

Alternative Reference Rates Committee (ARRC)

Minutes for the December 9, 2020 Meeting

The ARRC Chair welcomed participants to the virtual meeting. He noted that time would be devoted in the meeting to address [recent developments](#) relevant to the LIBOR transition and that Randal Quarles, Vice Chair for Supervision of the Federal Reserve Board, and John Williams, President of the Federal Reserve Bank of New York, had joined for the initial part of the meeting.

Randal Quarles and John Williams referred to [announcements](#) from the [ICE Benchmark Administration](#) (IBA) as the administrator of LIBOR, the U.K.'s [Financial Conduct Authority](#) (FCA) as the regulator of IBA, and related supervisory guidance from [U.S. regulatory authorities](#). Following these announcements, IBA launched a consultation on its intention to cease publication of USD LIBOR. Subject to the outcome of that consultation, Randal Quarles and John Williams highlighted that together, the various announcements lay out a collective framework for ending USD LIBOR. This includes a call by supervisors for banks to stop writing new USD LIBOR contracts as soon as is practicable, and in no event later than the end of 2021, and a clear cessation date, subject to the outcome of the [IBA consultation](#). Randal Quarles and John Williams reiterated that per the supervisory guidance, the continued use of LIBOR creates safety and soundness concerns, and reinforced support for the ARRC's recommendations and proposed legislation with the State of New York. They also reiterated their support of private-sector participants' efforts to collaborate within the ARRC to develop recommendations to transition away from LIBOR and develop federal legislative solutions.

The ARRC Chair then facilitated a group discussion focused on the alignment of the announcements with the [ARRC Best Practices](#). ARRC members observed that the supervisory guidance clearly called for no new LIBOR as soon as practicable (and no later than 2021), and that the Best Practices dates for no new issuance by product type were set with such a goal in mind. ARRC members concluded that the recommended timelines as currently set out in the Best Practices were consistent with the timelines and message set out in the U.S. supervisory guidance and the IBA and FCA announcements.

The Legal working group co-Chairs facilitated an update on the work related to New York State and federal legislation. An updated [draft](#) of the ARRC's proposed New York State legislation was previously sent to NY officials following review by the ARRC Legal working group. Cadwalader discussed changes the Legal working group had proposed to the draft New York legislation, primarily to address technical concerns raised by some market participants. Legal working group representatives also summarized a proposal for federal legislation under consideration by certain members of Congress. Cadwalader provided an overview of the differences between the proposed federal and NY state legislation.

The ARRC's launch of a new non-financial corporate [working group](#) was noted. The Non-Financial Corporate working group co-Chairs provided an overview on relevant activities such as vendor readiness, intercompany and customer loans, and back-office systems. A representative of the working group presented proposed non-financial corporate conventions for intercompany loans. A draft update to the [User's Guide to SOFR](#) was also discussed as part of a more general discussion of conventions.

Members who have recused themselves from the [Spread Adjustment RFP](#) work then dropped off the line ahead of an update on the RFP. Federal Reserve staff provided an update on the RFP process. There was a discussion of initial views expressed by the RFP evaluation group regarding the evaluation of the vendors. Members were asked to send any questions they may have for the vendors to the Secretariat. The RFP evaluation group intends to engage vendors as needed and further refine its recommendations to the ARRC in upcoming weeks.

Next, members who have recused themselves from the [Term Rate RFP](#) work dropped off the line ahead of an update on the RFP. The Term Rate working group co-leads discussed recent efforts related to reviewing the submissions received from vendors and determining the potential recommended scope of use for a term rate.

The ARRC Chair closed the meeting by reminding everyone of upcoming work to take place in 2021 and thanking everyone for their diligence. The next ARRC meeting is scheduled to be held January 13th via Webex.

Attendance at the December 9, 2020 Meeting*

ARRC Members

American Bankers Association	Hu Benton
Association for Financial Professionals	Tom Hunt
AXA	Julien Zusslin
Bank of America	Sonali Theisen
Bank of America	Greg Todd*
BlackRock	Alex Krol
BlackRock	Jack Hattem
Citigroup	Jeannine Hyman
Citigroup	Josie Evans
CME Group	Agha Mirza
Comerica	Dave J Shipka
CRE Finance Council	Lisa Pendergast
CRE Finance Council	Raj Aidasani
CRE Finance Council	Sairah Burki
Deutsche Bank	Adam Eames
Deutsche Bank	Greg Coutu
Fannie Mae	Robert Ives
Fannie Mae	Wells Engledow
Federal Home Loan Bank	Kyle Lynch
Federal Home Loan Bank	Philip Scott
Ford	Jason Behnke
Ford	Nathan Herbert
Freddie Mac	Ameez Nanjee
Freddie Mac	Guim Barbour
Freddie Mac	Michelle Thomas
GE Capital	Fred Robustelli
Goldman Sachs	Guillaume Helie
Goldman Sachs	Jason Granet
Goldman Sachs	Tejal Wadhvani
HSBC	Shirley Hapangama
Huntington Bank	Beth Russell
Independent Community Bankers of America	Christopher Cole
Independent Community Bankers of America	James Kendrick
Intercontinental Exchange	Christopher Edmonds
Intercontinental Exchange	Harvey Flax
International Swaps and Derivatives Association	Phoebe Coutts
JP Morgan Chase & Co.	Alice Wang
JP Morgan Chase & Co.	Emilio Jimenez
JP Morgan Chase & Co.	Keith Stephan
JP Morgan Chase & Co.	Matthew Cherwin
JP Morgan Chase & Co.	Perry Elbadrawi
KKR	Tal Reback

LCH
Loan Syndications and Trading Association
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MetLife
MetLife
Morgan Stanley
Morgan Stanley
Morgan Stanley
Morgan Stanley
Morgan Stanley
National Association of Corporate Treasurers
National Association of Corporate Treasurers
PIMCO
PNC
PNC
Prudential Financial
Prudential Financial
Securities Industry and Financial Markets Association
Securities Industry and Financial Markets Association
Structured Finance Association
Structured Finance Association
TD Bank
TD Bank
Wells Fargo
Wells Fargo
World Bank Group

Philip Whitehurst
Meredith Coffey
Tess Virmani
Alex Strickler
Joe Demetrick
Maria Douvas
Matt Ochs
Michelle Goldstein
Paige Mandy
Tom Wipf
Eric Kolchinsky
Tom Deas
Courtney Garcia
Alex Spiro
Andrew Wilson
Chris McAlister
Gary Horbacz
Chris Killian
Rob Toomey
Jen Earyes
Kristi Leo
Greg Moore
Priya Misra
Alexis Pederson
Brian Grabenstein
Don Sinclair

Ex-Officio ARRC Members

Commodity Futures Trading Commission
Consumer Financial Protection Bureau
Federal Deposit Insurance Corporation
Federal Housing Finance Agency
Federal Reserve Bank of New York
Federal Reserve Bank of New York
Federal Reserve Bank of New York
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Sayee Srinivasan
Abhishek Agarwal
Irina Leonova
Daniel E. Coates
Betsy Bourassa
Blair Selber
Cam Fuller
Fatima Madhany
Irmak Ince
Jamie Pfeifer
John Williams
Justin Epstein
Justine Hansen
Megan Zirinsky
Nate Wuerffel
Raymond Check
Scott Sherman

Federal Reserve Bank of New York	William Riordan
Federal Reserve Board of Governors	Darren Gersh
Federal Reserve Board of Governors	David Bowman
Federal Reserve Board of Governors	Erik Heitfield
Federal Reserve Board of Governors	Evan Winerman
Federal Reserve Board of Governors	Jeffrey Huther
Federal Reserve Board of Governors	Joe Carapiet
Federal Reserve Board of Governors	Michael Held
Federal Reserve Board of Governors	Randal Quarles
New York Department of Financial Services	Steven Kluger
Office of Financial Research	Robert "Jay" Kahn
Office of Financial Research	Ron Alquist
Office of Financial Research	Sriram Rajan
Office of the Comptroller of the Currency	Ang Middleton
Office of the Comptroller of the Currency	Kevin Walsh
U.S. Chamber of Commerce	Kristen Malinconico
U.S. Chamber of Commerce	Tom Quadman
U.S. Department of Housing and Urban Development	Maria Chelo DeVenecia
U.S. Department of Housing and Urban Development	Jose Fernandez
U.S. Securities and Exchange Commission	David Metzman
U.S. Securities and Exchange Commission	Jason Leung
U.S. Securities and Exchange Commission	Michelle Danis
U.S. Securities and Exchange Commission	Tamara Brightwell
U.S. Treasury	Chloe Cabot
U.S. Treasury	Peter Phelan

Observers

Bank of Canada	Sheryl King
BNP Paribas	Simon Winn
Boston Consulting Group	Roy Choudhury
Brunswick	Casey Gunkel
Brunswick	Elizabeth Lilly
Brunswick	Jeanmarie McFadden
Brunswick	Pauline Blondiaux
Cadwalader	Jason Halper
Cadwalader	Victor Bieger
Deloitte	Alexey Surkov
Ernst & Young	Daniel Scrafford
Morgan Lewis	Jon Roellke
Morgan Lewis	Jonathan Justl
MTA	Pat McCoy
Oliver Wyman	Adam Schneider
Under Armour	Mack Makode
Venerable	Charles Schwartz

*This meeting was held via WebEx; asterisk indicates participation by dial-in.