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Frequently Asked Questions: discontinuation of TOIS fixing

1. When is the TOIS fixing being discontinued?

On 15th November 2016, ACI Suisse announced the termination of the TOIS fixing effective 29th December 2017. The last TOIS fixing will therefore be on the 29th December 2017.

2. What are the impacted contract types?

Any contracts that reference the TOIS fixing.

The ISDA working group identified the following two contract types where the TOIS fixing is most widely used:

(i) CHF Overnight Interest Rate Swaps (OIS) that reference the CHF-TOIS-OIS-COMPOUND Floating Rate Option (with maturities beyond 29th December 2017); and

(ii) ISDA credit support documentation that reference TOIS as the interest rate for calculating interest amounts on CHF cash collateral.

3. What is the recommended replacement fixing?

The Swiss National Bank Working Group on CHF Reference Interest Rates recommended that SARON replace the TOIS fixing as a benchmark prior to 29th December 2017.

4. What is the relevant Floating Rate Option for SARON in the 2006 ISDA Definitions?

ISDA published Floating Rate Option “CHF-SARON-OIS-COMPOUND” in Supplement 51 to the 2006 ISDA Definitions (dated 3rd April 2017).

This is a self-compounding Floating Rate Option indented to be referenced in OIS transactions.

[Link to Supplement 51 to the 2006 ISDA Definitions](#)

5. How are contracts amended from TOIS to SARON?

ISDA has published a form of bilateral amendment agreement for firms to utilise in amending contracts referencing TOIS to SARON.

[Link to form of TOIS-SARON bilateral amendment agreement](#)

6. What are the potential consequences if contracts referencing TOIS are not amended by 29th December 2017?

Particular reference should be made to the disclaimer at the top of this document. Market participants may be concerned that such failure could generate uncertainty in relation to their and their counterparties' respective contractual obligations and consequently cause disruption to their commercial and legal interests.

7. Where can I find more information on the transition from TOIS to SARON?

[Link to Swiss National Bank website page on reform of reference rates](#)

ISDA contacts: Jonathan Martin (jmartin@isda.org); Rick Sandilands (rsandilands@isda.org).