

## Alternative Reference Rates Committee (ARRC)

### Minutes for the August 1, 2017 Meeting

- 1) The ARRC welcomed members of its Advisory Group of end users to the meeting and thanked them for their input in to the ARRC's deliberations.
- 2) The ARRC discussed a [recent speech](#) by Andrew Bailey, Chief Executive of the U.K. Financial Conduct Authority (FCA), regarding the future of LIBOR. The speech stated that the FCA sought voluntary agreement with LIBOR panel members to continue their participation in LIBOR until the end of 2021. The speech also noted that while LIBOR rates may continue to exist after 2021, FCA would no longer be in a position to guarantee that they would.
- 3) The ARRC discussed how uncertainty about LIBOR's future after 2021 would affect the ARRC's transition plans, given that the paced transition plan assumed that LIBOR would continue to be available for legacy contracts. Participants noted that the ARRC may now need to expand its planning to address rate transitions in legacy contracts referencing LIBOR in the event that LIBOR ceased publication, and to include other contracts in addition to derivatives in its transition plans for new trading activity. Participants noted the importance of understanding how LIBOR was referenced in different types of contracts, and that it would be important to ensure that the needs of smaller and potentially less-sophisticated investors and institutions were addressed in its transition plans. Participants noted a desire to continue exploring the feasibility of developing an IOSCO-compliant term rate that could eventually complement the ARRC's recommended overnight repo rate.
- 4) Federal Reserve staff presented [charts](#) on the relationship between the overnight alternative repo reference rate recommended by the ARRC in June, and historical data on several other publicly available overnight repo rates. The presentation also included historical data on the correlation between LIBOR and nonfinancial commercial paper rates relative to a risk-free OIS rate.
- 5) ISDA provided an update on its work to draft amendments to its definitions and a voluntary protocol to incorporate a new fallback for USD LIBOR based on the ARRC's recommended repo rate that would apply to new (through the amendments to the definitions) and legacy (through the voluntary protocol) transactions if USD LIBOR ceased to be published permanently. ISDA's work also covers LIBOR in other currencies and other IBORs.
- 6) The ARRC discussed its next steps, including the creation of several subgroups to develop and refine its implementation plans. The ARRC also discussed forming an implementation group comprised of ARRC members and end users to continue work related to the adoption of the alternative reference rate following the publication of ARRC's final report later this year. The ARRC discussed the timing of a possible roundtable, which was subsequently set for November 2 and is to be held at the Federal Reserve Bank of New York.

**Attendance for the August 1, 2017 Meeting**  
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**ARRC Member Attendees**

Bank of America	Paul Scurfield*
Bank of America	Alex van Voorhees
Barclays	Chris Leonard
BNP	Larry Bentzianov*
Citigroup	Deirdre Dunn*
Citigroup	Heraclio Rojas
CME	Agha Mirza
CME	Fred Sturm
Credit Suisse	Guy Kearsley*
Deutsche Bank	Adam Eames
Deutsche Bank	Kayam Rajaram
Deutsche Bank	Sam Wisnia*
Goldman Sachs	Alexander Blanchard
Goldman Sachs	Scott Rofey*
HSBC	Pieter van Vredenburg
HSBC	Shirley Hapangama
ISDA	Anne Battle
JP Morgan	Emilio Jimenez*
JP Morgan	Sandra O' Connor
LCH	Phillip Whitehurst*
Morgan Lewis	Jon Roellke*
Morgan Stanley	Maria Douvas*
Morgan Stanley	Thomas Wipf
Nomura	Jennifer Schiffman
Nomura	Steve Licini
RBS	David Wagner*
Société Générale	Subadra Rajappa
UBS	Christian Rasmussen
Wells Fargo	Ben Bonner*
Wells Fargo	Cronin McTigue*

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**ARRC Advisory Group Attendees**

Blackrock	Jack Hattem
Citadel	Jon Tipermas*
City of New York Comptroller's Office	Mike Haddad*
FHLBNY	Phil Scott*
FHLBNY	Vikram Dongre*
Freddie Mac	Ameez Nanjee*
Freddie Mac	Sean Forde*
GE Capital	Paul Galen*
Manulife	Henry Wong*
Met Life	Jason Manske
Met Life	Sharon Wu
PIMCO	Bill de Leon*
PNC	Andrew Wilson*
Verizon	Heather Le*
Verizon	Jenny Tse*
World Bank	Don Sinclair

**Ex Officio Member Attendees**

Federal Reserve Bank of New York	Raymond Check
Federal Reserve Bank of New York	Katie Bayeux
Federal Reserve Bank of New York	William Riordan*
Federal Reserve Board	Chris Clubb*
Federal Reserve Board	David Bowman
Federal Reserve Board	Jerome Powell*
Federal Reserve Board	Joshua Luria*
Office of Financial Research	Matthew McCormick*
Treasury	Chloe Cabot*
Treasury	Brian Smith*
CFTC	Sayee Srinivasan*

\*indicates participation by phone