



IBOR TRANSITION

Market Update as of 01/09/2021

1. US MARKET DEVELOPMENTS

REFINITIV'S USD IBOR CASH FALLBACKS PROTOTYPE (11 AUGUST 2021)

ARRC welcomes **Refinitiv's prototype publication [launch](#) of the ARRC's recommended spread adjustments and spread adjusted rates for cash products**. There are two versions of the Refinitiv USD IBOR Cash Fallbacks – one for consumer and the other for institutional cash products.

THE ADJUSTABLE INTEREST RATE (LIBOR) ACT OF 2021 (22 JULY 2021)

The House Financial Services Committee [approved](#) the Adjustable Interest Rate (Libor) Act (H.R. 4616). **The bill offers safe harbor from litigation when re-hitching Libor contracts without suitable fallbacks to a replacement rate.**

ARRC FAQs ON BEST PRACTICES TO USE TERM SOFR (27 AUGUST 2021)

ARRC published [FAQs](#) on [best practices](#) related to the scope of use of [CME Term SOFR](#) in contracts.

LATEST STATEMENT ON CREDIT SENSITIVE RATES (8 SEPTEMBER 2021)

IOSCO [calls](#) on administrators of credit for greater attention to meet Principles 6 and 7 to avoid replicating many of LIBOR's shortcomings.

2. EURO MARKET DEVELOPMENTS

EUROPEAN COMMISSION CONSULTATION ON DRAFT REGULATION ON EONIA AND CHF LIBOR (3 AUGUST 2021)

EC has [published](#) a draft implementing regulation on the designation of a statutory replacement for **EONIA** with €STR and for certain settings of **CHF LIBOR** with SARON.

3. ASIAN MARKET DEVELOPMENTS

HKMA CIRCULAR ON TERM SOFR, NEW USD LIBOR-LINKED CONTRACTS AFTER 2021 (19 AUGUST 2021)

HKMA issued a [circular](#) updating authorized institutions (AIs) on the recent developments related to the reform of IR benchmarks. **AIs are expected to step up their efforts to encourage customers to transition to SOFR, also HKMA has required AIs to cease to enter new LIBOR contracts after 2021.**

SC-STIS PUBLISHED REVISED TIMELINES TO CEASE ISSUANCE OF SOR AND SIBOR PRODUCTS (5 AUGUST 2021)

SC-STIS reiterates its [guidance](#) to all banks to substantially **reduce gross exposures to SOR derivatives to 20%** by Q3 2021.

4. MARKET NEWS

- UK Finance will hold an upcoming USD LIBOR seminar that will take place September 23.
- CME published a [white paper](#) discussing contract design features of BSBY futures.
- ISDA [published](#) on August 18, the **ISDA 2021 EONIA Collateral Agreement Fallbacks Protocol**.
- ISDA published its monthly [ISDA-Clarus RFR Adoption Indicator](#) for interest rate derivatives (IRD).

5. STAY INFORMED ON THE IBOR TRANSITION

More information on our website: [click here to access our dedicated IBOR transition webpage](#).

Contact us for any queries: sgcib-regulatory-support.par@sgcib.com.

DISCLAIMER

This document has been prepared by Societe Generale (SG). The information it contains is general and does not constitute advice. It was first prepared prior to the date it is sent and may not have been updated to reflect recent market developments. It contains information on IBOR reform that is intended for the use of SG clients only and it should not be shared with third parties. SG accepts no responsibility or liability to you with respect to the use of this document or its contents. If you have questions in relation to the contents of this document, you should consider seeking independent professional advice (legal, tax, accounting, financial or other) as appropriate.