

FCA finally announces Libor transition end date

The UK regulator has officially announced the date at which Libors will cease to be representative - a milestone in the transition



Financial Conduct Authority (FCA)

Source: Shutterstock

There it is in black and white.

The Financial Conduct Authority has made the much-awaited [pre-cessation announcement](#).

In addition to the confirmation that most Libors, the so-called London Interbank Offered Rate will cease to be representative on 31 December (except one, three, six months USD Libor), the FCA also detailed plans for the production of synthetic Libor replacement after these dates in a limited number of cases.

A rocket on transition efforts

The ramifications are manifold, as discussed in our [latest Libor transition report published last](#)

[month](#).

Chief among them, the announcement fixes the spread calculation in fallback rates. This is relevant for many contracts that include a pre-cession trigger for this spread calculation, notably for derivatives counterparties having signed up to the ISDA's and ISDA trades conducted after January 25 2021.

[As ISDA, the financial derivatives industry body said](#), "it will likely put a rocket on transition efforts".

[Read our in-depth lbor transition report here](#)

Author

Antoine Bouvet

Head of European Rates Strategy

antoine.bouvet@ing.com