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”
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| Statement of 2020 RFR Working Group priorities and supporting documents:  
- Factsheet for end-users  
- Consent Solicitation statement  
- Term Rate Use Case Paper | Ongoing education and awareness campaigns, including a series of webinars, roundtables and events | ISDA protocol: expected target for adoption | ISDA protocol expected to be published, introducing amended fallback terms for IBORs in definitions and protocol. (Pending finalisation of elements relating to Euro markets and pre-cessation triggers) | ISDA protocol: expected target for adoption | ISDA protocol: expected target for adoption | ISDA protocol: expected target for adoption |
| Q1 Event: communicate Q3 target to Corp/Mid-Corp/SMEs/Specialist Finance | Ongoing communications to cash market stakeholders | \(\text{Q2 TARGET}\)  
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) | Ongoing communications to cash market stakeholders | \(\text{Q3 TARGET}\)  
Cease issuance of GBP LIBOR-based cash products maturing beyond 2021 | Ongoing communications to cash market stakeholders | \(\text{Q1 2021 TARGET}\)  
Stock of LIBOR referencing contracts significantly reduced |
| Swaption conventions: anonymized survey feedback published | Loans Enablers taskforce publish detailed roadmap to Q3 target | Cash credit spread adjustment: summary feedback published | Cash legacy transition paper published | Cash legacy transition paper published | Cash legacy transition paper published | Cash legacy transition paper published |
| ‘Tough Legacy’: paper published | Term Rate: provisional development for dealers to stream prices to venues | Term Rate: providers publish an initial ‘beta’ term rate to be used for testing purposes | Term Rate: provisional live Term Rate published | Term Rate: provisional live Term Rate published | Term Rate: provisional live Term Rate published | Term Rate: provisional live Term Rate published |
| Swaption conventions: anonymized survey feedback published | Loans Enablers taskforce publish detailed roadmap to Q3 target | Cash credit spread adjustment: summary feedback published | Cash legacy transition paper published | Cash legacy transition paper published | Cash legacy transition paper published | Cash legacy transition paper published |
| ‘Tough Legacy’: paper published | Term Rate: provisional development for dealers to stream prices to venues | Term Rate: providers publish an initial ‘beta’ term rate to be used for testing purposes | Term Rate: provisional live Term Rate published | Term Rate: provisional live Term Rate published | Term Rate: provisional live Term Rate published | Term Rate: provisional live Term Rate published |
| Market Developments |
| Interest rate swap conventions change from LIBOR to SONIA | ISDA protocol expected to be published, introducing amended fallback terms for IBORs in definitions and protocol. (Pending finalisation of elements relating to Euro markets and pre-cessation triggers) | ISDA protocol: expected target for adoption | ISDA protocol: expected target for adoption | ISDA protocol: expected target for adoption | ISDA protocol: expected target for adoption | ISDA protocol: expected target for adoption |
| Q1 TARGET  
Key infrastructure available from Treasury Management Systems and loans vendors to use compounded SONIA | 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) | Q3 TARGET  
Cease issuance of GBP LIBOR-based cash products maturing beyond 2021 | Q4 2021 TARGET  
Stock of LIBOR referencing contracts significantly reduced |

Updated January 2020