

LIBOR (USD) Transition

DTCC IS HELPING TO FACILITATE THE CENTRALIZED COMMUNICATION OF THE LIBOR BENCHMARK REPLACEMENT RATE TO THE INVESTOR COMMUNITY IN AN AUTOMATED AND STANDARDIZED FASHION.

OVERVIEW

The London Inter-Bank Offered Rate index will be retired in June 2023. Securities that are currently using the LIBOR (USD) to calculate their interest rates will need to choose and communicate a replacement rate to the investor community ahead of the retirement date. By working with the FRBNY Alternative Reference Rate Committee (ARRC) and other various industry organizations, DTCC has been able to compile requirements to create a centralized solution to disseminate benchmark replacement details through several different types of output, including the LENS repository directly to the end marketplace. The process has been designed to collect, streamline, and standardize communication in a timely fashion to the industry to mitigate various risks and to ensure a smooth transition from the LIBOR index.

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HOW IT WORKS

DTCC's LIBOR Benchmark Replacement Index solution is comprised of two-parts:

- 1. Input:** DTCC has created the **LIBOR Replacement Index Communication Tool** to collect descriptive replacement rate details from issuers, agents, trustees and other determining persons. The tool, which comes without a cost, will be hosted on **www.dtcc.com**. There, users can upload Excel or CSV files representing rate change details on multiple securities as well as accompanying documentation in a secure and efficient manner. In addition, the tool itself has been vetted and designed in partnership with the corporate trust and agent community.
- 2. Output:** There will be two mediums that clients can consume in order to review, update their security reference data files and notify their clients:
 - A. Machine-readable file for automated consumption of the descriptive rate data. An intraday file available via FTP/NDM that will allow subscribers the ability to receive the fielded data systematically.
 - B. Enhancements to DTCC's Legal Notice System (**LENS**). There will be a new notice type in **LENS** that has been created specifically for LIBOR benchmark replacement details. Existing and future subscribers will access descriptive replacement rate details on easy-to-read PDF with the accompanying documentation available to

By centralizing the communication of the replacement rate for LIBOR; issuers, their associated trustees, agents, and the investor community alike can use the new DTCC process to be prepared well in advance of the LIBOR retirement date.

The new solution will allow for the fielding of descriptive reference data for efficient, machine-to-machine communication instead of individuals or teams assigned to review large, complex legal documents to determine these details.

WHO CAN USE IT?

Issuers, their trustees, and agents will be able to input descriptive benchmark replacement rates directly into DTCC's system. Users of LENS will be able to select and view this information as a new notice type. In addition, Buy-side, sell side and data providers will be able to subscribe to and consume the automated output by contacting DTCC Data Services.

BENEFITS

Subscribers will be able to receive LIBOR replacement rate information that Issuers, their trustees and agents submit through the LIBOR Replacement Index Communication Tool.

Some of the many benefits include:

- **Single User Interface (UI):** To communicate the LIBOR index replacement for your applicable securities in one place through a flexible web UI.
- **Designed with the industry:** The UI and the fields found within along with the consumable output have been vetted and agreed upon through various industry working group sessions.
- **Standardized data to communicate:** The format of the fields and how they will be used have all been agreed to and are meant to be communicated machine-to-machine.
- **Choose what you would like to submit:** You can upload multiple documents including PDFs; data in bulk using Excel workbooks or Comma Separated Value (CSV) files or you can use a preloaded form to seamlessly communicate the descriptive information.
- **Flexible output available:** Consumers of this information can choose which format they would like to subscribe to receive this data using a file and/or the LENS system.
- **Future integrations possible:** The convenient, flexible, and straight through nature of the UI and associated outputs can be built for other processes to help streamline the investor communication process.

FOR MORE INFORMATION

For more information about how to communicate the LIBOR replacement rate information as an agent, trustee or issuer please click [here](#) to be contacted directly by a member of DTCC's Relationship Management team. If you would like more information about subscribing to the automated output with fielded data, please contact DTCC's Data Services team by clicking [here](#).