

## UK Government Announces Enhanced FCA Powers to Deal with “Tough Legacy” LIBOR Contracts

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Highlighting that legislative steps could help address the “tough legacy” contracts that cannot transition from LIBOR, the UK Government announced on June 23 its intention to expand the powers of the UK Financial Conduct Authority (the “FCA”) to allow it to require an administrator to change the methodology of a critical benchmark and clarify the purpose for which the FCA may exercise this power. These powers could be used by the FCA to modify LIBOR to permit its continued use in modified form for those legacy contracts to allow them to wind down to maturity without needing to transition 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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