Last Call on LIBOR: Final Steps to Transition
Preparing for Cessation Part I: Contract Assessment & Remediation

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July 11, 2022
### Anticipated Status of LIBOR Contracts After June 30, 2023

<table>
<thead>
<tr>
<th>Trigger Events/Governing Law:</th>
<th>Precessation Trigger Included</th>
<th>No Precessation Trigger, Contract under US law</th>
<th>No Precessation Trigger, Contract under foreign law</th>
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<tbody>
<tr>
<td><strong>Fallback Type:</strong></td>
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<tr>
<td>Hardwired fallback to ARRC recommended or other specific rate</td>
<td>Contract will move to ARRC recommended or other specified hardwired replacement after June 30, 2023</td>
<td>Contract may reference synthetic LIBOR, if published, until LIBOR ceases publication, then move to the hardwired replacement rate</td>
<td>Contract likely to reference synthetic LIBOR, if published, until LIBOR ceases publication, then move to the specified replacement rate</td>
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<tr>
<td>Fallback to be selected by a Determining Person</td>
<td>Contract will move to rate selected by Determining Party after June 30, 2023 or to the Fed selected replacement if the Determining Party does not choose any replacement</td>
<td>Contract will move to Fed selected replacement after June 30, 2023 if Determining Party chooses it or does not choose any replacement, but may remain on synthetic LIBOR, if published, otherwise, until LIBOR ceases publication and then move to the rate selected by the Determining Party</td>
<td>Contract likely to reference synthetic LIBOR, if published, until LIBOR ceases publication, then move to rate selected by Determining Party</td>
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<tr>
<td>No fallback, or only references to dealer polls or previously published LIBOR values</td>
<td>Contract will move to Fed selected replacement after June 30, 2023</td>
<td>Contract will move to Fed selected replacement after June 30, 2023</td>
<td>Contract likely to reference synthetic LIBOR, if published, until LIBOR ceases publication, then may convert to fixed rate (if a previous LIBOR value is referenced) or may be subject to legal uncertainty</td>
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</tbody>
</table>
**Contract Assessment**

- Consult counsel and assess contract terms—particularly fallbacks, triggers and governing law provisions
- If contracts have a Determining Person fallback, know who your Determining Person is.
- Depending on your contract’s governing law provision, monitor official sector updates, rulemaking and decisions.

**Contract Remediation**

- OTC derivatives should sign up to relevant ISDA Protocol
- Centrally cleared derivatives should monitor and understand CCP conversion processes
- Consider remediating
  - derivatives prior to June 30, 2023 and CCP conversion dates
  - debt and securitization contracts, particularly where contracts do not have pre-cessation triggers or hardwired fallbacks and are not covered by the LIBOR Act.
  - loan agreements particularly where mass transitioning immediately following June 30, 2023 may pose operational challenges
- foreign law contracts