

# IBOR Transition Newsletter

QUARTERLY NEWSLETTER | SEPTEMBER 2022

The purpose of this newsletter is to provide the latest updates and industry developments regarding the transition from Interbank Offered Rates (IBORs) to alternative reference rates (ARRs). In this issue, you will find summarized jurisdictional highlights from the global regulatory community, industry working groups, and various industry news sources.

For additional information on the IBOR and CDOR transitions please visit [BMO's IBOR Transition Website](#).

## CANADA

- CARR [continues](#) to update their CDOR transition roadmap and milestones.
- CARR [published](#) recommended fallback language for CDOR-based loans to ensure that contracts contain a robust benchmark rate following CDOR cessation
- Some industry participants are [concerned](#) over whether Canada could support an overnight in-arrears CORRA market as well as a forward looking term rate
- Montreal Exchange [launched](#) a market making program on 3-Month CORRA Futures (CRA) to improve liquidity conditions in CRA contracts and facilitate the transition to CORRA.

## UNITED STATES

- ARRC [released](#) the [LIBOR Legacy Playbook](#) to assist market participants towards a successful transition of legacy LIBOR cash products.
- ARRC [welcomes](#) Refinitiv statement to begin publishing ARRC-recommended fallback rates based on the CME Term SOFR rates in September 2022.
- CME Group announced a [proposal](#) to convert Eurodollar futures and options open interest into corresponding SOFR contracts on April 14, 2023. This proposal does not apply to Eurodollar futures and options that expire before June 30, 2023.
- CME Group [intends](#) to convert its Eurodollars open interest (OI) to SOFR contracts from April 2023 as demand surges for SOFR futures and options.
- The LSTA [submitted](#) a [comment letter](#) in response to the Federal Reserve's Notice of Proposed Rulemaking (NPR) to address complications for transition of large corporate loans.
- The Federal Reserve Board [welcomes](#) comments on proposal that provides default rules for certain contracts using the LIBOR reference rate with reference to Adjustable Interest Rate (LIBOR) Act.
- CFTC [mandates](#) clearing for interest rate swaps on IBOR alternatives such as SOFR and removes requirement to clear swaps referencing LIBOR and other certain rates.
- Invesco Indexing and SOFR Academy [launched](#) Invesco USD Across-the-Curve Credit Spread Indices (AXI), a forward-looking credit spread indices designed to work in conjunction with SOFR.
- ICE Benchmark Administration [consults](#) on potential cessation of all USD LIBOR ICE Swap Rate benchmark "runs" for all tenors immediately after publication on June 30, 2023.

## INTERNATIONAL

- The Financial Conduct Authority (FCA) [released](#) a statement encouraging issuers and bondholders of outstanding LIBOR-linked bonds to transition to fair alternative rates.
- LCH [proposed](#) to transition from swap offer rate (SOR) to Singapore Overnight Rate Average (SORA) eighteen months ahead of the legacy benchmark being axed.
- ISDA members [support](#) Bank of England's (BoE) [proposal](#) to adapt UK EMIR derivatives clearing obligation (CO) in the context of on-going interest rate benchmark reform
- The Association of Banks in Singapore [responded](#) to feedback received from paper 'Consultation on Adjustment Spreads for the Conversion of Legacy SOR Contracts.
- Refinitiv [warns](#) of insufficient pricing data ahead of the introduction of a forward looking version of €STR in the coming months.
- The FCA [sought](#) consultation on winding down continued publication of 1-, 3- and 6-month sterling LIBOR settings under the 'synthetic' methodology in order to review decisions on continued publication.

FOR MORE INFORMATION ON THESE TOPICS, OR TO BE ADDED TO THIS QUARTERLY DISTRIBUTION LIST, PLEASE CONTACT [IBOR.TRANSITIONOFFICE@BMO.COM](mailto:IBOR.TRANSITIONOFFICE@BMO.COM) | IBOR TRANSITION OFFICE