

ISDA Publishes New Fallbacks for Additional IBORs

NEW YORK, December 16, 2021 – The International Swaps and Derivatives Association, Inc. (ISDA) has today published a new set of fallbacks for derivatives referenced to certain interbank offered rates (IBORs) not covered by ISDA’s initial fallbacks rollout earlier this year.

The new fallbacks cover IBORs in India (MIFOR), Malaysia (KLIBOR), New Zealand (BKBM), Norway (NIBOR), the Philippines (PHIREF) and Sweden (STIBOR), ensuring a robust replacement based on risk-free rates would automatically take effect if any of those benchmarks permanently ceases to exist. Both MIFOR and PHIREF use US dollar LIBOR as an input, so the fallbacks for MIFOR and certain PHIREF tenors (overnight, one, three and six month) have been designed to apply at the point the relevant US dollar LIBOR setting ceases or becomes non-representative, scheduled to occur in mid-2023.

ISDA has published a supplement to the 2006 ISDA Definitions plus a new version of the 2021 ISDA Interest Rate Derivatives Definitions to enable parties to include the fallbacks into new derivatives transactions from today. The December 2021 Benchmark Module of the ISDA 2021 Fallbacks Protocol has also been published to allow firms to incorporate the fallbacks into all legacy derivatives contracts with counterparties that also adhere to the protocol. That module is effective from today, and other modules covering additional IBORs may be published in future.

“By covering a wider array of IBORs, ISDA has extended the safety net of fallbacks to even more derivatives users, reducing the potential for market disruption should one of those IBORs permanently cease to exist. Our priority is to facilitate safe and efficient derivatives markets, so we will continue to work with regulators and industry participants to review coverage and determine if further extensions of the fallbacks are necessary,” said Scott O’Malia, ISDA’s Chief Executive.

The latest set of fallbacks follow the [October 2020 publication](#) of the ISDA 2020 IBOR Fallbacks Supplement and protocol, which covered Australia’s Bank Bill Swap Rate, the Canadian Dollar Offered Rate, euro LIBOR, EURIBOR, HIBOR, the Singapore dollar Swap Offer Rate, sterling LIBOR, Swiss franc LIBOR, the Thai baht Interest Rate Fixing, TIBOR, euroyen TIBOR, yen LIBOR and US dollar LIBOR. That supplement and protocol came into effect on [January 25, 2021](#), and nearly 15,000 entities have so far signed the ISDA 2020 IBOR Fallbacks Protocol.

The December 2021 Benchmark Module of the ISDA 2021 Fallbacks Protocol is available [here](#).

Supplement number 90 to the 2006 ISDA Definitions is available [here](#).

The latest version of the 2021 ISDA Interest Rate Derivatives Definitions is available [here](#).

More information on benchmark transition and fallbacks work is available on [ISDA's website](#).

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About ISDA

Since 1985, ISDA has worked to make the global derivatives markets safer and more efficient. Today, ISDA has over 960 member institutions from 78 countries. These members comprise a broad range of derivatives market participants, including corporations, investment managers, government and supranational entities, insurance companies, energy and commodities firms, and international and regional banks. In addition to market participants, members also include key components of the derivatives market infrastructure, such as exchanges, intermediaries, clearing houses and repositories, as well as law firms, accounting firms and other service providers. Information about ISDA and its activities is available on the Association's website: www.isda.org. Follow us on [Twitter](#), [LinkedIn](#), [Facebook](#) and [YouTube](#).

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