

UK Working Group on Sterling Risk-Free Reference Rates (RFR WG) 2020 Top Level Priorities

1. Cease issuance of GBP LIBOR-based cash products maturing beyond 2021 by end Q3 2020
2. Take steps throughout 2020 to promote & enable widespread use of SONIA compounded in arrears
3. Take steps to enable a further shift of volumes from GBP LIBOR to SONIA in derivative markets
4. Establish a clear framework to manage transition of legacy LIBOR products, to significantly reduce the stock of GBP LIBOR referencing contracts by Q1 2021.
5. Provide market input on issues around “tough legacy”

UK RFR Working Group Roadmap | 2020

- ◆ Communications
- ◆ Convention developments
- ◆ Working Group deliverables
- ◆ Term rate developments
- ◆ Key market targets
- ◆ ISDA developments

	Q1	Q2	Q3	Q4	2021		
Working Group Communications	<ul style="list-style-type: none"> ◆ Statement of 2020 RFR Working Group priorities and supporting documents: <ul style="list-style-type: none"> • Factsheet for end-users • Consent Solicitation statement • Term Rate Use Case Paper 	<p style="text-align: center;">Ongoing education and awareness campaigns, including a series of webinars, roundtables and events</p>					
RFR Working Group Deliverables	<ul style="list-style-type: none"> ◆ Swaption conventions: anonymized survey feedback published 	<ul style="list-style-type: none"> ◆ 'Tough Legacy': paper published 	<ul style="list-style-type: none"> ◆ Loans Enablers taskforce publish detailed roadmap to Q3 target 	<ul style="list-style-type: none"> ◆ Cash credit spread adjustment: summary feedback published ◆ Cash legacy transition paper published 	<ul style="list-style-type: none"> ◆ Term Rate: provisional development for dealers to stream prices to venues 	<ul style="list-style-type: none"> ◆ Term Rate: providers publish an initial 'beta' term rate to be used for testing purposes 	<ul style="list-style-type: none"> ◆ Term Rate: provisional live Term Rate published
Market Developments		<ul style="list-style-type: none"> ◆ Q1 TARGET Key infrastructure available from Treasury Management Systems and loans vendors to use compounded SONIA 	<ul style="list-style-type: none"> ◆ Q2 TARGET End-users of loan systems ready to support SONIA syndicated loans Critical internal dependencies are addressed (e.g. updates to funds transfer pricing, intercompany loans and Asset Liability Management) 	<ul style="list-style-type: none"> ◆ Q3 TARGET Cease issuance of GBP LIBOR-based cash products maturing beyond 2021 	<ul style="list-style-type: none"> ◆ Q1 2021 TARGET Stock of LIBOR referencing contracts significantly reduced 		
		<ul style="list-style-type: none"> ◆ Interest rate swap conventions change from LIBOR to SONIA 	<ul style="list-style-type: none"> ◆ ISDA protocol expected to be published, introducing amended fallback terms for IBORs in definitions and protocol. <i>(Pending finalisation of elements relating to Euro markets and pre-cessation triggers)</i> 	<ul style="list-style-type: none"> ◆ ISDA protocol: expected target for adoption 			