

## Alert

### **LIBOR Transition: ICE Benchmark Administration to Consult on Intent to Cease Publishing USD LIBOR Rates as of Certain Dates; A Possible Temporary Reprieve for Some Rates**

December 9, 2020

On Nov. 30, 2020, Intercontinental Exchange Inc. announced<sup>1</sup> that ICE Benchmark Administration Limited (“IBA”), the administrator of London Interbank Offered Rates (“LIBOR”), will consult on its intention to cease publication of U.S. dollar-denominated London Interbank Offered Rates (“USD LIBOR”):

- For one-week and two-month USD LIBOR, immediately following their Dec. 31, 2021 publications; and
- For overnight, one-month, three-month, six-month and twelve-month USD LIBOR, immediately following their June 30, 2023 publications.

IBA noted that any publication beyond Dec. 31, 2021 of the overnight, one-month, three-month, six-month and twelve-month USD LIBOR rates will need to comply with applicable regulations, including as to representativeness. The June 30, 2023 final publication date represents what would be an extension for such tenors beyond the previously announced Dec. 31, 2021 final publication date.

Also on Nov. 30, 2020, the Alternative Reference Rates Committee (“ARRC”) issued a press release<sup>2</sup> in which it “applauded concurrent announcements” by IBA as well as its regulator, and U.S. regulators, in regards to the proposed path forward in transitioning away from USD LIBOR, including supervisory guidance encouraging banks to stop new LIBOR issuances by the end of 2021, and IBA’s plan to consult on specific timing for ceasing the publication of LIBOR. According to the ARRC’s press release, these developments together support a smooth transition for legacy contracts by allowing time for most to mature before USD LIBOR is proposed to cease, subject to consultation outcomes. In the ARRC’s press release the ARRC noted that these developments align with the ARRC’s efforts, and will accelerate the use by market participants of the Secured Overnight Financing Rate (“SOFR”), the ARRC’s preferred alternative to USD LIBOR.

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<sup>1</sup> The IBA announcement, available [here](#).

<sup>2</sup> The ARRC press release, available [here](#).

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If you have any questions concerning this *Alert* or would like assistance with the transition from LIBOR, please contact your attorney at Schulte Roth & Zabel or one of the authors.

For the latest information on preparing for the transition from LIBOR, visit [SRZ's LIBOR Transition Resource Center](#).

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