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  
Association for Financial Professionals  
AXA  
Bank of America  
Bank of America  
BlackRock  
BlackRock  
Citigroup  
Citigroup  
CME Group  
Comerica  
CRE Finance Council  
CRE Finance Council  
CRE Finance Council  
Deutsche Bank  
Deutsche Bank  
Fannie Mae  
Fannie Mae  
Federal Home Loan Bank  
Federal Home Loan Bank  
Ford  
Ford  
Freddie Mac  
Freddie Mac  
GE Capital  
Goldman Sachs  
Goldman Sachs  
Goldman Sachs  
HSBC  
HSBC  
Huntington Bank  
Independent Community Bankers of America  
Independent Community Bankers of America  
Intercontinental Exchange  
Intercontinental Exchange  
International Swaps and Derivatives Association  
JP Morgan Chase & Co.  
JP Morgan Chase & Co.  
JP Morgan Chase & Co.  
JP Morgan Chase & Co.  
JP Morgan Chase & Co.  
KKR

*Hu Benton  
Tom Hunt  
Julien Zusslin  
Sonali Theisen  
Greg Todd*  
Alex Krol  
Jack Hattem  
Jeannine Hyman  
Josie Evans  
Agha Mirza  
Dave J Shipka  
Lisa Pendergast  
Raj Aidasani  
Sairah Burki  
Adam Eames  
Greg Coutu  
Robert Ives  
Wells Engledow  
Kyle Lynch  
Philip Scott  
Jason Behnke  
Nathan Herbert  
Ameez Nanjee  
Guim Barbour  
Michelle Thomas  
Fred Robustelli  
Guillaume Helie  
Jason Granet  
Tejal Wadhwani  
Blair Selber  
Shirley Hapangama  
Beth Russell  
Christopher Cole  
James Kendrick  
Christopher Edmonds  
Harvey Flax  
Phoebe Coutts  
Alice Wang  
Emilio Jimenez  
Keith Stephan  
Matthew Cherwin  
Perry Elbadrawi  
Tal Reback
<table>
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<tr>
<th>Organization</th>
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<td>LCH</td>
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<td>Loan Syndications and Trading Association</td>
<td>Meredith Coffey</td>
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**Ex-Officio ARRC Members**

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<tr>
<td>Commodity Futures Trading Commission</td>
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<td>Consumer Financial Protection Bureau</td>
<td>Abhishek Agarwal</td>
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<td>Federal Deposit Insurance Corporation</td>
<td>Irina Leonova</td>
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<td>Federal Housing Finance Agency</td>
<td>Daniel E. Coates</td>
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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
National Association of Insurance Commissioners  Eric Kolchinsky
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. 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  Pauline Blondiaux
Brunswick  Casey Gunkel
Brunswick  Elizabeth Lilly
Brunswick  Jeanmarie McFadden
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.