

ISDA Board Statement on the IBOR Fallbacks Supplement and Protocol

NEW YORK, October 9, 2020 – The International Swaps and Derivatives Association, Inc. (ISDA) today published a statement from its Board of Directors on the forthcoming launch of the IBOR Fallbacks Supplement and IBOR Fallbacks Protocol.

“On October 1, 2020, ISDA received a [business review letter](#) from the US Department of Justice (DoJ) regarding the new fallbacks it plans to implement in its standard documentation for derivatives. The letter states that “the Department has concluded that ISDA’s proposal is unlikely to produce anticompetitive effects, and ISDA’s proposal has the potential to offer substantial benefits to the financial services industry. Accordingly, the Department has no present intention to challenge ISDA’s proposal to amend its standard documentation”.

“Most other competition authorities do not have a formal process equivalent to the US business review letter. However, ISDA has kept the Australian Competition and Consumer Commission (ACCC), the Canadian Competition Bureau (CCB), the European Commission Directorate-General for Competition (DG Comp) and certain other competition authorities fully informed of the issues covered in the DoJ letter. ISDA does not anticipate adverse action by these authorities with respect to its implementation of new fallbacks in ISDA’s standard documentation for derivatives.

“As a result of the work described above, ISDA will launch the IBOR Fallbacks Supplement to the 2006 ISDA Definitions and the ISDA 2020 IBOR Fallbacks Protocol on October 23, 2020. The supplement and the amendments made by the protocol will take effect on January 25, 2021. On this date, all new derivatives contracts that incorporate the 2006 ISDA Definitions and reference one of the covered IBORs will contain the new fallbacks. Derivatives contracts existing as of this date will incorporate the new fallbacks if both counterparties have adhered to the protocol or otherwise bilaterally agreed to include the new fallbacks in their contracts. The protocol will remain open for adherence after this effective date.”

Background information on the new derivatives fallbacks is [available here](#).

For additional information on benchmark reform, visit ISDA’s [benchmark reform and transition from LIBOR](#) page on the ISDA 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 925 member institutions from 75 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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