FINANCIAL STABILITY BOARD

Press release

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FSB publishes global transition roadmap for LIBOR

The Financial Stability Board (FSB) today published a global transition roadmap for LIBOR. The roadmap sets out a timetable of actions for financial and non-financial sector firms to take in order to ensure a smooth LIBOR transition by end-2021.

In July the FSB reaffirmed that financial and non-financial sector firms across all jurisdictions should continue their efforts to make wider use of risk-free rates in order to reduce reliance on IBORs where appropriate and in particular to remove remaining dependencies on LIBOR by the end of 2021.

The LIBOR benchmarks are not guaranteed to continue to be available after end-2021 and therefore preparations should be underway to reduce reliance on these rates well ahead of that point. Use of LIBOR in the five LIBOR currencies (USD, GBP, EUR, JPY and CHF) is widespread internationally. Transition away from LIBOR by end-2021 requires significant commitment and sustained effort from both financial and non-financial institutions across many LIBOR and non-LIBOR jurisdictions.

This *Global Transition Roadmap for LIBOR* is intended to inform those with exposure to LIBOR benchmarks of some of the steps they should be taking now and over the remaining period to end-2021 to successfully mitigate these risks. These are considered prudent steps to take to ensure an orderly transition by end-2021 and are intended to supplement existing timelines/milestones from industry working groups and regulators. Among the steps in the Roadmap:

- **Firms should have already**, identified and assessed all existing LIBOR exposures and agreed on a project plan to transition in advance of end-2021.
- **By the effective date of the ISDA Fallbacks Protocol**, the FSB strongly encourages firms to have adhered to the Protocol.
- **By the end of 2020**, firms should be in a position to offer non-LIBOR linked loans to their customers.
- **By mid-2021**, firms should have established formalised plans to amend legacy contracts where this can be done and have implemented the necessary system and process changes to enable transition to robust alternative rates.
- **By end-2021**, firms should be prepared for LIBOR to cease.

Notes to editors

The FSB set out in 2014 a series of recommendations for strengthening key interbank offered rates (IBORs) in the unsecured lending markets, and for promoting the development and adoption of alternative nearly risk-free reference rates, where appropriate. The FSB and member authorities, through the FSB Official Sector Steering Group (OSSG) chaired by Andrew Bailey (Governor, Bank of England) and John C. Williams (President and CEO, Federal Reserve Bank of New York), are working to implement and monitor these recommendations. The FSB published its most recent annual progress report in December 2019 on implementation of the recommendations.

In July 2020, the FSB and Basel Committee on Banking Supervision published a report on supervisory issues associated with benchmark transition, setting out recommendations for authorities to support financial institutions' and their clients' progress in transitioning away from LIBOR.

The FSB coordinates at the international level the work of national financial authorities and international standard-setting bodies and develops and promotes the implementation of effective regulatory, supervisory, and other financial sector policies in the interest of financial stability. It brings together national authorities responsible for financial stability in 24 countries and jurisdictions, international financial institutions, sector-specific international groupings of regulators and supervisors, and committees of central bank experts. The FSB also conducts outreach with approximately 70 other jurisdictions through its six Regional Consultative Groups.

The FSB is chaired by Randal K. Quarles, Vice Chairman, US Federal Reserve; its Vice Chair is Klaas Knot, President of De Nederlandsche Bank. The FSB Secretariat is located in Basel, Switzerland, and hosted by the Bank for International Settlements.

For further information on the FSB, visit the FSB website, www.fsb.org.