

**December 4, 2020**

**[By Michael C. Flynn](#)**

### **LIBOR Administrator Announces Wind-down Dates for Publication of LIBOR Index Data; Federal Bank Regulators Announce that Banks Should Cease Using LIBOR in New Contracts by December 31, 2021**

ICE Benchmark Administration, the British-based LIBOR administrator, announced that it intends to cease the publication of the one-week and two month U.S. Dollar LIBOR settings immediately after December 31, 2021, and the other U.S. Dollar LIBOR settings immediately after June 20, 2023.

Accordingly, on November 30, the U.S. Federal banking regulators (the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation) issued a Statement on LIBOR Transition (Statement) which provides that:

- Banks' failure to prepare for disruptions to U.S. Dollar LIBOR, including operating with insufficiently robust fallback language, could undermine financial stability and banks' safety and soundness.
- Therefore, banks entering into contracts using U.S. Dollar LIBOR as a reference rate after December 31, 2021, will have such practices evaluated as a safety and soundness risk in examinations.
- New contracts entered into before December 31, 2021 should use a non-LIBOR reference rate or have robust fallback language, including a clearly defined alternative reference rate after LIBOR's discontinuation.
- The regulators recognize that use of LIBOR may be appropriate after December 31, 2021 in very limited circumstances, such as market making and hedging related to transactions entered into before January 1, 2022.

A copy of the Federal banking regulators' Statement can be found here:

[https://www.fdic.gov/news/press-releases/2020/pr20129a.pdf?source=govdelivery&utm\\_medium=email&utm\\_source=govdelivery](https://www.fdic.gov/news/press-releases/2020/pr20129a.pdf?source=govdelivery&utm_medium=email&utm_source=govdelivery)

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