






Alternative Reference Rates Committee

2019 Incremental Objectives

The Alternative Reference Rates Committee (ARRC) continues to support and prepare market participants for the transition to alternative reference rates. These objectives are complementary to the previously outlined [Paced Transition Plan](#).

ARRC 2.0 Objectives	2019 Priorities / Milestones	Date
 Build market liquidity and drive demand for SOFR	<ul style="list-style-type: none"> FRB staff to publish indicative compounded SOFR and forward-looking SOFR term rates with transparent calculation methodology 	2Q19 ✓
	<ul style="list-style-type: none"> ARRC to launch Infrastructure and Operations Working Group and host vendor workshop 	2Q19 ✓
	<ul style="list-style-type: none"> Continue to grow market liquidity and build SOFR-linked instruments: <ul style="list-style-type: none"> Encourage launch of SOFR-linked loans and securitizations Monitor and encourage issuance of SOFR-linked FRNs Further develop liquidity in SOFR-linked derivatives 	Ongoing YE19 Ongoing Ongoing
	<ul style="list-style-type: none"> ARRC to issue final recommended fallback contract language for new issuances of FRNs, syndicated loans, bilateral loans, securitizations and encourage market participants to utilize this language 	2Q19 ✓
 Create and implement robust fallbacks	<ul style="list-style-type: none"> ARRC to assess fallback spread adjustment methodologies for appropriateness in use for cash products 	2H19
	<ul style="list-style-type: none"> ISDA to finalize definitions amendments to include fallbacks in new derivative contracts and to offer protocol to allow inclusion of amended definitions in legacy derivatives contracts 	YE19
	<ul style="list-style-type: none"> ARRC to continue identifying needed regulatory relief and tax/accounting requirements to promote uptake of ISDA protocol and eliminate hurdles to a smooth transition 	Ongoing
	<ul style="list-style-type: none"> ARRC to explore potential options for seeking legislative relief from New York State legislature for legacy products 	Ongoing
 Launch consumer products-focused working group	<ul style="list-style-type: none"> ARRC launched a Consumer Products Working Group, including CFPB, to ensure fair and transparent process including input and feedback from consumer groups, lenders, and investors in finding models of SOFR that will work for all key parties and preparing fallback processes and communications 	1Q19 ✓
	<ul style="list-style-type: none"> ARRC to consult on consumer product fallbacks and describe applications and uses of SOFR in consumer products 	2Q19
 Education and outreach to receive public feedback and ensure market readiness	<ul style="list-style-type: none"> ARRC to continue ongoing targeted engagement through trade associations, industry conferences, and media with policymakers to ensure participants understand LIBOR will cease to exist and to coordinate transition 	Ongoing
	<ul style="list-style-type: none"> ARRC to continue to issue best practices, FAQs, consultations for public input 	
	<ul style="list-style-type: none"> ARRC to publish bi-monthly newsletter to promote transparency and awareness of developments 	
 Coordinate across national working groups	<ul style="list-style-type: none"> ARRC to continue regular communication with other NWGs and cross-currency work streams to share best practices, identify risks created by differences in rate selection and implementation timing 	Ongoing
	<ul style="list-style-type: none"> NWGs to provide update on implementation progress and plans 	2H19