



## IBA Consultation: What You Need to Know

ICE Benchmark Administration Limited (IBA), the administrator of the London Interbank Offered Rate (LIBOR), has released a consultation on its intention to cease the publication of the one week and two month US Dollar (USD) LIBOR settings immediately following the LIBOR publication on December 31, 2021, and the five remaining USD LIBOR settings (overnight and one, three, six and twelve months) immediately following the LIBOR publication on June 30, 2023. This consultation also addresses IBA's intention to cease the publication of all British Pound (GBP), Euro (EUR), Swiss Franc (CHF) and Japanese Yen (JPY) LIBOR settings immediately following the LIBOR publication on December 31, 2021. Responses to the consultation are due by January 25, 2021. The consultation can be found at this [link](#). The consultation should not be read as announcing that any LIBOR benchmark has ceased or will absolutely be ceased as of any date.

After IBA's announcement on its intentions, the Financial Conduct Authority (FCA), the Board of Governors of the Federal Reserve System in conjunction with the Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation, and the International Swaps and Derivatives Association (ISDA) all released statements in response. Each of their respective statements welcomed and supported the proposal to extend the timeline for cessation of the five USD LIBOR settings by 18 months until June 30, 2023. The extension of the publication of these USD LIBOR tenors until June 30, 2023 would allow some legacy USD LIBOR contracts maturing after 2021 to mature before USD LIBOR experiences disruptions, and would provide market participants with additional time to address USD LIBOR contracts maturing after June 30, 2023.

### Key Takeaways:

- **Cessation Timeline:** IBA is consulting on its intention to cease the publication of all GBP, EUR, CHF and JPY LIBOR settings, as well as one week and two month USD LIBOR, following the LIBOR publication on December 31, 2021. IBA is also consulting on its intention to extend the publication of the other five USD LIBOR tenors (overnight and one, three, six and twelve months) until June 30, 2023.
- **ISDA Protocol:** IBA's announcements and consultation proposing to cease the publication of certain LIBOR settings as of December 31, 2021 and to extend the cessation of multiple USD LIBOR settings until June 30, 2023 does not constitute a trigger event under the ISDA Interbank Offered Rate (IBOR) Fallbacks Supplement (Supplement) or the ISDA 2020 IBOR Fallbacks Protocol (Protocol). ISDA published statements in response to the IBA's consultation announcements to reiterate that none of IBA's announcements constitute an index cessation event under the Supplement or the Protocol. Therefore, IBA's announcements and consultation will not trigger the fallbacks under the Supplement or the Protocol (i.e., to the adjusted risk-free rate plus spread) or have any effect on the calculation of the spread.



Invesco is currently analyzing the impact of IBA's consultation on its intention to extend the publication of the overnight, one month, three month, six month, and twelve month USD LIBOR settings until June 30, 2023. Invesco intends to continue moving forward with its existing plans and LIBOR transition activities until IBA's consultation results are finalized.

If you have additional questions related to IBA's consultation, please review published documentation or reach out to your Invesco representative.

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