

Future Cessation Guidance – 2021 ISDA Interest Rate Derivatives Definitions and 2006 ISDA Definitions

IBA announcement of future permanent cessation of USD LIBOR ICE Swap Rate®

The International Swaps and Derivatives Association, Inc. (“**ISDA**”) provides the following guidance for parties to over-the-counter derivative transactions that are affected by the announcement made on November 14, 2022 by the ICE Benchmark Administration (“**IBA**”) relating to the future cessation of all tenors of the USD LIBOR ICE Swap Rate (the “**IBA Cessation Announcement**”).

On November 14, 2022, IBA announced that, following feedback from market participants on its public [consultation](#) published in August 2022, calculation and publication of each tenor of the USD LIBOR ICE Swap Rate (which will be the USD LIBOR ICE Swap Rate with an underlying rate of 3-month USD LIBOR®) will cease immediately after publication on June 30, 2023. The announcement can be found [here](#) and the feedback statement on the August 2022 consultation [here](#).

The IBA Cessation Announcement is not an announcement regarding any ICE Swap Rate settings other than the USD LIBOR ICE Swap Rate.

Previously, on October 1, 2021, IBA started publishing a [USD SOFR Spread-Adjusted ICE Swap Rate](#) in ‘beta’ form, as the first level fallback rate contained in the relevant ISDA documentation¹ which would apply from the first day on which 3-month USD LIBOR would ordinarily have been provided but is either Non-Representative or no longer provided. However, IBA has stated that this rate is being provided on a trial basis, and has expressly prohibited its use in financial instruments and contracts.

This guidance is of particular relevance in the context of the [Supplement 88 to the 2006 ISDA Definitions, published on November 10, 2021](#), which updates provisions in the 2006 ISDA Definitions that refer or relate to the USD LIBOR ICE Swap Rate (“**Supplement 88**”) and Version 3.0 of the 2021 ISDA Interest Rate Derivatives Definitions (the “**2021 Definitions**”) (as well as subsequent versions of the 2021 Definitions). Supplement 88 and Version 3.0 of the 2021 Definitions were published following a [consultation by ISDA](#) on the implementation of fallbacks for the GBP LIBOR ICE Swap Rate and the USD LIBOR ICE Swap Rate and ISDA’s [announcement](#) of the results of that consultation.

In addition to Supplement 88 and Version 3.0 of the 2021 Definitions, ISDA has also published:

(1) a [form of combined amendment agreement](#) to enable parties to amend one or more existing Confirmations for legacy transactions incorporating the 2006 ISDA Definitions or Version 1.0 or 2.0 of the 2021 Definitions which reference the USD LIBOR ICE Swap Rate to introduce equivalent fallbacks for the USD LIBOR ICE Swap Rate to those set out in Supplement 88 and Version 3.0 of the 2021 Definitions (the “**USD LIBOR ICE Swap Rate Fallback Provisions**”). This amendment agreement also enables parties to amend existing Confirmations to introduce fallbacks for the GBP LIBOR ICE Swap Rate and the JPY LIBOR Tokyo Swap Rate (the “**Combined Swap Rates Amendment Agreement**”).

(2) a [standalone form of amendment agreement](#) to enable parties to amend one or more existing Confirmations for legacy transactions incorporating the 2000 ISDA Definitions, the 2006 ISDA

¹ Note that not all versions of the 2006 Definitions and the 2021 Definitions will apply this fallback.

Definitions or Version 1.0 or 2.0 of the 2021 Definitions that reference the USD LIBOR ICE Swap Rate to incorporate the USD LIBOR ICE Swap Rate Fallback Provisions (the “**USD ISR Standalone Amendment Agreement**”); and

(3) a **standalone form of amendment agreement** to enable parties to amend one or more existing Confirmations for legacy transactions incorporating the 2000 ISDA Definitions, the 2006 ISDA Definitions or Version 1.0 or 2.0 the 2021 Definitions or Confirmations containing generic references to the USD LIBOR ICE Swap Rate to incorporate the USD LIBOR ICE Swap Rate Fallback Provisions (the “**USD ISR June 2022 Amendment Agreement**”, and together with the Combined Swap Rates Amendment Agreement and the USD ISR Standalone Amendment Agreement, the “**USD ISR Amendment Agreements**”).

In June 2022 ISDA published the June 2022 Benchmarks Module to the ISDA 2021 Fallbacks Protocol (the “**June 2022 Benchmarks Module**”) to enable parties to incorporate the USD LIBOR ICE Swap Rate Fallback Provisions into (1) legacy transactions referencing the USD LIBOR ICE Swap Rate and incorporating (or referring to) the 2000 Definitions, the 2006 Definitions or Version 1.0 or 2.0 of the 2021 Definitions and (2) legacy transactions containing generic references to the USD LIBOR ICE Swap Rate.

ISDA is issuing this guidance in the interest of mitigating market risk and the promotion of orderly and consistent application of triggers and fallbacks by market participants. This guidance is not legal advice and market participants should consult their legal advisors as appropriate. Market participants should not rely on this guidance for any purpose but should review the contractual terms of each affected transaction in order to understand the effects of the events described above. ISDA does not assume any responsibility for this guidance and it is not intended to set a precedent. Parties are not obliged to follow this guidance. For cleared transactions and transactions executed on electronic confirmation platforms, market participants should refer to the contractual terms of the applicable clearing house or confirmation platform, as applicable.

Guidance

The purpose of this Guidance is:

- (1) **2021 ISDA Interest Rate Derivatives Definitions**: to describe how the terms of the 2021 ISDA Interest Rate Derivatives Definitions (the “**2021 Definitions**”), for swap transactions and swaptions that incorporate one of Versions 1.0 to 7.0 of the 2021 Definitions, apply to the IBA Cessation Announcement;
- (2) **2006 ISDA Definitions**: to describe how the terms of the 2006 ISDA Definitions (the “**2006 Definitions**”), both for swap transactions and swaptions entered into before the publication of Supplement 88 on November 10, 2021 and following publication of Supplement 88 on November 10, 2021, will apply to the IBA Cessation Announcement;
- (3) **2018 ISDA Benchmarks Supplement**: to describe how the terms of the 2006 ISDA Definitions Benchmarks Annex to the ISDA Benchmarks Supplement (the “**ISDA Benchmarks Supplement**”) apply to the IBA Cessation Announcement; and
- (4) **June 2022 Benchmarks Module**: to describe how the terms of the June 2022 Benchmarks Module apply to the IBA Cessation Announcement.

Terms used but not defined in this Guidance have the meanings given to them in the 2021 Definitions, the 2006 Definitions, including in Supplement number 70 to the 2006 ISDA Definitions (the “**IBOR Fallbacks Supplement**”), the ISDA Benchmarks Supplement, or the June 2022 Benchmarks Module, as applicable.

The IBA Cessation Announcement

In August 2022, IBA issued a **consultation** in respect of, amongst other things, possible cessation of the USD LIBOR ICE Swap Rate.

Having considered the feedback received, in the IBA Cessation Announcement IBA stated:

“Based on the feedback received, IBA is announcing today that it will cease the publication of all USD LIBOR ICE Swap Rate “runs” (i.e. USD LIBOR Rates 1100, USD LIBOR Spreads 1100 and USD LIBOR 1500) for all tenors immediately after publication on June 30, 2023.

Users of USD LIBOR ICE Swap Rate benchmark should take account of its upcoming cessation and ensure their contractual and other arrangements linked to the benchmark contain appropriate fallback or other arrangements to address the cessation.

Please note that the consultation was not a consultation on the potential for the cessation of any ICE Swap Rate settings other than USD LIBOR ICE Swap Rate.

Other than the above announcement regarding the cessation of the USD LIBOR ICE Swap Rate, none of the consultation, this feedback statement, or any related press release is, or should be taken to be or include, an announcement that IBA will cease or continue the publication of any other ICE Swap Rate settings (i.e. EUR ICE Swap Rate or GBP SONIA ICE Swap Rate), after June 30, 2023 or any other date.”

2021 Definitions (Versions 1.0 to 7.0)

Each version of the 2021 Definitions Floating Rate Matrix contains the following Floating Rate Options: “USD-LIBOR ICE Swap Rate-11:00” and “USD-LIBOR ICE Swap Rate-15:00” (the “**2021 USD LIBOR**

ISR Floating Rate Options)". The USD LIBOR ICE Swap Rate may also be the Settlement Rate for a USD swaption or swap transactions referencing one of the USD LIBOR Floating Rate Options, on (1) Automatic Exercise/Fallback Exercise of the swaption, (2) on cash settlement of the swaption, or (3) on cash settlement of a swap transaction referencing USD LIBOR that is cash settled on an Optional Early Termination/Mandatory Early Termination (if the Cash Settlement Method is Collateralized Cash Price²).

The relevant permanent cessation triggers for the 2021 USD LIBOR ISR Floating Rate Options and the USD LIBOR ICE Swap Rate as the Settlement Rate are:

- (i) Versions 1.0 and 2.0: "Index Cessation Event" in respect of the USD LIBOR ICE Swap Rate as the Applicable Benchmark; and
- (ii) Versions 3.0 to 7.0: both an "Index Cessation Event" in respect of the USD LIBOR ICE Swap Rate as the Applicable Benchmark and "USD LIBOR Index Cessation Event" in respect of the 3-month tenor of USD LIBOR as the Applicable Benchmark.

A USD LIBOR Index Cessation Event occurred (for the purposes of Versions 3.0 to 7.0 of the 2021 Definitions) as a result of the announcement made on March 5, 2021 by the Financial Conduct Authority that USD LIBOR for the 3-month tenor would be non-representative or would cease immediately after June 30, 2023 (the "**FCA Statement**").

An Index Cessation Event has now occurred in respect of the USD LIBOR ICE Swap Rate for the purposes of Versions 1.0 to 7.0 as a result of the IBA Cessation Announcement.

In both cases, the related Index Cessation Effective Date is the first day following June 30, 2023 on which 3-month USD LIBOR/USD LIBOR ICE Swap Rate would ordinarily have been provided but is no longer provided (the Index Cessation Effective Date for each of the USD LIBOR ICE Swap Rate and USD LIBOR will consequently be the same day)³.

Versions 3.0 to 7.0 of the 2021 Definitions

Pursuant to Versions 3.0 to 7.0 of the 2021 Definitions, two Permanent Cessation Triggers have occurred in respect of the 2021 USD LIBOR ISR Floating Rate Options as both an Index Cessation Event in respect of the USD LIBOR ICE Swap Rate (Permanent Cessation Trigger 1) has occurred and a USD LIBOR Index Cessation Event in respect of USD LIBOR (Permanent Cessation Trigger 2) has occurred. However, the hierarchy provision in the Floating Rate Matrix provides that where both Permanent Cessation Triggers have occurred, the consequences of the USD LIBOR Index Cessation Event (Permanent Cessation Trigger 2) will apply from and including the Index Cessation Effective Date for 3-month USD LIBOR (the "USD LIBOR Applicable Index Cessation Effective Date").

Accordingly, from the USD LIBOR Applicable Index Cessation Effective Date, "Permanent Cessation Fallbacks for USD LIBOR ICE Swap Rate" will apply to the 2021 USD LIBOR ISR Floating Rate Options⁴. These fallbacks include a published fallback rate calculated by reference to the adjusted USD

² Collateralized Cash Price uses the Settlement Rate to determine the Cash Settlement Amount. There is a further Cash Settlement Method in the 2021 Definitions – Par Yield Curve – Unadjusted – that also uses the Settlement Rate to determine the Cash Settlement Amount. However, that Cash Settlement Method is only applied to GBP LIBOR transactions in the 2021 ISDA Settlement Matrix and it is assumed that this Cash Settlement Method does not apply to any USD LIBOR transactions documented under the 2021 Definitions.

³ This date is expected to be Monday, July 3, 2023, unless Monday, July 3, 2023 is an unscheduled holiday. Note that the relevant benchmark for the purposes of a USD LIBOR Index Cessation Event pursuant to Versions 3.0 to 7.0 is USD LIBOR, not the USD LIBOR ICE Swap Rate, although the expected dates of cessation (or non-representativeness in the case of USD LIBOR) are the same for both of these benchmarks.

⁴ These fallbacks are set out in a section titled "Permanent Cessation Fallbacks for USD LIBOR ICE Swap Rate" of the 2021 Definitions. The section number is 9.83.1, 9.75.1, 9.70.1, 9.70.1, 9.57.1 in Versions 7.0, 6.0, 5.0, 4.0 and 3.0, respectively.

SOFR swap rate⁵. IBA has been publishing a **USD SOFR Spread-Adjusted ICE Swap Rate** since October 1, 2021. However, this rate is currently only being published in 'beta' form and the IBA has specifically prohibited its use in financial instruments and contracts. It is not known, as of the date of this Guidance, when a production version of this rate will become available. In the absence of a published adjusted SOFR swap rate, the Calculation Agent will be responsible for calculating that adjusted SOFR swap rate, based on the formula set out in the 2021 Definitions (which formula is substantively identical to the formula IBA uses to calculate the USD SOFR Spread-Adjusted ICE Swap Rate)⁶.

When the USD LIBOR ICE Swap Rate is the Settlement Rate, the same fallbacks as described above for the 2021 USD LIBOR ISR Floating Rate Options apply, pursuant to Section 17.3.6 (*Permanent Cessation Fallback Provisions in respect of the Settlement Rate for LIBOR Swap Rate Transactions*) of Versions 3.0 to 7.0 of the 2021 Definitions.

Version 2.0 of the 2021 Definitions⁷

The fallback which applies to the USD LIBOR ISR Floating Rate Options following the Index Cessation Effective Date⁸ in respect of the USD LIBOR ICE Swap Rate is "Temporary Non-Publication Fallback – Reference Banks". This involves a poll of five leading dealers in the New York City interbank market, followed by Calculation Agent determination if an insufficient number of quotations is provided.

The fallback for when the USD LIBOR ICE Swap Rate is the Settlement Rate, set out in Section 17.3.1(ii) (*Fallback following Permanent Cessation Trigger or Administrator/Benchmark Event in respect of the Settlement Rate*) of Version 2.0, is also "Reference Banks" which similarly involves a dealer poll with a further fallback to Calculation Agent determination if an insufficient number of quotations is provided.

Version 1.0 of the 2021 Definitions⁹

The fallback for the USD LIBOR ISR Floating Rate Options and for USD LIBOR ICE Swap Rate as the Settlement Rate, following the Index Cessation Effective Date¹⁰, in respect of the USD LIBOR ICE Swap Rate is the Generic Fallback Provisions. In the case of the Settlement Rate, the Generic Fallback Provisions will be modified by Section 17.3.2 (*Generic Fallback Provisions in respect of the Settlement Rate*) of Version 1.0 of the 2021 Definitions. Refer to the **ISDA Summary of the Generic Fallback Provisions** for a summary of the Generic Fallback Provisions including a summary of those provisions as modified for the purposes of the Settlement Rate.

⁵ The fallbacks for the "USD-LIBOR ICE Swap Rate-11:00" and "USD-LIBOR ICE Swap Rate-15:00" Floating Rate Options are substantially the same. However, the latter Floating Rate Option includes an additional fallback to the adjusted SOFR-based rate provided at 11:00 on the relevant rate fixing day, if the adjusted SOFR-based rate due to be published at 15:00 is not provided on that day.

⁶ The formula is set out in a section titled "Permanent Cessation Fallbacks for USD LIBOR ICE Swap Rate" of the 2021 Definitions. The section number is 9.83.1, 9.75.1, 9.70.1, 9.70.1, 9.57.1 in Versions 7.0, 6.0, 5.0, 4.0 and 3.0, respectively.

⁷ This analysis applies to documents incorporating Version 2.0 of the 2021 Definitions which have not been amended (whether by the USD ISR Amendment Agreements, the June 2022 Benchmarks Module or otherwise).

⁸ This will be the first day immediately following Friday, June 30, 2023, on which the USD LIBOR ICE Swap Rate would ordinarily have been provided but is no longer provided, which is expected to be Monday, July 3, 2023, unless Monday, July 3, 2023 is an unscheduled holiday.

⁹ This analysis applies to documents incorporating Version 1.0 of the 2021 Definitions which have not been amended (whether by the USD ISR Amendment Agreements, the June 2022 Benchmarks Module or otherwise).

¹⁰ This will be the first day immediately following Friday, June 30, 2023, on which the USD LIBOR ICE Swap Rate would ordinarily have been provided but is no longer provided, which is expected to be Monday, July 3, 2023, unless Monday, July 3, 2023 is an unscheduled holiday.

2006 Definitions

Pre-Supplement 88

For transactions with a Trade Date prior to November 10, 2021 (the publication date of Supplement 88) which have not been amended (whether by the USD ISR Amendment Agreements, the June 2022 Benchmarks Module or otherwise) to include the USD LIBOR ICE Swap Rate Fallback Provisions, once the USD LIBOR ICE Swap Rate is no longer provided:

- (i) “USD-ISDA-Swap Rate” / “USD-ISDA-Swap Rate-3:00” / “USD-ISDAFIX3-Swap Rate” / “USD-ISDAFIX3-Swap Rate-3:00” (the “**2006 USD LIBOR ISR Rate Options**”)¹¹ will be determined using the “USD-CMS-Reference Banks” Rate Option i.e. the determination will be made by reference to a dealer poll¹²; and
- (ii) if the Settlement Rate is the USD LIBOR ICE Swap Rate, the Settlement Rate¹³ will be determined using a Cash Settlement Reference Bank dealer poll or, if fewer than three quotations are provided by Cash Settlement Reference Banks, by the Seller (if Section 13.9 applies) or the Calculation Agent (if Section 18.2(f) applies).

Post-Supplement 88 or pre-Supplement 88 transactions which have been amended to incorporate the USD LIBOR ICE Swap Rate Fallback Provisions

For transactions with a Trade Date on or after November 10, 2021 (the publication date of Supplement 88) and for transactions with a Trade Date prior to November 10, 2021 but which have been amended to include the terms of Supplement 88 (whether by the USD ISR Amendment Agreements, the June 2022 Benchmarks Module or otherwise), from the first day on which three month USD LIBOR¹⁴ would ordinarily have been provided but is either Non-Representative or no longer provided (the “USD LIBOR Index Cessation Effective Date”), the fallbacks in Supplement 88 will apply (as further explained below).

Supplement 88 updates the 2006 USD LIBOR ISR Rate Options, Section 13.9 (*Settlement Rate on Automatic Exercise or Fallback Exercise*) and Section 18.2(f) (*Settlement Rate*) to include fallbacks which would apply upon the 3-month tenor of USD LIBOR, as the benchmark referenced in the transactions that underlie the USD LIBOR ICE Swap Rate, becoming Non-Representative or being no longer provided following a ‘USD LIBOR Index Cessation Event’. These fallbacks include a published fallback rate calculated by reference to the adjusted USD SOFR swap rate¹⁵. IBA has been publishing

¹¹ These Rate Options are set out in Section 7.1(ab) (*U.S. Dollar*) of the 2006 Definitions.

¹² The relevant rate will be determined “on the basis of the mid-market semi-annual swap rate quotations provided by the Reference Banks at approximately 11:00 a.m., New York City time, on the day that is two U.S. Government Securities Business Days preceding that Reset Date, and, for this purpose, the semi-annual swap rate means the mean of the bid and offered rates for the semi-annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating U.S. Dollar interest rate swap transaction with a term equal to the Designated Maturity commencing on that Reset Date and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an Actual/360 day count basis, is equivalent to USD-LIBOR-BBA with a Designated Maturity of three months”, as per Section 7.1(ab)(x) (*USD-CMS-Reference Banks*) of the 2006 Definitions.

¹³ Sections 13.9 (*Settlement Rate on Automatic Exercise or Fallback Exercise*) and 18.2(f) (*Settlement Rate*) of the 2006 Definitions reference the USD LIBOR ICE Swap Rate for purposes of (i) determining whether the Buyer of a USD swaption is “in-the-money” for the purposes of Automatic Exercise or Fallback Exercise and (ii) calculating the settlement amount for cash settled USD swaptions (and certain swap transactions to which Optional Early Termination or Mandatory Early Termination apply).

¹⁴ Importantly, the relevant benchmark is USD LIBOR, not the USD LIBOR ICE Swap Rate, although the expected dates of cessation (or non-representativeness in the case of USD LIBOR) are the same for both of these benchmarks.

¹⁵ The fallbacks for the “USD-ISDA-Swap Rate” and “USD-ISDA-Swap Rate-3:00” Rate Options are substantially the same. The latter Rate Option includes an additional fallback to the adjusted SOFR-based rate provided at 11:00 on the relevant rate fixing day, if the adjusted SOFR-based rate due to be provided at 15:00 is not provided on that day.

a **USD SOFR Spread-Adjusted ICE Swap Rate** since October 1, 2021. However, this rate is currently only being published in ‘beta’ form and IBA has specifically prohibited its use in financial instruments and contracts. It is not known, as of the date of this Guidance, when a production version of this rate will become available. In the absence of a published adjusted SOFR swap rate, the Calculation Agent will be responsible for calculating that adjusted SOFR swap rate, based on the formula set out in Supplement 88 (which formula is substantively identical to the formula IBA uses to calculate the USD SOFR Spread-Adjusted ICE Swap Rate)¹⁶. For the purposes of Supplement 88, a ‘USD LIBOR Index Cessation Event’ has already occurred on March 5, 2021 by virtue of the FCA Statement and the related USD LIBOR Index Cessation Effective Date is expected to be Monday, July 3, 2023.¹⁷

In contrast to Versions 3.0 to 7.0 of the 2021 Definitions, which has both a permanent cessation trigger linked to the cessation of the USD LIBOR ISR and a permanent cessation trigger linked to cessation of the relevant tenor of USD LIBOR, Supplement 88 does not include a separate permanent cessation trigger by reference to permanent cessation of the USD LIBOR ICE Swap Rate itself. Consequently, the IBA Cessation Announcement does not trigger the application of any provisions under Supplement 88 and does not affect the occurrence of the USD LIBOR Index Cessation Event, nor the consequences thereof, as described above. If USD LIBOR ISR were to be unavailable at any time prior to the USD LIBOR Index Cessation Effective Date, a fallback to Reference Banks/Cash Settlement Reference Banks would apply, as per the position described under ‘Pre-Supplement 88’ above.

Application of the ISDA Benchmarks Supplement to the IBA Cessation Announcement

For the purposes of applying the ISDA Benchmarks Supplement, if the USD LIBOR ICE Swap Rate is a Settlement Rate and/or the index referred to in the Floating Rate Option (such that it is a “Relevant Benchmark”), the IBA Cessation Announcement will constitute an “Index Cessation Event” under the 2006 ISDA Definitions Benchmarks Annex to the ISDA Benchmarks Supplement and the provisions of the ISDA Benchmarks Supplement will therefore apply to transactions that incorporate the 2006 Definitions and the ISDA Benchmarks Supplement (in the case of the latter either directly or via the ISDA 2018 Benchmarks Supplement Protocol). This means that from the occurrence of the Index Cessation Event each party must act in good faith and use commercially reasonable efforts to seek to apply each applicable “Alternative Continuation Fallback” as set out in the ISDA Benchmarks Supplement. These Alternative Continuation Fallbacks are substantially the same as those set out in the Generic Fallback Provisions in the 2021 Definitions. Please refer to the **ISDA Summary of the Generic Fallback Provisions** for further information on these Alternative Continuation Fallbacks.

However, if the terms of Supplement 88 apply, as the updated USD LIBOR ISR Rate Options as well as the updated Settlement Rate provisions relating to the USD LIBOR ICE Swap Rate set out in Supplement 88 include a reference to a concept defined or otherwise described as an “index cessation event”, a “Priority Fallback” as defined in Section 1.1 (*Specific provisions for certain Relevant Benchmarks*) of the 2006 ISDA Definitions Benchmarks Annex to the ISDA Benchmarks Supplement will apply. Therefore, the new fallbacks in Supplement 88 will apply in priority to the provisions of Section 1.2 (*Consequences of a Benchmark Trigger Event*) of the 2006 ISDA Definitions Benchmarks Annex to the ISDA Benchmarks Supplement. The provisions of Section 1.2 (*Consequences of a Benchmark Trigger Event*) of the 2006 ISDA Definitions Benchmarks Annex to the ISDA Benchmarks Supplement will consequently only apply (i) to the extent that the “Priority Fallback” (i.e., the fallback in Supplement

¹⁶ The formula is set out in the definition of “Calculated USD ISR Fallback Rate” in Section 1(e) of Supplement 88.

¹⁷ The USD LIBOR Index Cessation Effective Date will be the first day immediately following Friday, June 30, 2023, on which the USD LIBOR ICE Swap Rate would ordinarily have been provided but is no longer provided, which is expected to be Monday, July 3, 2023, unless Monday, July 3, 2023 is an unscheduled holiday.

88) fails to provide a means of determining the index level (although this is not expected), at which point each party must seek to apply one or more “Alternative Continuation Fallbacks” prior to the “Cut-off Date” or (ii) if a contract does not incorporate the terms of Supplement 88 and therefore a “Priority Fallback” does not apply.

June 2022 Benchmarks Module¹⁸

The June 2022 Benchmarks Module enables parties to incorporate the USD LIBOR ICE Swap Rate Fallback Provisions into (1) legacy transactions referencing the USD LIBOR ICE Swap Rate and incorporating (or referring to) the 2000 Definitions, the 2006 Definitions or Version 1.0 or 2.0 of the 2021 Definitions and (2) legacy transactions containing generic references to the USD LIBOR ICE Swap Rate.

Protocol Covered Documents referencing the USD LIBOR ICE Swap Rate will be amended by the June 2022 Benchmarks Module as described below.

If a Protocol Covered Document either (i) incorporates Version 1.0 or 2.0 of the 2021 Definitions and references the USD LIBOR ICE Swap Rate, or (ii) references the USD LIBOR ICE Swap Rate “as defined” or having the meaning given in Version 1.0 or 2.0 of the 2021 Definitions, the June 2022 Benchmarks Module amends that Protocol Covered Document by including the USD LIBOR ICE Swap Rate Fallback Provisions from Version 3.0 of the 2021 Definitions.

If a Protocol Covered Document either (i) incorporates the 2006 or 2000 Definitions and references the USD LIBOR ICE Swap Rate, or (ii) references the USD LIBOR ICE Swap Rate “as defined” or having the meaning given in the 2006 or 2000 Definitions, the June 2022 Benchmarks Module amends the Protocol Covered Document by including the USD LIBOR ICE Swap Rate Fallback Provisions from Supplement 88.

If a Protocol Covered Document otherwise references the USD LIBOR ICE Swap Rate, howsoever defined, the June 2022 Benchmarks Module amends that Protocol Covered Document by including the USD LIBOR ICE Swap Rate Fallback Provisions from Version 3.0 of the 2021 Definitions.

Please refer to the corresponding sections above for a summary of the USD LIBOR ICE Swap Rate Fallback Provisions introduced in Version 3.0 of the 2021 Definitions and in Supplement 88.

Application of the IBOR Fallbacks Supplement and IBOR Fallbacks Protocol to the IBA Cessation Announcement

The IBOR Fallbacks Supplement amends and restates certain IBOR Rate Options and related terms. None of the USD LIBOR ISR Rate Options are covered by the IBOR Fallbacks Supplement.

An Index Cessation Event under both the IBOR Fallbacks Supplement and the IBOR Fallbacks Protocol only applies to an Applicable Rate. The definition of “Applicable Rate”, as set out in Section 7.3(k) (*Applicable Rate*) of the 2006 Definitions, introduced by the IBOR Fallbacks Supplement, includes USD LIBOR for the purposes of “USD-LIBOR-BBA” and “USD-LIBOR-BBA-Bloomberg” but not any of the USD LIBOR ISR Rate Options, which are different benchmarks based on swap transactions that reference USD LIBOR, as well as other inputs. Consequently, the IBA Cessation Announcement does

¹⁸ The June 2022 Benchmarks Module and the associated FAQs can be found [here](#) and [here](#), respectively. The June 2022 Benchmarks Module is a Benchmark Module to the 2021 Fallbacks Protocol. The 2021 Fallbacks Protocol and the associated FAQs can be found [here](#) and [here](#), respectively.

not constitute an Index Cessation Event under the IBOR Fallbacks Supplement or the IBOR Fallbacks Protocol.