



TOPICS:
MARKET RISK, LIBOR CESSATION

SOURCE:
 Financial Stability Board

FSB Statement to Support Preparations for LIBOR Cessation

LIBOR Cessation

- **Most LIBOR panels will cease at the end of this year**, with certain key USD settings continuing until end-June 2023 to support the rundown of legacy contracts only.
- **There has been substantial progress in the adoption of RFRs in new derivatives contracts** across all five of the LIBOR currencies and in ensuring transition mechanisms for legacy LIBOR derivatives contracts are in place.
- **Although progress** has been made, **market participants will need to act swiftly to ensure that they meet the timelines set out** in the FSB's Roadmap.
- **Considering the significant use of USD LIBOR globally**, the FSB continues to believe it is particularly important to reinforce the message and timeline from supervisors globally to ensure there is no interruption to new business and financing.
- **To ensure financial stability** and not reintroduce the vulnerabilities seen with LIBOR, benchmarks which are used extensively must be especially robust.
- It is crucial that potential **alternative rates to LIBOR are especially robust and reflect credible underlying markets underpinned by a sufficient volume of transactions.**

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