

## Press release

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### FSB welcomes smooth transition from LIBOR

The Financial Stability Board (FSB) today published a [statement welcoming the smooth transition away from LIBOR](#) at the end of last year.

The end of 2021 marked a major milestone in the transition away from LIBOR and the FSB welcomes the smooth transition to robust alternative rates across global markets, primarily overnight risk-free or nearly risk-free rates (RFRs). The absence of any significant market disruptions is a testament to the magnitude of market participants' efforts and the level of attention from the regulators and industry bodies to support the transition to RFRs.

Given the significant use of USD LIBOR globally, the FSB emphasises that firms must have plans in place to ensure their preparedness for the cessation of the USD LIBOR panel. Firms should have already ceased new use of USD LIBOR. It has been repeatedly emphasised by authorities that the continuation of some USD LIBOR settings through to end-June 2023 is intended only to allow legacy contracts to mature.

To ensure financial stability, it is important that market participants transition from LIBOR and other IBORs that are set to be discontinued. The FSB encourages firms to maintain momentum in active transition of legacy LIBOR contracts that reference synthetic GBP and JPY LIBOR settings. The FSB also continues to support engagement with emerging market and developing economies to maintain a smooth transition from LIBOR to RFRs, across all global markets.

The FSB plans to conduct a follow-up assessment in H2 2022 to identify any remaining transition and supervisory challenges to support the LIBOR transition effort. The FSB's Official Sector Steering Group (OSSG) will continue to serve as a forum in 2022 and 2023 for cooperation amongst authorities that have leading roles in interest rate benchmark reforms and transition preparedness.

The FSB OSSG is currently led by co-chairs John C. Williams, President of the Federal Reserve Bank of New York and Nikhil Rathi, Chief Executive Officer of the UK Financial Conduct Authority, who succeeded Andrew Bailey, Governor of the Bank of England, in this role in January 2022.

#### Notes to editors

The FSB set out in 2014 a series of recommendations for strengthening key interbank offered rates (IBORs) in the unsecured lending markets, and for promoting the development and

adoption of alternative nearly risk-free reference rates, where appropriate. The FSB OSSG works to implement and monitor these recommendations.

The FSB coordinates at the international level the work of national financial authorities and international standard-setting bodies and develops and promotes the implementation of effective regulatory, supervisory, and other financial sector policies in the interest of financial stability. It brings together national authorities responsible for financial stability in 24 countries and jurisdictions, international financial institutions, sector-specific international groupings of regulators and supervisors, and committees of central bank experts. The FSB also conducts outreach with approximately 70 other jurisdictions through its six Regional Consultative Groups.

The FSB is chaired by Klaas Knot, President of De Nederlandsche Bank. The FSB Secretariat is located in Basel, Switzerland, and hosted by the Bank for International Settlements.

For further information on the FSB, visit the FSB website, [www.fsb.org](http://www.fsb.org).