussion paper](#) makes the case for overnight RFRs — whether in the form of backward-looking averages or in advance settings — as the most robust alternatives to LIBOR. Once available, the use of forward-looking term rates should be "relatively narrow" and "concentrated largely in certain cash products rather than derivative markets." In further support of the transition in cash products, the FSB also released a [statement](#) endorsing the use of the ISDA spread adjustments in fallbacks for cash products, thus promoting consistency in fallbacks for derivatives and cash products. The spread adjustments developed by ISDA

## 1 – Highlights

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### Please note:

Due to the U.S. holidays, we are NOT releasing a market update on July 1. Look for our next update in mid-July, covering the period of June 16 - July 15.

intend to reflect and compensate for the economic differences between LIBOR and the various RFRs specified as replacements in derivative contracts. Coinciding with the release of the FSB's statement, the International Capital Markets Association (ICMA) [published](#) a recording of an official sector panel discussion. Representatives from the Financial Conduct Authority (FCA), Fed, European Central Bank (ECB) and Swiss National Bank (SNB) discussed the remaining challenges associated with the transition away from LIBOR, the continued need for — and their commitment to — international coordination and key messages from the official sector to market participants as we approach LIBOR's cessation.

**Our take:** The desire for coordination and consistency has long been a major theme in the transition away from LIBOR. For instance, market participants have frequently called for consistency in transition approaches for different products, market conventions for the use of RFRs, and a series of other legislative and operational issues. This sentiment was evident in the ICMA panel discussion, as a seemingly united front of officials looked to assure the marketplace that coordination efforts are ongoing among various regional authorities.

Market participants should expect local regulators to heed the FSB's call for a uniform de facto ban on the issuance of new USD LIBOR products after the end of this year. Other global regulators including the FCA (UK), FINMA (CH) and the HKMA (HK) have already made it clear that they intend to restrict the use of USD LIBOR in new products in alignment with guidance issued by US supervisors. And not long after the FSB published its statements, Australian banking regulators added a similar [joint statement](#) in support of guidance issued by the FSB and US banking supervisors, reiterating the importance of firms ending the use of any LIBOR setting in new contracts as soon as practicable — but, in any event, after the end of 2021. The use of LIBOR in new products seems destined for a truly global demise after December 2021.

The FSB's pronounced support of overnight RFRs as the preferred alternative to LIBOR, reiterated by participants in the official sector panel discussion, should be top of mind for market participants exploring other alternative reference rates. Especially in the USD lending markets, a series of credit-sensitive alternatives are continuing to garner attention. While regulators have at times conceded that firms are free to choose a suitable replacement for LIBOR, market participants shouldn't latch on to such sound bites as a wholesale endorsement of credit-sensitive alternatives. In the eyes of the regulators, the similarity of these rates to LIBOR appears to be to their detriment rather than an operational benefit. For example, Securities &

Exchange Commission (SEC) Chairman Gary Gensler, voiced concerns about the possible impact on financial market stability during [comments](#) (starting at 32:10 in the recording) made at a recent industry event. He openly worried that “there are some that would want to put together an index rate based on a very small unsecured commercial paper and CD marketplace.” He continued his criticism at a meeting of the US Treasury's Financial Stability Oversight Committee (FSOC), which we report on later in this issue.

Firms considering the use of credit-sensitive rates will need to do their due diligence, critically evaluating concerns around volumes of transactions used to derive the rates, their potential behavior in times of market stress, and potential accounting and tax implications. Most importantly, they will need to be prepared to explain the rationale behind their choices to their supervisors and customers.

### **SOFR First — and a term rate next?**

**What happened?** The CFTC's Market Risk Advisory Committee (MRAC) subcommittee on benchmark reform [recommended](#) July 26, 2021, as the target date for interdealer brokers to switch USD linear swap trading conventions from LIBOR to SOFR. Following that date, LIBOR linear swap screens should only be available for informational purposes and be turned off entirely after October 22, 2021. The initiative, also dubbed “SOFR First,” mirrors a similar effort made last month to further accelerate the shift in swaps trading in the Sterling derivatives markets from GBP LIBOR to SONIA. Additional information has been [provided](#) in a FAQs document.

The Alternative Reference Rates Committee (ARRC) [welcomed](#) the recommendation and encouraged widespread adoption. Later that day, the initiative was a primary topic at the ARRC's third [SOFR Symposium](#) on the final year of the LIBOR transition, which featured an agenda focused primarily on the transition in the derivatives markets.

The shift, which according to the CFTC should affect a “substantially large share” of the USD swaps market, is expected to sharply increase liquidity in SOFR derivatives trading overall. The ARRC had previously identified robust trading in SOFR derivatives as a precondition to making a formal recommendation on a forward-looking SOFR term rate, as such a rate would be based on transacted prices in SOFR futures. The committee's statement quotes Fed Vice Chair of Supervision Randal Quarles, who suggested that term SOFR would “be available upon implementation of the change in quoting conventions.”

**Our take:** In the Sterling derivatives market, the initiative to shift interdealer swaps trading conventions from GBP LIBOR to SONIA provided a noticeable

boost to SONIA swaps trading. Over the first few months of 2021, GBP LIBOR continued to account for the majority of trading in Sterling derivatives. That changed following the switch in convention in May. In June, SONIA swaps accounted for close to 70% of overall Sterling swaps trading on a notional basis and an even higher share on a risk-adjusted basis. SOFR First should similarly provide a boost to SOFR swaps trading liquidity although the USD derivatives markets have an arguably steeper hill to climb. The latest International Swaps and Derivatives Association (ISDA) [RFR Adoption Indicator](#) showed that risk-adjusted trading volumes in SOFR interest rate derivatives accounted for well below 10% of all trading in USD derivatives in May.

For many market participants, the improved prospects for an ARRC-endorsed forward-looking SOFR term rate will be the biggest news. A term rate has long been desired by a segment of the market keen on operational ease. With the ability to have the rate known at the beginning of the interest period, using term SOFR would operationally (if not economically) feel a lot like using a forward-looking rate such as LIBOR. Some market participants have recently been looking to forward-looking, credit-sensitive alternatives to USD LIBOR, due, in part, to concerns about the complexities of using a daily in-arrears rate. If an ARRC recommendation for term SOFR is indeed around the corner, as Quarles' comments seem to suggest, we could see the rate becoming more widely adopted in new products. An endorsement of term SOFR as early as July could serve as a key catalyst in the transition away from LIBOR — and come at just the right time for market participants concerned about possible regulatory scrutiny about the use of credit-sensitive rates.

### U.S. Treasury FSOC meeting: Eulogy for LIBOR

**What happened?** Secretary Janet Yellen hosted a [meeting](#) of the Treasury's FSOC, which included updates on the transition away from LIBOR by several US banking regulators. With the official start of summer just around the corner, Quarles described a path to the "broad, sunlit uplands of a stronger financial system." But public officials at the same time flexed their muscles and delivered a series of salvos directed at organizations that have been slow to prepare for LIBOR's cessation. Regulators also reiterated the need for robust replacement rates, cautioning market participants not to repeat the mistake of relying on benchmark rates lacking sufficient underlying transaction volumes.

A summary of their words may not accurately capture the conviction and consistency of the US supervisory regime. Instead, read on for a selection of quotes from the meeting, presented in order:

"Thanks for this opportunity to offer a eulogy for LIBOR. ... despite all these years of work to transition away from LIBOR, despite LIBOR's record of manipulation, and despite the clear and unalterable intention of the panel banks to stop participating in the production of LIBOR, some market participants seem to believe that the remorseless evolution of the universe will somehow not involve them. Others have adopted a posture of strategic procrastination, watching as others take the necessary steps to prepare for the imminent end of LIBOR. The deniers and the laggards are engaging in magical thinking. LIBOR is over."

Randal Quarles  
Fed Vice Chair for Supervision

"SOFR provides a robust rate, suitable for use in most products and with underlying transaction volumes that are unmatched by other LIBOR alternatives. ...

"The decisions made now around the selection of alternative rates will determine whether some of LIBOR's shortcomings may be replicated through the use of alternative rates that lack sufficient underlying transaction volumes. I am concerned about recent use, and potential future growth in use, of these rates in derivatives ..."

Janet Yellen  
U.S. Treasury Secretary

"December 31 is not very far off, and planning by market participants needs to really accelerate.

"The Vice Chair has emphasized the importance of adopting SOFR in derivative and capital markets and thereby avoiding broad systemic risks. The path ahead is clear; and there is no longer an excuse for procrastination."

Jerome Powell  
Fed Chair

"The Financial Stability Board recently echoed those views when it stated that "[b]enchmarks which are used extensively must be especially robust." To that end, I have several concerns about one rate that a number of commercial banks are advocating as a replacement for LIBOR. This rate is called the Bloomberg Short-Term Bank Yield Index (BSBY). ... Markets underpinning BSBY not only are thin in good times; they virtually disappear in a crisis. Last spring, the primary commercial paper lending market evaporated for about five weeks during the initial stresses of the pandemic.

"We just had a discussion about the lack of resilience in prime money market funds, particularly during stress times. Let's not forget those lessons here.

... [IOSCO] “found it was necessary to establish a benchmark that ‘reflects a credible market for an Interest measured by that benchmark.’ I don’t believe BSBY meets that standard. I don’t believe it is, as FSB urged, ‘especially robust.’”

Gary Gensler  
Securities and Exchange Commission Chair

... “As a market regulator, it’d be indefensible to stand by and allow market participants to mechanically continue down LIBOR’s road to obsolescence when a sustainable path is clearly in sight.

... “Complacency is no longer an option, and market participants cannot assume that they can ride the LIBOR train until the end of the line. While we collectively act to ensure a smooth transition to SOFR, we must make it clear as we are today, the time to make the switch is now.

... “To avoid the conduct and stability risks that emerged when LIBOR became disconnected from actual activity, we must rely on a benchmark that is both representative of transactions and proportional to the depth and breadth of the products that rely upon it.”

Rostin Behnam  
Acting Chairman, Commodity Futures Trading Commission

“We at FHFA have consistently made clear to the entities we regulate that LIBOR is going away.”

Dr. Mark Calabria  
Federal Housing Finance Agency Director

“The Secured Overnight Financing Rate (SOFR) is a robust replacement rate that has been carefully developed and will be reliably produced in a wide range of market conditions.

“The widespread adoption of SOFR in derivatives and other markets will promote financial stability for all participants in the financial system. SOFR enjoys broad applicability and already has a proven track record.

“We expect every bank, regardless of size, to demonstrate that its replacement rate selections are appropriate for the bank’s products, funding needs and operational capacities.”

Michael Hsu  
Acting Comptroller of the Currency

“As stated in the past by me and other FDIC officials, the FDIC does not endorse any particular alternative reference rate.”

Jelena McWilliams  
Federal Deposit Insurance Corporation Chairman

“Come I too to bury LIBOR, not to praise him.”

Todd M. Harper  
National Credit Union Administration Chairman

“State insurance regulators believe it is critically important that insurance companies transition to LIBOR alternatives as expeditiously as possible, given the upcoming deadline.

... “insurance regulators have been focused on three areas that may have the most potential impact to the insurance sector: life insurance reserving, investment and swaps, and statutory accounting.”

Eric Cioppa  
Superintendent, Maine Bureau of Insurance

**Our take:** While the repeated calls for urgency to accelerate transition efforts strike a familiar chord, regulators are becoming increasingly vocal about their criticism of credit-sensitive alternatives to SOFR. We have previously seen regulators avoid declaring winners and losers, often conceding that the recommendation of SOFR as replacement to USD LIBOR is just that, rather than a mandate. But while regulators are showing a united front with respect to LIBOR’s certain demise, we are also seeing a concerted effort to warn of the risks associated with credit sensitive rates (CSRs) considered too similar to LIBOR in nature. SEC Chair Gensler took those warnings the furthest, making an example of a specific index, which he called out by name.

One no longer has to read between the lines to realize what the opinions of the official sector on the desirability of non-SOFR alternatives may be from a safety and soundness perspective. The government health warning attached to CSRs is increasingly clear: borrowers (and lenders) transacting in these rates do so at a risk that is not to be underestimated.

However, while LIBOR’s days are certainly numbered, regulatory criticism of CSRs alone doesn’t necessarily mean they’re immediately destined for the same fate. Any floating-rate instrument is going to incur risk for both the borrower and the lender. In the case of CSRs those risks might be similar to those of using LIBOR: risk of non-representativeness, unavailability, or regulatory scrutiny, to name a few. But for some market participants, employing SOFR as a lending rate might create asset liability management (ALM) challenges. Recent interest in CSRs seems to indicate that, at least for some banks, ALM considerations are significant enough to seriously consider their use, even if that presents another set of risks.

To mitigate conduct risk, banks willing to explore that trade-off will need to demonstrate that the benefits of employing a CSR aren’t one-sided. Rather, they should show that their customers understand their options and that both borrowers and lenders accept the consideration each receives as appropriate, given the risks being incurred — particularly now that they have been publicly put on notice.

### A conversation with the PRA on models and the latest 'Dear CEO' letter

Anyone who is involved in LIBOR transition knows what a significant challenge it is. For some firms, models will be one of the most complex parts of the exercise. Our guests on our latest podcast are Dherminder Kainth, from the Prudential Regulation Authority's (PRA) Traded Risk Measurement team, and Chris Heys, PwC Partner and one of our Global Model Risk Leads. Hosted by Laura Talvitie, we covered the impact of LIBOR transition on models, the latest PRA / FCA 'Dear CEO' letter and what firms should do now.

Listen [HERE](#).

The latest on LIBOR transition podcast

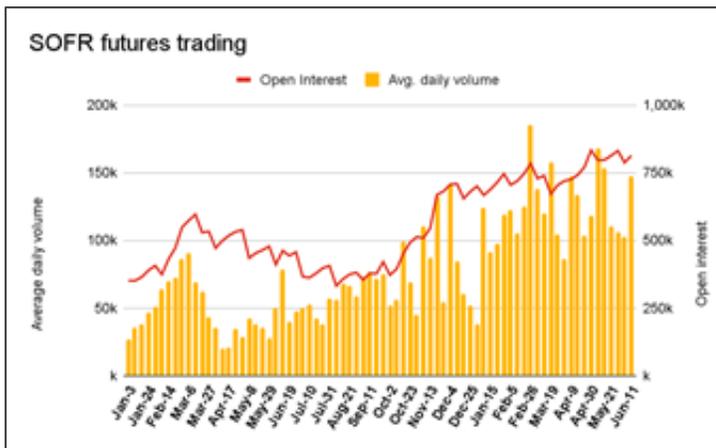
Models & Dear CEO letter with the PRA



[pwc.co.uk/LIBOR-transition](https://pwc.co.uk/LIBOR-transition)

## 2 RFR adoption: Derivatives

### Futures and options



Source: CME, ICE (accessed June 14, 2021)



Source: CME, LCH, ICE (accessed June 14, 2021)

### Our take

After declining in average daily trading volume for four consecutive weeks, SOFR futures recovered in the second week of June, driven by a significant increase in trading of 3M SOFR futures at both ICE and CME, including one of the largest block trades seen to date. The upcoming switch to SOFR as a convention for interdealer swap trading should provide a boost to futures trading as well. Market participants will likely monitor the effects of the switch closely. With SOFR term rates derived from transacted prices in SOFR futures, an increase in liquidity in SOFR futures would allow the ARRC to eventually make a formal recommendation for a SOFR term rate.

Outside of the major currencies, DBS and Standard Chartered [announced](#) they had executed Singapore's first interbank option trade based on the Singapore Overnight Rate Average (SORA). The transaction was done on behalf of a corporate client looking to hedge SORA interest rate risk exposure.

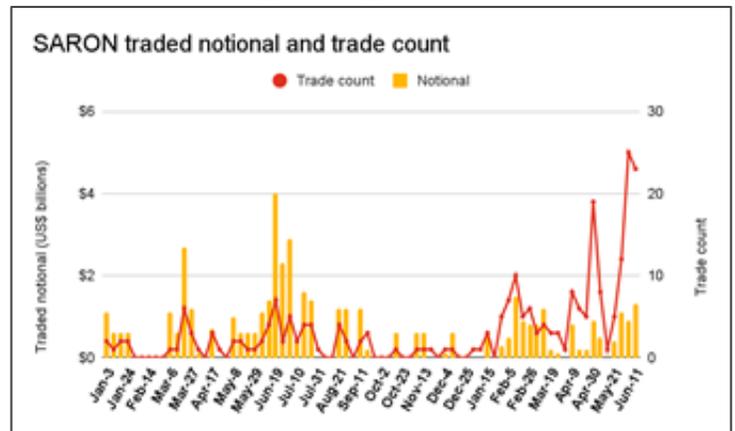
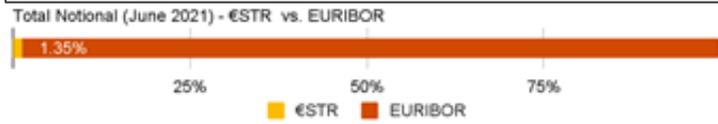
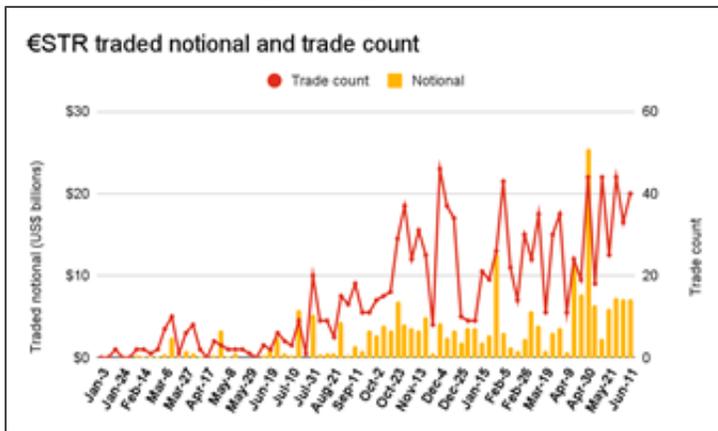
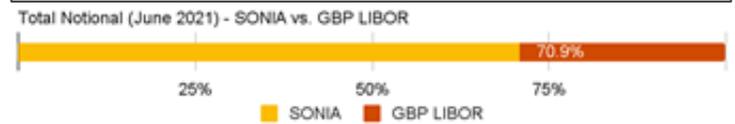
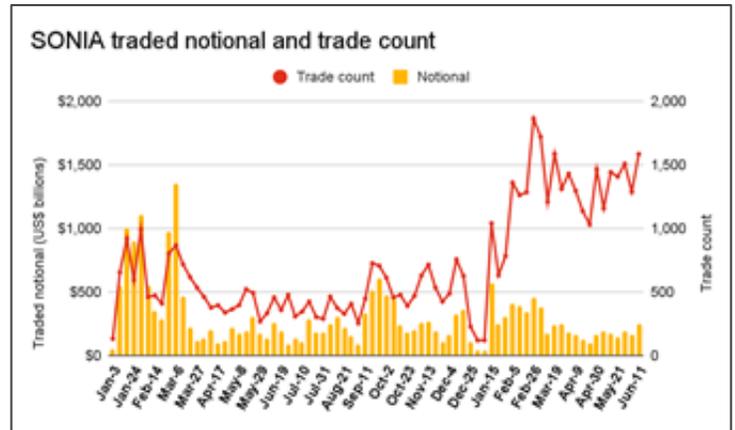
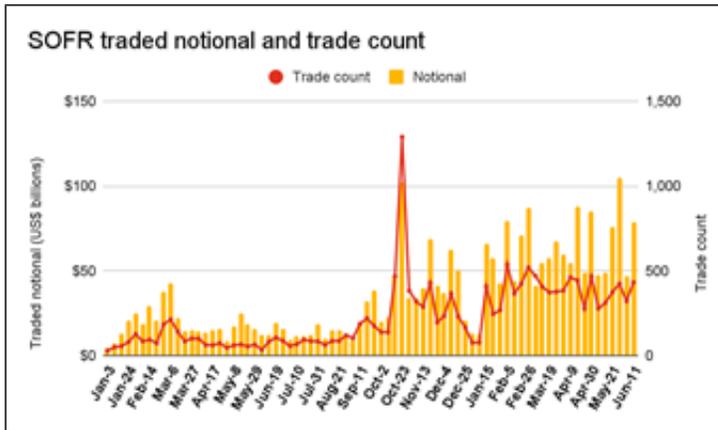
### ISDA IBOR Fallbacks Protocol adherence

(June 15, 2021 vs. May 31, 2021)

- 14,203 total entities (up from 14,133)
- 1,989 sign-ups on or after the effective date
- 29 out of 30 G-SIBs (unchanged)

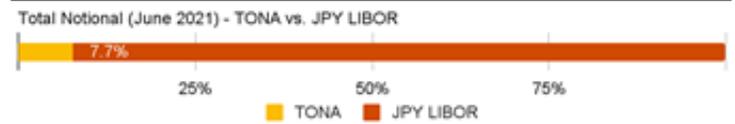
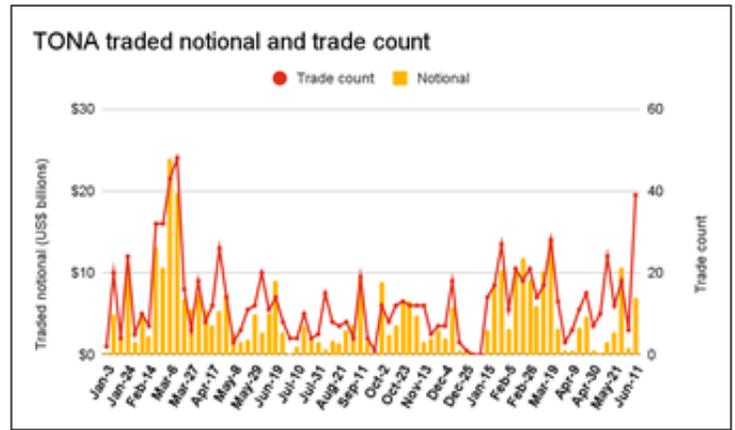
Source: ISDA

## Swaps trading



**Our take:** In the Sterling markets June 17 marks the date suggested by UK regulators for a switch in convention for exchange traded derivatives to SONIA. The switch should provide a further boost to SONIA swaps trading. Volumes have already been elevated since the beginning of the year, although notionals outstanding have not yet followed that increase.

In the JPY swaps market the most noticeable increase in trading activity was not seen in TONA. Rather, notionals outstanding in JPY TIBOR increased to their highest levels in years. It's not yet clear whether that increase came at the expense of JPY LIBOR or TONA. Overall JPY swap volumes decreased dramatically over the past few weeks, from a high in January of just under \$500 billion to about \$100 billion in notionals outstanding at the end of last week. Once trading recovers, it will be interesting to see which one of the JPY interest rate benchmarks sees the largest increases.



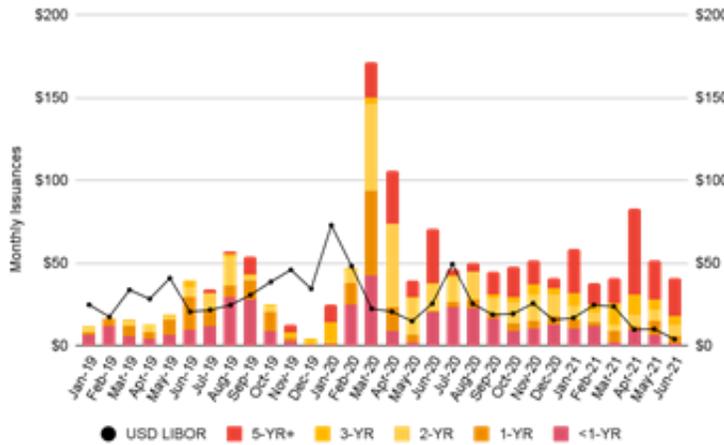
In the USD markets, all eyes are now naturally on July 26 and the weeks to follow. The switch in convention to SOFR for linear swap trading should provide a significant boost to trading volumes. That push appears dearly needed, as USD LIBOR continues to serve as reference rate for the vast majority of USD swaps trading.

# 3 RFR adoption: Cash products

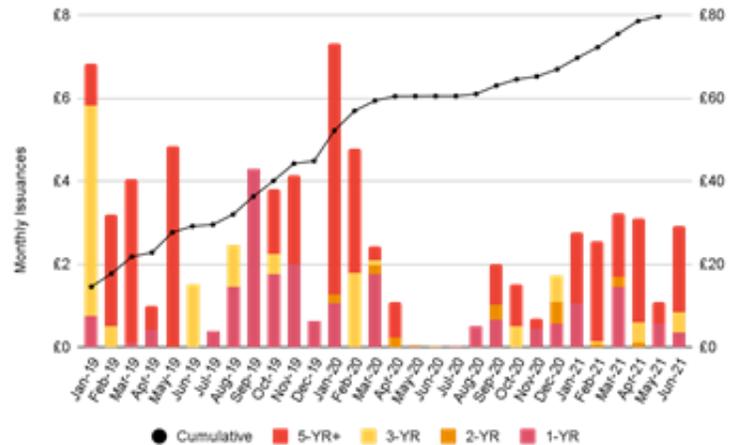
FRN issuances (as of June 15, 2021)

Source: Bloomberg. Includes callable issuances.

## USD FRN issuances (in billions)



## SONIA FRN issuances (in billions)



### Our take

Other than a smaller number of callable issuances, the first two weeks of June saw only a single USD LIBOR FRN issuance with a maturity date after June 2023. SOFR has become the de facto market standard, with over \$40 billion in total amounts issued in SOFR FRNs in the first two weeks of June, compared to just over \$3 billion in total USD LIBOR FRNs.

SOFR has also firmly taken over the long end of the curve. In 2020, the single most popular maturity bucket for SOFR FRNs was less than one year — and over 80% of total amounts issued came in maturities of two years or less. In 2021, almost half of the total of SOFR FRN issuances came in maturities of five years or longer.

### Notable cash product issuances and other RFR adoption<sup>1</sup>

Benchmark	Company	Detail	Resources
SOFR	Ford Motor Credit Company	Issued its first SOFR-linked, asset-backed securitization (ABS) through a private facility established with J.P. Morgan. The deal also included a SOFR-based hedge.	<a href="#">Press release</a>
	Sberbank of Russia	Extended a \$12 million, 18-month revolving SOFR-based credit facility to OOO Grain Service — reportedly Russia's first SOFR-linked loan.	<a href="#">Press release</a>
	Inter-American Development Bank (IDB)	Issued a \$600 million, 10-year benchmark bond linked to SOFR, reportedly the tightest ever SSA SOFR transaction issued in the 10-year tenor. The FRN is now the longest-dated issuance outstanding.	<a href="#">Press release</a>
SONIA	OCBC Bank	Reportedly became the first bank in Asia to successfully execute a consent solicitation to switch the interest rate benchmark for a series of floating-rate bonds from GBP LIBOR to SONIA.	<a href="#">Press release</a>
	Bank of Montreal	Announced a consent solicitation to switch the benchmark on a series of covered floating-rate bonds from GBP LIBOR to SONIA.	<a href="#">Notice to bondholders</a>
	KfW	Issued its first SONIA-linked FRN, reportedly the first SSA SONIA issuance since January and tightest final spread for a syndicated SONIA transaction printed to date.	<a href="#">Press release</a>

For additional details on employed conventions and other parameters of recent RFR-based loans, see the Loan Market Association's (LMA's) [regularly updated list](#) of RFR referencing syndicated and bilateral loans. Given the private nature of the loan market, neither the LMA's list nor our highlights should be considered an accurate representation of activity in loan markets. Especially with the WG on Sterling RFR's target date for an end of GBP LIBOR use in new products now behind us, publicly available data likely doesn't tell the whole story with respect to SONIA-based lending. The same will increasingly become true for SOFR-based lending, as expectations for lenders to shift away from USD LIBOR continue to increase.

# 4 Publications at a glance

## National working groups

### Alternative Reference Rates Committee (ARRC)

- Published a [statement](#) welcoming the messages delivered at the recent FSOC meeting, highlighting broad regulatory support for SOFR as a USD LIBOR replacement.
- Held its third [SOFR Symposium](#) on the final year of the LIBOR transition. The discussion focused primarily on the transition in the derivatives markets, including the CFTC's MRAC recommendation on the switch of interdealer conventions to SOFR front and center.

### WG on Sterling RFRs

- Published a refreshed [best practice guide](#) for GBP loans. Updates relate to the calculation of SONIA-based cost of carry for traded loans.
- Published an [updated Q&A document](#) on its Q1 milestone for the cessation of new GBP LIBOR issuances, clarifying that the milestone included existing facilities containing an extension option past the end of 2021.
- [Published](#) its new sletter for May 2021.

### WG on Euro RFRs

- [Published](#) its new sletter for May 2021.

## Regulators

- Financial Stability Board:** The FSB [issued](#) a series of statements and documents on LIBOR transition. These include an updated global [transition roadmap](#), a [discussion paper](#) on the use of term rates, a [statement](#) expressing its support of the use of ISDA spread adjustments in cash products and a [statement](#) urging local banking authorities to set expectations consistent with global milestones.
- ICMA:** Published a [panel discussion](#) featuring representatives from the FCA, Fed, ECB and SNB to discuss the remaining challenges, international coordination and key messages from the official sector to market participants as we approach LIBOR's cessation.
- IOSCO:** Released a [statement](#) on benchmark transition, encouraging all "global market participants to discontinue new use of USD LIBOR-linked contracts, as soon as practicable."
- ASIC, Australian Prudential Regulation Authority (APRA), Reserve Bank of Australia (RBA):** Published a [joint statement](#) in support of guidance issued by the FSB and US Banking supervisors, reiterating the importance of firms ending the use of LIBOR.
- Bank of Japan:** In a [speech](#) on the final stage of the transition away from LIBOR, Deputy Governor Amamiya stressed that it was in market participants' best interest to avail themselves of provided tools to accelerate their efforts.
- People's Bank of China (PBOC):** [Asked](#) major lending institutions to proactively advance the transition for USD loans from LIBOR to SOFR. To support the transition, PBOC issued a series of templates to facilitate conversion and new SOFR-based lending (in Chinese).
- US Department of the Treasury:** Secretary Janet Yellen hosted a [meeting](#) of the FSOC. A replay of the meeting is available [HERE](#).
- SEC:** Chairman Gary Gensler [spoke](#) (comments at 30:05) on LIBOR transition at the WSJ's CFO Network Summit, noting that "after this December, there can be no loans or derivatives based upon [LIBOR]."
- CFTC:** The CFTC's MRAC subcommittee on benchmark reform [recommended](#) July 26, 2021, as the target date for interdealer brokers to switch USD linear swap trading conventions from USD LIBOR to SOFR. Additional information has been [provided](#) in an FAQs document. The ARRC [welcomed](#) the recommendation and encouraged widespread adoption.
- FCA:** Published a [series of FAQs](#) for consumers holding LIBOR-based adjustable rate mortgages. As part of its latest [quarterly consultation](#), the FCA is requesting feedback on proposed amendments to Mortgage Lenders & Administrator Return (MLAR) reporting instructions to account for LIBOR's discontinuance.
- Prudential Regulation Authority:** [Published](#) responses to a previous consultation and a [policy statement](#) on periodic deep, liquid and transparent (DLT) assessments of SONIA for the purposes of Solvency II. It also released a [report](#) on the results of its first assessment.
- Danmarks Nationalbank:** [Published](#) a [report](#) on the underlying data and methodology used to calculate "DESTR," a new proposed reference rate in Danish kroner similar in nature to €STR.
- Institute of Chartered Accountants of India (ICAI):** [Published](#) an [exposure draft](#) for amendments to accounting standards for derivative contracts impacted by reference rate reform (i.e., issues addressed as part of IASB Phase 2).

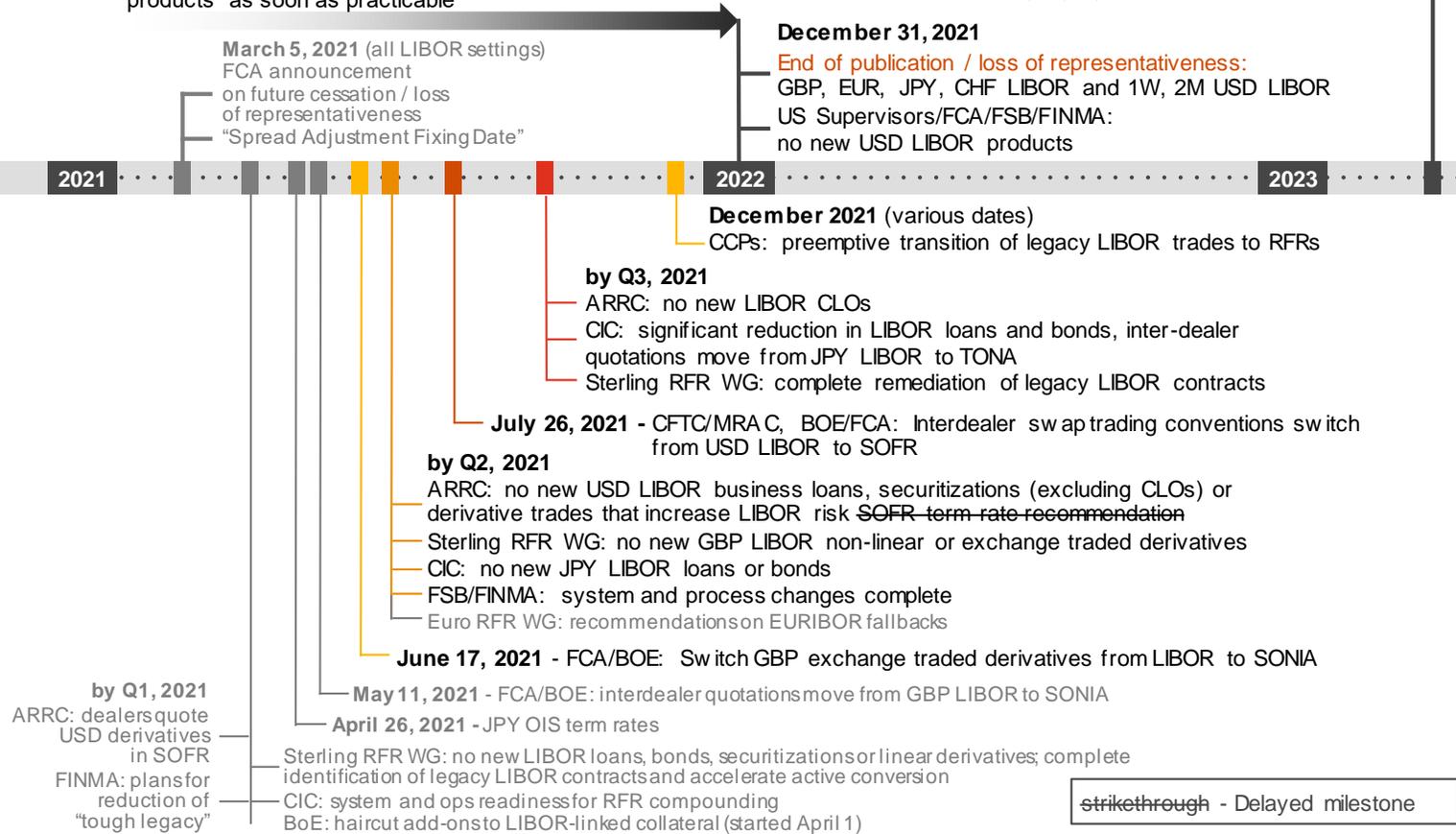
## Industry groups, infrastructure providers and other items

- ISDA:** [Published](#) its 2021 Interest Rate Derivative Definitions. In addition to the ISDA IBOR Fallbacks, the new definitions also include risk-free rate (RFR) floating-rate options and new RFR compounding conventions. [Published](#) a [consultation](#) on fallbacks for GBP and USD LIBOR swap rates published by ICE Benchmark Administration (IBA). The proposed provisions, included in the consultation as draft amendments to ISDA documentation, are based on recommendations made by the WG on Sterling RFRs and the ARRC, respectively. ISDA has announced a corresponding [webinar](#) on June 23, 2021. Published the ISDA-Clarus RFR [adoption indicator](#) for May 2021, which increased from 10.1% in April to 10.7%.
- LMA:** [Published](#) an exposure draft, explanatory note and updated trade confirmation for secondary loan market trading of RFR-based syndicated loans (member access only). [Published](#) an updated version of its recommended reference rate selection agreement (member access only). Hosted a [webinar](#) to provide an update on the transition from LIBOR in the loan market (available on demand).
- LIBOR Trade Association Working Party:** Published [minutes](#) from the group's May 25, 2021, meeting.
- Government Finance Officers Association:** Published a [brief guide](#) on unwinding LIBOR-based loans or private debt placements.
- Global Association of Risk Professionals (GARP):** [Summarized](#) the developing alternatives to SOFR as a lending rate.
- International Securities Lending Association:** [Published](#) Global Master Securities Lending Agreement (GMSLA) amendment language allowing market participants to agree on the deletion of LIBOR references in their documentation (member access required).
- Structured Finance Association:** [Reported](#) that year-to-date issuances of SOFR-based securitizations have reached \$38.9 billion.
- CME:** Published an [updated plan](#) for the preemptive conversion of cleared LIBOR swaps planned for December of this year.
- American Financial Exchange:** Published a [white paper](#) on Ameribor Term-30, a forward-looking term rate based on unsecured lending data from AFX, as well as CP and CD issuances recorded at the DTCC.
- SOFR Academy:** Sent a [letter](#) to associations representing non-financial corporations, expressing their support for SOFR, as well as a menu of credit-sensitive alternatives, such as the Across-the-Curve Credit Index (AXI).

# 5 LIBOR transition target dates

US Supervisors: no new USD LIBOR products "as soon as practicable"

June 30, 2023  
End of publication / loss of representativeness:  
o/n, 1-, 3-, 6- and 12-month USD LIBOR



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