

The path to LIBOR replacement

As the New York Federal Reserve Bank launches its Secured Overnight Financing Rate (SOFR) as its alternative to LIBOR, a new report by its Alternative Reference Rate Committee (ARRC) details the transition period and the pursuit of a baseline level of liquidity for derivatives contracts using the new rate.

The report lays out a six-step transition plan, which concludes at the end of 2021 with the creation of a term reference rate based on SOFR derivatives.

ARRC's Paced Transition Plan

