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July 12, 2018

Re: Letter Regarding Treatment of Derivatives Contracts Referencing the Alternative Risk-Free Rates and Associated Transitions under Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act[1]

Dear U.S. Regulators:

The Alternative Reference Rates Committee (**"ARRC"**) and its member firms are writing to request specific inter-agency guidance regarding the treatment, under the regulations promulgated pursuant to Title VII of the Dodd Frank Wall Street Reform and Consumer Protection Act (**"Title VII"**), of existing derivatives contracts that are amended to include new fallbacks or otherwise reference alternative risk-free rate benchmarks (**"RFRs"**) and new derivatives contracts that reference RFRs.

While the ARRC intends this letter to highlight regulatory issues related to Title VII, the ARRC continues to consider other regulatory issues that may be raised in relation to the transition periods described herein, and looks forward to a continued dialogue with authorities as additional regulatory clarity, guidance, and support is needed to enable take-up and use of the Secured Overnight Financing Rate (**"SOFR"**).

I. Introduction

In response to concerns regarding the reliability and robustness of the London Interbank Offered Rate ("**LIBOR**") and other interbank offered rates ("**IBORs**"), the Financial Stability Board and the U.S. Financial Stability Oversight Council have called for the identification of risk free alternatives to LIBOR and transition plans to support implementation. In response, central banks in various jurisdictions, including the United States, the United Kingdom, Japan, Switzerland and the Eurozone, have convened working groups of market participant and official sector representatives.

In 2014, the Federal Reserve Bank of New York convened the ARRC in order to identify best practices for U.S. alternative reference rates, identify best practices for contract robustness, develop an adoption plan and create an implementation plan with metrics of success and a timeline.[2]

In June 2017, the ARRC identified a broad Treasuries repo financing rate, *i.e.*, SOFR, as the preferred alternative to U.S. Dollar LIBOR for certain new U.S. Dollar derivatives and other

[1] We note that while this letter primarily addresses issues related to the U.S. Commodity Futures Trading Commission ("**CFTC**") rules and regulations, we have also addressed this letter to the U.S. Prudential Regulators because Section II(A) of this letter requests clarification with respect to both the U.S. Prudential Regulators' and the CFTC's Non-Cleared Margin Rules. We also note that we have copied regulators in other jurisdictions in order to increase awareness of these regulatory concerns, and will be reaching out separately in order to request that they consider the application of parallel issues under their purview.

[2] Similar committees have been established in other jurisdictions, including the United Kingdom, Japan, Switzerland and the Eurozone.

financial contracts.[3] It also published an updated "Paced Transition Plan" outlining the steps that the ARRC, central counterparties (**"CCPs"**) and other market participants intend to take in order to progressively build the liquidity required to support the issuance of, and transition to, contracts referencing SOFR.[4]

We note that the transition to SOFR removes a source of risk and moves markets to a "best practice" reference rate. SOFR uses a robust underlying market with significant volume, covering multiple segments of the Treasury repo market, the largest rates market in the world. Additionally, SOFR's market is resilient, and even operated smoothly during the financial crisis. As a result, market participants are confident in its long-run sustainability, reducing risk for long-dated transactions.

In July 2017, the U.K. Financial Conduct Authority ("**FCA**"), which regulates ICE Benchmark Administration, the administrator of ICE LIBOR, announced that it has sought commitments from LIBOR panel banks to continue to contribute to LIBOR through the end of 2021, but that the FCA will not use its powers to compel or persuade contributions beyond such date.

To facilitate the most efficient path for adoption of SOFR and the other RFRs, market participants request specific inter-agency guidance regarding certain interest rate derivatives contracts. In particular, we request confirmation that the following actions, which are integral to the aforementioned IBOR regulatory reform agenda, will not result in a change in regulatory status under Title VII:

- *Amendment of Derivatives Contracts to include IBOR Fallback provisions.* In order to protect against any cessation of IBOR publication, market participants are expected to amend IBOR-linked derivatives contracts to include new fallbacks that may result in conversion of the underlying reference rate if the relevant IBOR is permanently discontinued (**"Fallback Amendment"**);

- *Replacing IBOR with Alternative RFR for Derivatives Contracts.* Some market participants may choose to voluntarily amend IBOR-linked derivatives contracts to reference the alternative RFRs (**"Replacement Rate Amendment"**); and

- *New Derivatives Contracts Referencing Alternative RFRs*. In accordance with the ARRC's Paced Transition Plan and similar plans in other jurisdictions, it is intended

[3] *See* Alternative Reference Rates Committee, Press Release, June 22, 2017, *available at* https://www.newyorkfed.org/medialibrary/microsites/arrc/files/2017/ARRC-press-release-Jun-22-2017.pdf.
[4] *See* Alternative Reference Rates Committee, Second Report, pp.17-24, March 5, 2018, *available at* https://www.newyorkfed.org/medialibrary/Microsites/arrc/files/2018/ARRC-Second-report. In March 2018, the ARRC was reconstituted with an expanded participation by additional financial institutions and trade organizations, and with additional government agencies added as ex-officio members. Industry and trade organization members of the ARRC welcome the participation of the government agencies for their ability to smooth any regulatory hurdles in the transition to SOFR and alternative RFRs for other currencies and to liaise with their international counterparts to ensure consistent international treatment in this regard. *See* Alternative Reference Rates Committee, Press Release, March 7, 2018, available *at* https://www.newyorkfed.org/medialibrary/Microsites/arrc/files/2018/ARRC-March-7-2018-press-release.pdf.

that the trading of SOFR and other RFR-linked derivatives contracts will commence in 2018 and 2019 (**"New RFR Transactions"**).

Specifically, we request clarification that:

(A) Non-cleared swap margin rules do not apply to Legacy derivatives contracts[5] that include a Fallback Amendment or Replacement Rate Amendment; and Inclusion of a Fallback Amendment or Replacement Rate Amendment in a Pre-transition derivatives contract[6] should not require counterparties to conduct a new analysis of their contract's treatment under the swap margin rules.

(B) CFTC mandatory clearing and trade execution requirements do not apply to Legacy derivatives contracts that include a Fallback Amendment or Replacement Rate Amendment or New RFR Transactions, absent a new CFTC clearing mandate determination; and Inclusion of a Fallback Amendment or Replacement Rate Amendment in a Pre-transition derivatives contract should not require counterparties to conduct a new analysis of their contract's treatment under the CFTC's clearing rules.

(C) CFTC swap dealer business conduct rules do not apply to Legacy derivatives contracts that include a Fallback Amendment or Replacement Rate Amendment; and Inclusion of a Fallback Amendment or Replacement Rate Amendment in a Pre-transition derivatives contract should not require counterparties to make new disclosures or perform new obligations under these rules.

(D) CFTC swap trading relationship documentation and confirmation requirements do not apply to Legacy derivatives contracts that include a Fallback Amendment or Replacement Rate Amendment. For Pre-transition derivatives contracts, we request confirmation that market participants will not be required to update their swap trading relationship documentation and issue new confirmations if such contracts are amended via a multilateral protocol. Additionally, we seek confirmation that market participants will be permitted to comply in good faith with the requirement under the CFTC portfolio reconciliation rules to "immediately" resolve discrepancies between trades.

(E) CFTC real-time reporting obligations do not apply to Legacy and Pre-transition derivatives contracts that include a Fallback Amendment or Replacement Rate Amendment. We request that the CFTC allow for good-faith compliance with certain CFTC regulatory reporting and recordkeeping requirements for both Legacy and Pre-transition derivatives contracts.

[5] "Legacy derivatives contracts" as used herein refer to derivatives contracts that were entered into prior to the effective date of a particular ruleset and therefore such rules do not apply to those contracts. For example, a derivatives contract entered into prior to the effective date of the clearing rules would be a Legacy derivatives contract for purposes of the clearing rules. Similarly, a derivatives contract entered into prior to the compliance date of the non-cleared margin rules would be a Legacy derivatives contract for purposes of the non-cleared margin rules.

[6] "Pre-transition derivatives contracts" as used herein refer to derivatives contracts that were entered into prior to the effective date of a Fallback Amendment or Replacement Rate Amendment, and do not include Legacy contracts unless otherwise specified.

(F) Fallback Amendments or Replacement Rate Amendments to either their derivatives contracts or their IBOR-linked loan agreements, debt instruments and other agreements or transactions do not affect an end-user's ability to rely on the clearing exception and uncleared margin exemption for swaps hedging or mitigating commercial risk.

II. Discussion

A. U.S. Regulators' Non-centrally Cleared Margin Rules

In their final margin rulemakings,[7] U.S. regulators declined to identify types of amendments that would negate a trade's legacy status and, thus, bring such trade within the scope of the margin requirements.

The FCA, on the other hand, has suggested that amending a Legacy derivatives contract referencing IBORs as part of global interest rate benchmark reform initiatives would not trigger the margin requirements.[8] To ensure an orderly transition as IBOR reform progresses, consistent regulatory treatment between jurisdictions will be important.

Amendments to Legacy derivatives contracts pursuant to a regulatory action or global reform agenda, such as the implementation of new fallbacks and adoption of RFRs, do not reflect counterparties' voluntary assumption of risk and should therefore not result in a loss of legacy status. Changing the underlying reference rate, either by voluntary agreement or by operation of a fallback provision, is an effort to retain the existing swap following a reference rate discontinuation, rather than a substitute for entering into a new swap.

The contemplated amendments will be enacted to ensure an orderly market-wide transition consistent with public sector expectations, and not to effect bilaterally negotiated material changes to Legacy derivatives contracts in lieu of entering into contracts. Such amendments should therefore be recognized by regulators as amendments which would not bring Legacy derivatives contracts into scope of the swap margin rules. Bringing these contracts within the scope of margin regulations would add to the already significant complexity of this market evolution without commensurate benefit to regulatory oversight, a position previously supported by regulators by scoping out such legacy transactions from applicable requirements.

As Pre-transition derivatives contracts are currently subject to the swap margin rules, inclusion of a Fallback Amendment or Replacement Rate Amendment in such contracts should not require counterparties to conduct new analyses of their contracts' treatment under the rules. For example, we do not believe that the margin treatment of a swap entered into in 2017 should change as a result of the inclusion of a Fallback Amendment or Replacement Rate Amendment

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[7] Margin Requirements for Uncleared Swaps for Swap Dealers and Major Swap Participants, 81 Fed. Reg. 674, 675 (Jan. 6, 2016); Margin and Capital Requirements for Covered Swap Entities, 80 Fed. Reg. 74850, 74851 (Nov. 30, 2015).

[8] *See* Minutes of Working Group on Sterling Risk-Free Rates, February 19, 2018, *available at* https://www.bankofengland.co.uk/-/media/boe/files/minutes/2018/rfr-february-2018.pdf?la=en&hash=D8F2F5CEDFDAEE45FFF8FDD0E46B0E31E7D17D4C.

even where one of the counterparties to the swap now passes the volume threshold for purposes of the margin rules.[9]

Accordingly, we request that Legacy and Pre-transition derivatives contracts referencing LIBOR and other IBORs maintain their current regulatory treatment regardless of any Fallback Amendment or Replacement Rate Amendment.

B. CFTC Clearing and Trade Execution Rules

While the CFTC's clearing and trade execution requirements[10] do not clarify how amendments to Legacy derivatives contracts should be treated, we believe that the CFTC clearing and trade execution requirements should not apply to Legacy derivatives contracts that include a Fallback Amendment or Replacement Rate Amendment. With respect to Fallback Amendments, as previously discussed, implementing new fallback provisions in Legacy derivatives contracts do not reflect counterparties' voluntary assumption of risk and is not a substitute for entering into a new swap but rather an effort to retain the existing swap following a reference rate discontinuation. Counterparties will be entering into Fallback Amendments for legitimate risk mitigation and business reasons and not for the purposes of evading the CFTC's clearing mandate.[11] Accordingly, we request that Legacy derivatives contracts that include Fallback Amendments will remain outside the scope of the CFTC's clearing and trade execution requirements.

As to Replacement Rate Amendments, amending Legacy derivatives contracts referencing LIBOR and other IBORs to reference SOFR and other RFRs would constitute a change to the underlying reference rate bringing such contracts out of scope of the CFTC's clearing mandate.[12] Therefore, we request the CFTC clarify that Legacy derivatives contracts that include Replacement Rate Amendments will remain outside the scope of the CFTC's clearing and trade execution requirements.

As part of the ARRC's Paced Transition Plan, CCPs are expected to begin accepting new or modified swap contracts linked to SOFR by Q1 2019.[13] To facilitate the development of market liquidity and the execution of the Paced Transition Plan, we also ask the CFTC to clarify that it does not presently intend to expand the clearing mandate to apply to RFR-linked swaps that are not already subject to the CFTC clearing mandate.[14] We note that RFR-linked swaps may become widely cleared and liquid, as many market participants would like, and the CFTC may then find it appropriate to issue a clearing mandate. To the extent the CFTC intends to expand

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[9] The initial margin requirements phase in over time with staggered compliance dates. *See, e.g.*,12 C.F.R. 45.1(e); 17 C.F.R. 23.161.

[10] We understand that the trade execution requirements might not be automatically triggered because Swap Execution Facilities must first make made-available-to-trade determinations.

[11] 17 C.F.R. § 50.10(a).

[12] 17 C.F.R. § 50.4.

[13] We note that CCPs have publicly announced that they will offer cleared SOFR swaps by Q3 2018 *See* https://www.risk.net/derivatives/5504371/lch-and-cme-to-start-clearing-sofr-swaps-in-third-quarter.

[14] Certain swaps referencing SONIA, the identified RFR for British pound sterling are already subject to the CFTC's clearing mandate.

the clearing mandate (and with it, potentially an expansion to the trade execution requirement) to apply to RFR-linked swaps, we request that the CFTC provide a paced schedule with appropriate advance communication to the market in order to allow an orderly implementation.

Separately, with respect to Pre-transition derivatives contracts, we request that the inclusion of a Fallback Amendment or Replacement Rate Amendment in such contracts should not require counterparties to conduct new analyses of their contracts' treatment under the CFTC clearing rules. For example, we do not believe that the clearing treatment of a swap entered into in 2017 should change as a result of the inclusion of a Fallback Amendment or Replacement Rate Amendment even where it has become possible for a clearinghouse to clear the trade.[15]

C. CFTC Business Conduct Requirements

The CFTC stated in the preamble to their external business conduct rules, that certain rules, such as pre-trade mid-market mark and scenario analysis, would not apply to Legacy swaps unless the terms of such swap have been amended in a "material" manner.[16]

As discussed above, amending a Legacy derivatives contract referencing IBORs to reflect a Fallback Amendment or Replacement Rate Amendment should not be considered a voluntary assumption of risk so as to classify it as a new contract or material amendment of a contract subject to those identified CFTC business conduct requirements. An application of these rules to the Legacy derivatives contracts will result in requiring a large number of disclosures, collection of representations, and amendments to existing documents in a concentrated timeframe, further complicating an already highly complicated transition. We therefore request that including Fallback Amendments or Replacement Rate Amendments in Legacy derivatives contracts would not negate such contracts' legacy status for the purposes of the CFTC's business conduct requirements.[17]

In addition, with respect to Pre-transition derivatives contracts, we request that the inclusion of a Fallback Amendment or Replacement Rate Amendment in a Pre-transition derivatives contract should not require counterparties to make new disclosures or perform new obligations under the CFTC business conduct rules. There are a number of external business conduct requirements that impose either performance or disclosure obligations on counterparties, such as the requirement to engage in Know Your Counterparty procedures (*i.e.*, obtaining a record of essential facts concerning each counterparty),[18] provide pre-trade disclosures (including mid-market mark and scenario analysis),[19] verify counterparty eligibility,[20] perform suitability,[21] provide notice of the

[15] 77 Fed. Reg. 74284, 74288 (Dec. 13, 2012) ("The Commission confirms that if no DCO clears a swap that falls within a class of swaps under § 50.4, then the clearing requirement does not apply to that swap.").
[16] *See* Business Conduct Standards for Swap Dealers and Major Swap Participants with Counterparties, 77 Fed. Reg. 9734, 9741 (Feb. 17, 2012).
[17] We note that at least with respect to pre-trade disclosure requirements, market participants have already begun taking steps to revise the risk disclosures for non-Legacy derivatives contracts as appropriate in the context of the transition.
[18] 17 C.F.R. § 23.402.
[19] 17 C.F.R. § 23.431.
[20] 17 C.F.R. § 23.430.
[21] 17 C.F.R. § 23.434.

right to segregation,[22] and address a number of considerations when interacting with Special Entities.[23] Currently, Pre-transition derivatives contracts are already subject to these requirements. We do not believe that inclusion of either of the contemplated amendments to Pre-transition derivatives contracts should require counterparties re-perform or re-disclose the aforementioned obligations because, as discussed above, the amendments are being enacted to conform to a regulatory-driven reform agenda and are not bilaterally negotiated between the counterparties.

D. CFTC Confirmation, Documentation, and Reconciliation Requirements

Pre-Transition Derivatives Contracts

The CFTC swap confirmation rules require swap dealers to issue new confirmation when there is an amendment to a swap.[24] The CFTC swap trading relationship documentation (**"STRD"**) rules also require swap dealers to establish procedures to ensure that swap dealers exchange confirmations with their counterparties as prescribed by the CFTC confirmation rules.[25]

In order to execute an efficient transition, market participants anticipate prioritizing the entry into multilateral industry-wide ISDA protocols that would effectively amend all existing transactions and underlying confirmations. This would allow market participants not to confirm transactions on a bilateral basis, while still complying with the CFTC's confirmation and STRD requirements.[26] Therefore, we seek confirmation that market participants will not be required to issue new confirmations or update their STRD for Pre-transition derivatives contracts that are amended via a multilateral ISDA protocol.[27]

The CFTC portfolio reconciliation rules require swap dealers to resolve discrepancies in "material terms" of their trades "immediately."[28] In certain circumstances, market participants may book Fallback Amendments or Replacement Rate Amendments to their Pre-transition derivatives contracts differently and at different times, creating potential discrepancies across counterparties' books that require immediate resolution under the CFTC rules. We therefore request clarification that market participants may engage in good faith compliance efforts, during the transitionary phase, to "immediately" resolve any such discrepancies between trades under the CFTC portfolio reconciliation rules.

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[22] 17 C.F.R. § 23.701.

[23] 17 C.F.R. §§ 23.441, 23.451. We note that additional guidance from the SEC may be necessary with respect to the nuances of the Municipal Advisor Rule, which has a safe harbor for compliance with the CFTC's rules, which may affect both Legacy and Pre-transition swaps.

[24] 17 C.F.R. § 23.500 (defining a "swap transaction" requires a new confirmation for any change to the terms of a swap, including amendments); 17 C.F.R. § 23.501.

[25] 17 C.F.R. § 23.504.

[26] 17 C.F.R. § 23.501.

[27] We note that we expect all Fallback Amendments to be implemented via multilateral protocols and expect that Replacement Rate Amendments will be implemented bilaterally and not via a multilateral protocol. However, to the extent that Replacement Rate Amendments are implemented via multilateral protocols, as noted above, we would similarly request that the CFTC provide relief from the requirement to update their swap trading relationship documentation and issue new confirmations.

[28] 17 C.F.R. § 23.502

Legacy Derivatives Contracts

In its STRD rules, the CFTC explicitly stated that the rules would not apply to Legacy derivatives contracts.[29] As discussed above, amending a Legacy derivatives contract referencing IBORs to reflect a Fallback Amendment or Replacement Rate Amendment should not be considered a voluntary assumption of risk so as to classify it as a new contract subject to the CFTC STRD requirements. We therefore seek confirmation that including Fallback Amendments or Replacement Rate Amendments in Legacy derivatives contracts would not negate such contracts' legacy status for the purposes of the CFTC documentation requirements.

The CFTC's confirmation rules may require the issuance of a new confirmation for Fallback Amendments and Replacement Rate Amendments that are included in Legacy derivatives contracts.[30] As discussed above, market participants anticipate implementing the contemplated amendments into their derivatives contracts via multilateral industry-wide ISDA protocols. Accordingly, we request that the CFTC clarify that market participants will not be required to issue new confirmations for Legacy derivatives contracts that are amended via a multilateral protocol.[31]

E. CFTC Reporting and Recordkeeping Rules

CFTC Real-Time Reporting Rules

The CFTC real-time reporting rules require counterparties to report post-execution events, such as terminations, novations, and amendments that change the price of a swap.[32]

Amending both Legacy and Pre-transition derivatives contracts that reference LIBOR and other IBORs to reference RFRs or include new fallbacks are not price forming events and therefore should not trigger real-time reporting obligations. As previously mentioned, the contemplated amendments will be enacted to ensure an orderly market-wide transition consistent with public sector expectations—they will not be negotiated bilaterally and are not intended to change or affect the price of a swap. Accordingly, we request confirmation that inclusion of Fallback Amendments and Replacement Rate Amendments to Legacy and Pre-transition derivatives contracts will not be considered a price-forming event under the CFTC's real-time reporting rules. Otherwise, requiring real-time reporting of these amendments would cause mass updates to trades and hinder post-trade transparency price discovery.

CFTC Regulatory Reporting Rules

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[29] *See* 17 C.F. R. § 23.504(a)(1)(i); Confirmation, Portfolio Reconciliation, Portfolio Compression, and Swap Trading Relationship Documentation Requirements for Swap Dealers and Major Swap Participants, 77 Fed. Reg. 55904, 55905 (Sept. 11, 2012) ("The Commission agrees with commenters that the rules should not apply retrospectively and will require compliance with the rules only with respect to swaps entered after the date on which compliance with the rules is required").

[30] 17 C.F.R. § 23.500, (defining a "swap transaction" requires a new confirmation for any change to the terms of a swap, including amendments); *see also* 17 C.F.R. §§ 23.501, 504.

[31] *See supra* note 29.

[32] *See* 17 C.F.R. § 43.2 (defining a "publicly reportable swap transaction" to include "any amendment of a swap that changes the pricing of a swap"); *see also* data field entitled "Price Forming Continuation Data Field" (Appendix A to Part 43, Table A1).

Fallback and Replacement Rate Amendments may also trigger requirements under the CFTC regulatory reporting rules.[33]

Depending on the reporting systems and operational set up of reporting counterparties, these amendments may need to be manually updated in systems to trigger updates to regulatory reporting. We also note that although the bulk of reporting counterparties are registered swap dealers, there are a number of non-swap dealer reporting counterparties that may not have systems advanced enough to make such updates in a bulk fashion. Accordingly, we request that the CFTC allow for good-faith compliance efforts, during the transitional phase, from the obligation to update[34] and/or correct[35] Swap Data Repository data for Legacy and Pre-transition derivatives contracts that include a Fallback Amendment or Replacement Rate Amendment.

CFTC Recordkeeping Requirements

Given the magnitude of the transition and the breadth of various compliance challenges, we request that the CFTC provide guidance that would allow market participants to comply in good faith, during the transitionary phase, with requirements to update their records within the timeframe provided in the CFTC rules[36] for Legacy and Pre-transition derivatives contracts, including any use of a "unique product identifier" referencing a LIBOR or an RFR-rate.

F. End-Users

As the market transitions to RFRs, there are likely to be situations where end-users will have amended either their derivatives contracts referencing IBORs to include Fallback Amendments or Replacement Rate Amendments, but have not yet amended their IBOR-linked loan agreements, debt instruments and other agreements or transactions to include new fallbacks or reference RFRs, or will have done so in reverse order. We request that, during this transitional phase, and for the reasons noted below, such derivatives contracts would maintain their status as swaps that are "used to hedge or mitigate commercial risk" as defined in the CFTC's regulations.[37]

IBOR-linked derivatives contracts that are amended to include Fallback Amendments or Replacement Rate Amendments should not be considered a new or different swap, but rather should be viewed as an effort to retain the existing swap following a reference rate discontinuation. Thus, Fallback Amendments or Replacement Rate Amendments that would result in an end-user's derivatives contracts referencing a different rate than the one employed in corresponding contracts representing the underlying commercial risks should not affect an end-user's ability to rely on the clearing exception and uncleared margin exemption for derivatives contracts that it uses to hedge or mitigate the underlying commercial risks of such corresponding contracts.

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[33] *See* definition of required swap continuation data (CFTC Rule 45.1); *see also* CFTC Rule 45.4.
[34] 17 C.F.R. § 45(a), (d) (reporting counterparties can keep data "current and accurate" through a "lifecycle" or "state" data updates).
[35] 17 C.F.R. § 45.14 requires reporting counterparties to update data for errors and omissions.
[36] 17 C.F.R. §§ 23.201-205; 17 C.F.R. § 45.2; 17 C.F.R. § 45.7.
[37] *See* 17 C.F.R. § 50.50(c).

III. Conclusion

The ARRC is strongly committed to maintaining the safety and soundness of the global derivatives markets, and is therefore supportive of the global reform agenda to transition to alternative risk-free rate benchmarks. We look forward to a continued dialogue with regulatory authorities as additional regulatory clarity and guidance is needed to facilitate this transition.

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