

IBA and UK FCA Announce New Consultations Addressing LIBOR Cessation and “Tough Legacy” Contracts

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On November 18, the administrator of LIBOR announced that it will, in the near future, consult on its intention to cease the publication of all GBP, EUR, CHF and JPY LIBOR settings after December 31, 2021. While the press release notes that discussions regarding the future of USD LIBOR are continuing, it goes on to say that there can be no guarantee that the administrator will be able to publish any USD LIBOR settings after that date.

Also on November 18, the UK Financial Conduct Authority outlined its potential use of proposed new powers to ensure an orderly wind-down of LIBOR. This includes a proposed new power to require continued publication on the basis of a changed methodology to assist so-called “tough legacy” contracts that cannot practicably be transitioned away from LIBOR.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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