 **I****BOR TRANSFORMATION
AUSTRALIAN WORKING GROUP**

### STATEMENT

#### USD LIBOR Cessation

#### 9 June 2023

The U.S. Dollar LIBOR panel will cease on 30 June 2023. This means that in a matter of weeks, LIBOR will cease as a representative rate.

The 30 June milestone marks the final chapter in the process that began in 2017, to remove reliance on unsustainable LIBOR rates and build a more robust foundation for the financial system.

Ahead of the 30 June 2023 deadline, market participants must be prepared for the following:

* The overnight and 12 month-US dollar LIBOR settings will cease after final publication on 30 June 2023.
* The 1-, 3-, and 6-month US dollar LIBOR settings will be published in synthetic form from 3 July 2023 until end-September 2024, for use in legacy contracts only (other than in cleared derivatives).
* All new use of these remaining US dollar LIBOR settings will be prohibited.

In a recent [statement](https://www.newyorkfed.org/medialibrary/Microsites/arrc/files/2023/ARRC-30-days-statement.pdf), the New York Fed’s Alternative Reference Rates Committee (ARRC) emphasised that:

*…firms should already be fully prepared for this imminent deadline; those with remaining exposures are urged to draw upon readily available transition tools now.*

Supervisory bodies have made it clear that the possible publication of synthetic USD LIBOR is not a reason to delay the transition of contracts from USD LIBOR to SOFR.

*As we had previously* [*stated*](https://afma.com.au/getattachment/Policy/topics/Benchmarks-Ibor-Transition/Sections/Content/20220404-ITAWG-Market-Statement-Publication.pdf?lang=en-AU)*:*

*Unlike for LIBOR, regulators in Australia are not advocating a wholesale transition from BBSW to referencing the risk-free rate. In Australia’s case, this is the cash rate, also known as AONIA. Instead, Australia is taking a multi-rate approach whereby market participants should choose the reference rate that best suits the particular product and situation.*

For additional information on benchmark reform in the Australian context, visit the [ITAWG’s webpage.](https://afma.com.au/ibor-transformation-working-group)

**Notes**

**The IBOR Transformation Australian Working Group is the national working group for considering the strategic issues facing Australia as the market is transformed by international developments with regard to IBOR transition and leading work on domestic responses to the change.**