

## More USD LIBOR Transition Developments

Article By:

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The Alternate Reference Rates Committee (ARRC), convened under the auspices of the Federal Reserve Bank of New York, has published a “Guide on the Endgame for USDA LIBOR” that encompasses the flurry of announcements made last week about the postponement of the demise of the most heavily used tenors of US Dollar LIBOR.

The Guide provides a convenient summary of these recent developments, as well as highlights that the spread adjustment between Fallback SOFR and LIBOR could be determined early next year (2021) when the ICE Benchmark Administration (IBA) announces the result of its consultation, even if Fallback SOFR does not replace USD LIBOR until June 2023.

IBA published its proposed LIBOR consultation on December 4. The consultation solicits comments on IBA’s plans for ceasing publication of various interbank offered rates. The consultation process is described as follows: “Please provide feedback to IBA at [IBA@theice.com](mailto:IBA@theice.com) by 5pm London time on Monday January 25, 2021. . . . After the feedback period has closed, IBA intends to share the results of the consultation with the FCA and to publish a feedback statement summarizing responses from the consultation shortly thereafter. IBA will also publish the comments received unless confidentiality has been requested by the originator of the comments.”

If (as is likely to be the case) IBA announces the cessation dates for all IBOR currencies and tenor settings, including USD LIBOR at the end of the consultation, the spread adjustment between Fallback SOFR and LIBOR will be calculated at that time on the basis of a five year look back.

The Guide is available [here](#).

The IBA Consultation is available [here](#).

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