4th October 2021 (please note this guidance may be updated from time to time)

RFR Conventions and IBOR Fallbacks – Product Table

ISDA is amending its standard documentation for interest rate derivatives that reference key IBORs to include fallback rates that will apply upon the *permanent discontinuation* of those IBORs and, in the case of LIBOR, if LIBOR becomes *'non-representative'*. Counterparties may include the amended documentation with the fallback triggers and rates in their legacy transactions by either adhering to a 'protocol' published by ISDA or entering into bilateral amendments.

The fallback rates referenced in the amended documentation will be as published by Bloomberg for the relevant IBOR and tenor. Bloomberg will calculate the fallback rates by compounding the relevant RFR over the relevant tenor and applying a two-day 'backward shift' and then adding a spread adjustment based on the median of the differences between the relevant IBOR in the relevant tenor and the relevant RFR compounded over each corresponding period over a static five-year period.

The amended ISDA documentation will direct counterparties to firstly apply linear interpolation if the relevant IBOR is available (i.e. continues to be published or, in the case of LIBOR, is not non-representative) for the next longer and next shorter tenor. If linear interpolation is not available, counterparties are directed to use the published fallback rate that corresponds to the date on which they were to reference the relevant IBOR (the 'original fixing date'), provided that this fallback rate appears on the relevant screen at least two Business Days prior to the relevant Payment Date. Counterparties can define the relevant Business Days in the contract so as to ensure that the Fallback Rate will be known two days in advance of the payment being due based on the Business Day calendar in relevant jurisdictions. If the parties do not specify places for the purposes of the reference to Business Days for payment purposes within the contract, then the ISDA documentation specifies default Business Days. This means that two transactions which reference the same IBOR on the same day may apply a different fallback rate if different Business Day calendars apply to those transactions.

If the fallback rate for the referenced IBOR's original fixing date is not produced by Bloomberg two Business Days prior to the Payment Date, then ISDA's amended documentation provides for counterparties to reference the fallback rate that has been published for the most recent original fixing date for the relevant IBOR in the relevant tenor. This will have the effect of applying a dynamic 'backward shift' (i.e., the standard two-day backward shift that Bloomberg uses in calculating the fallback rates will effectively be lengthened in this scenario to the number of days necessary for the fallback rate to be known two Business Days prior to the Payment Date).

More information about the fallback rates, Bloomberg's publication and the market consultations that ISDA used to develop the methodology for the fallback rates is available at https://www.isda.org/2020/05/11/benchmark-reform-and-transition-from-libor/.

The table below sets out how the fallbacks in ISDA's amended documentation (without, however, reference to the 2021 ISDA Interest Rate Derivatives Definitions) would function for various different products, including certain non-linear products. For comparison, the chart also sets out the standard conventions for the same products that reference IBORs and the standard and/or expected conventions for such products that reference RFRs as of the date of this document.[1]

This table is intended to help counterparties understand how the fallbacks would function in their legacy and new derivatives that reference IBORs. In doing so, counterparties should consider, among other things, fallbacks for instruments hedged by such derivatives. ISDA has produced language that counterparties could use to replace these fallbacks with triggers and fallbacks that duplicate those in such hedged instruments. For certain products, counterparties may want to consider whether to amend the Business Days or Payment Dates and/or agree to use a fallback rate for a date other than the referenced IBOR's original fixing date. In some cases, such amendments may better align the outcomes with the counterparties' original intentions and/or with the desired outcomes for hedged instruments. *Any such amendments would be strictly based on agreements between the relevant counterparties but counterparties could consider using the language in Attachment I, with any modifications necessary to reflect the terms of the relevant derivative contracts and review by legal counsel and other advisors.*

The documentation of each individual transaction remains the responsibility of the parties concerned. ISDA does not assume any responsibility for any changes that parties may agree to make to documentation for any privately negotiated derivative transaction as a result of this table or the template language in the Attachment I. Each party to a transaction evidenced by a confirmation or other document incorporating the template provisions in the Attachment I must satisfy itself that those template provisions are appropriate for the transaction, have been properly used and/or adapted in that confirmation or other document and that the confirmation or other document has generally been properly drafted, in each case, to reflect the commercial intentions and legal and regulatory obligations of the parties. Each party must also satisfy itself as to any possible adverse consequences (including in relation to the potential transfer of economic value) which may occur as a result of applying the template provisions to a transaction.

Product	Current IBOR Conventions	Current/Expected RFR Conventions	Effect of Fallback to Adjusted RFR plus spread ('IBOR Fallbacks')	Issues/Notes
Vanilla interest rate swaps	Rate set at beginning of period and payments made at end of the period.	Rate set at end of period and a payment delay (typically) applies	Rate set at the end of the period with a backward shift so that payments can be made on the same date as the date on	

[1] ISDA expects to update this document from time to time to reflect developments, including new conventions and publication of new benchmarks (e.g., RFR ICE Swap Rates, any forward-looking term rates based on RFRs that are IOSCO compliant and appropriate for use in derivatives).

		Forward-looking term rates are available for certain RFRs (e.g. USD SOFR CME Term and GBP SONIA ICE Term). These rates would fix at the beginning of the period.	which they would have been made prior to the application of the IBOR Fallbacks. Documentation provides for use of the most recent fallback rate that is available two payment Business Days before the relevant Payment Date as a 'backstop' in case the backward shift is not sufficient to allow for the fallback rate for the original fixing date to be published by such date.	
Cross currency swaps	Rates set at beginning of period (varies by IBOR and currency) and payments made at end of the period.	Very few actual examples but ARRC cross-currency WG published guidance recommending rates set at end of period and a payment delay[2]	Current IBOR specifications for leg that does not fall back and fallback rate set at the end of the period with a backward shift for leg that does fall back (with 'backstop' described for vanilla interest rate swaps); payments can be made on the same date as the date on which they would be made prior to the application of the IBOR Fallbacks.	If adjustment spread fixed for both legs (e.g. USD LIBOR and GBP LIBOR), parties may opt to amend so that both legs fall back to the adjusted RFR on cessation of the IBOR for the first leg.
Swaps with periods that differ from IBOR tenor	Rate set at beginning of period and payments made at end of the period.	Rate set at end of period and a payment delay (typically) applies	Unless Linear Interpolation applies, for each Reset Date, documentation provides for use of the fallback rate for the related applicable observation date (which will be published at	

[2] https://www.newyorkfed.org/medialibrary/Microsites/arrc/files/2020/Recommendations_for_Interdealer_Cross-Currency_Swap_Market_Conventions.pdf. Note that members of RFR working groups outside of the US also contributed to this publication.

			the end of the period) or, if that rate is not available, the most recent fallback rate for the relevant IBOR tenor that is available two payment Business Days before the relevant Payment Date. If Linear Interpolation applies, then the RFR will be compounded over the period (with a two-day backward shift) and a spread will be added. If the Bloomberg spread for longer and shorter tenors has been fixed (i.e. if the 'Spread Adjustment Fixing Date' has occurred for such tenors) then the fixed spread for the nearest shorter and nearest longer tenor will be interpolated. If the Bloomberg spread has been fixed only for shorter tenors or only for longer tenors, then the fixed spread for the nearest shorter or nearest longer tenor, as applicable, shall be added.	
Swaps with stubs	Rate set at the beginning of the stub and payments made at end of stub.		If relevant IBOR tenor is shorter than stub period, then fallback rate will be available two payment Business Days before the relevant Payment Date and will be used.	

			If relevant IBOR tenor is longer than stub period, then unless Linear Interpolation applies, documentation provides for use of the most recent fallback rate for the relevant IBOR tenor that is available two payment Business Days before the relevant Payment Date. If Linear Interpolation applies, then the RFR will be compounded over the period (with a two-day backward shift) and a spread will be added. If the Bloomberg spread for longer and shorter tenors has been fixed (i.e. if the 'Spread Adjustment Fixing Date' has occurred for such tenors) then the fixed spread for the nearest shorter and nearest longer tenor will be interpolated. If the Bloomberg spread has been fixed only for shorter tenors or only for longer tenors, then the fixed spread for the nearest shorter or nearest longer tenor, as applicable, shall be added.	
Range accruals (or similar, e.g., 'Asia' fixings)	Many IBOR observations contribute to the rate	Likely to either reference a daily RFR fixing or a daily RFR compounded in arrears fixing	Documentation provides that for each applicable observation date (provided that such day is defined as or by reference to a Reset Date such that it is an	The fallbacks work for range accruals documented under the ISDA range accrual template, which links the reference days back to

			original fixing date for the purposes of the fallbacks) the fallback rate for the relevant IBOR tenor which is available two payment Business Days before the relevant Payment Date (which fallback rate includes a backward shift) will apply. This would likely result in use of the same fallback rate for multiple observation dates). *See Annex A for additional details.*	Reset Dates but any range accruals that are not documented on that template and use observation days or some other terminology rather than Reset Dates to define the fixings might not be able to apply the fallbacks.
Caps/Floors	First payoff known in advance (after fixing) and therefore no optionality	Very few actual examples but, if using compounding in arrears, there will be optionality until the final payment	Payoff would not be known until two payment Business Days before the end of the period. *See Annex B for additional details.*	
Swaptions	Underlying swap will typically function like a vanilla interest rate swap	Underlying swap expected to match the market standard for OIS	May depend on settlement method (cash settled versus physically settled) but if cleared physically settled and CCP no longer clears the relevant IBOR swap (because the IBOR has been discontinued), then collateralized cash price cash settlement will apply; discontinuation of ICE Swap Rates will have implications for cash settled swaptions. *See Annex C for additional details.*	
Cancellable swaps	Various	Expected that floating leg will match issuer requirements		

In-arrears swaps	Rate set at end of period and payments made at the end of the period	May not be used. Could be documented using a term rate for the RFR if one is published.	Documentation provides for use of the most recent fallback rate for the relevant IBOR tenor that is available two payment Business Days before the relevant Payment Date (which will shift the period of risk back by the approx. length of the tenor). *See Annex D for additional details.*	
Forward rate agreements (FRAs)	Rate set and cash settled at start of period		Documentation provides for use of the most recent fallback rate for the relevant IBOR tenor that is available two payment Business Days before the relevant Payment Date.	These could be amended to single period swaps (as per LCH conversion of cleared FRAs).
Swap with 'Early Payment'	Rate set at the start of the period and payment made a number of days prior to the end of the period.	Not expected to be used. Would require a greater backward shift to be built into the OIS formula to allow for payment prior to end of Calculation Period.	Documentation provides for use of the most recent fallback rate for the relevant IBOR tenor that is available two Business Days before the relevant Payment Date, effectively resulting in a greater backward shift approx. equal to two Business Days plus the length of time specified for Early Payment.	
CMS-based products/ICE swap rate/TSR swap rate	ICE Swap Rates and TSR based on IBOR floating leg (GBP LIBOR, USD LIBOR, EURIBOR and JPY LIBOR)	Swap rate for RFR swaps are under development. ICE Swap Rate for GBP SONIA swap is now available for trading. USD SOFR ICE Swap Rate is now available in 'beta' form.	See Annex C for more information on fallbacks for the ICE Swap Rate and JPY Tokyo Swap Rate for legacy transactions and transactions post Supplement 82.	Supplement 82 amends Rate Options and Settlement Rate provisions for the GBP LIBOR ICE Swap Rate to introduce new fallbacks to the SONIA swap rate plus a spread with a convexity

		EUR ESTR swap rate is expected to follow. The TONA TSR is being published in prototype by Refinitiv.[3]	A template amendment agreement is available to amend legacy transactions to incorporate the updated fallbacks for the GBP LIBOR ICE Swap Rate (see column to the right). Future amendment agreements will be made available to enact similar amendments following publication of the fallbacks for the USD LIBOR ICE Swap Rate and JPY Tokyo Swap Rate.	adjustment. These fallbacks apply to trades post-Supplement 82. Similar fallbacks will be implemented for the USD LIBOR ICE Swap Rate when a SOFR swap rate becomes available for trading and for the JPY LIBOR TSR when a TONA swap rate becomes available for trading.

[3] The prototype TONA swap rate is available at: https://www.refinitiv.com/en/financial-data/financial-benchmarks/tokyo-swap-rate.

Annex A

Fallbacks for Range Accruals in the 2006 ISDA Definitions

Under a 'range accrual' swap transaction, the Floating Amount is typically contingent on a string of daily Floating Rate Option fixings. For example:

- A swap transaction for which an IBOR fixing is observed each day during the term:
  - if such fixing is observed to be above a strike then that day is allocated a certain value; and
  - if such fixing is observed to be below a strike then that day is allocated a value of zero.
- At the end of the Calculation Period the sum of the values is multiplied by the Notional Amount to determine the Floating Amount.

If the Floating Rate Option used in such 'Range Accrual' swap transaction is amended to include the IBOR Fallbacks, then upon an Index Cessation Effective Date, if linear interpolation is not available, the relevant rate for each daily fixing will, provided that the relevant fixing day is defined as, or by reference to, a 'Reset Date', be the fallback rate published by Bloomberg for the 'original IBOR rate record day' that corresponds to that original fixing date (based on a compounded RFR calculation over the two-day backward shifted period plus spread adjustment). Such fallback rate will be published towards the end of the relevant IBOR period (e.g. if the Designated Maturity is 1-month, the fallback rate applicable to each daily observation will be published approximately one month later). Under the IBOR Fallbacks, if such fallback rate is not published at least two payment Business Days prior to the relevant Payment Date, then the relevant rate will be the fallback rate for the most recent 'original IBOR record day' that is published for the relevant IBOR in the relevant tenor two payment Business Days prior to the Payment Date.

For a range accrual swap transaction such as the one described above, if the relevant tenor (and corresponding period) is longer than the time remaining from some of the daily fixing dates to the Payment Date, then such daily fixings will likely all apply the same fallback rate (i.e., the fallback rate for the most recent 'original IBOR rate record day' that is published for the relevant IBOR in the relevant tenor two payment Business Days prior to the Payment Date).

Annex B

Fallbacks for Caps/Floors in the 2006 ISDA Definitions

Under section 6.2 of the 2006 ISDA Definitions, if a "Cap Rate" is specified in the confirmation for a swap transaction, then the Floating Rate is determined as the excess of the relevant rate (determined in accordance with the Floating Rate Option specified in the confirmation) over such Cap Rate, and if a "Floor Rate" is specified in the confirmation for a swap transaction, then the Floating Rate is determined as the excess of such Floor Rate over the relevant rate (determined in accordance with the Floating Rate Option specified in the Confirmation).

If such Floating Rate Option is amended to include the new IBOR Fallbacks, then upon an Index Cessation Effective Date, if linear interpolation is not available, the relevant rate for a cap or floor will be the fallback rate (based on a compounded RFR calculation over the two-day backward shifted IBOR period plus spread adjustment) published by Bloomberg for the 'original IBOR rate record day' that corresponds to the original fixing date. Such fallback rate will be published towards the end of the relevant period. If such fallback rate is not published at least two payment Business Days prior to the relevant Payment Date, then the relevant rate will be the fallback rate for the most recent 'original IBOR rate record day' published for the relevant IBOR in the relevant tenor two payment Business Days prior to the Payment Date (which will effectively increase the backward shift so that the fallback rate is always known at least two payment Business Days prior to the Payment Date).

The fallback rate is then applied to section 6.2 of the 2006 ISDA Definitions to determine the Floating Rate and the Floating Amount payable for the cap or floor on the Payment Date.

Annex C

Fallbacks for Swaptions in the 2006 ISDA Definitions

Cleared Physical Settlement:

"Cleared Physical Settlement" was introduced by Supplement 28 and further amended by Supplements 48, 58 and 64 to the 2006 ISDA Definitions.

Under Cleared Physical Settlement, if the swaption is exercised, the underlying swap transaction will be entered into and cleared.

The clearinghouse will either be specified in the swaption confirmation as the "Mutually Agreed Clearinghouse" (MAC) or agreed upon between the parties at the time of the exercise of the swaption.

If (i) the parties are unable to agree on a clearinghouse for the underlying swap at the time of exercise or (ii) the MAC no longer accepts for clearing swaps with the terms of the underlying swap transaction, the swaption will cash settle.

Alternatively, if the underlying swap transaction fails to clear through the MAC and the parties to the swaption have not entered into any agreement relating to clearing, the underlying swap transaction will terminate.

In either case, the amount payable will be an amount calculated by using the "Collateralized Cash Price" Cash Settlement Method.

If an Index Cessation Effective Date occurs prior to exercise with respect to the Floating Rate Option[4] specified for the underlying swap in the swaption confirmation, then, if linear interpolation is not available, the floating rate for such underlying swap transaction will be determined by reference to the relevant IBOR Fallback.

If at the time of exercise:

(a) the agreed clearinghouse accepts such swaps for clearing (where the IBOR Fallback is triggered and applies), then such underlying swap will be cleared at that clearinghouse;

(b) the agreed clearinghouse does not accept such swaps for clearing (where the IBOR Fallback is triggered and applies), then the underlying swap will terminate and the amount payable will be calculated using the "Collateralized Cash Price" Cash Settlement Method.

[4] If only the designated maturity ceases, the designated rates maturities/linear interpolation provisions would apply.

Collateralized Cash Price:

Collateralized Cash Price was also introduced by Supplement 28 and further amended by Supplements 48, 58 and 64 to the 2006 ISDA Definitions.

As per ISDA Settlement Matrix, Collateralized Cash Price is the current standard cash settlement method for EUR and USD swaptions (although older legacy swaptions may apply Par Yield Curve – Unadjusted – see below) and for GBP SONIA Swaptions. It may, however, be applied by election to other currency swaptions.

It is calculated as the present value of an annuity equal to the difference between: (a) the amounts that would be payable by the Fixed Rate Payer pursuant to the underlying swap transaction if the Fixed Rate were the "Settlement Rate"; and (b) the amounts payable by the Fixed Rate Payer pursuant to the underlying swap transaction as set out in the swaption confirmation.

The Settlement Rate (as per the ISDA Collateral Cash Price Matrix) for EUR,USD and GBP swaptions will be the rate that appears on the relevant ICE Swap screen page designated for purposes of displaying par swap rates for swaps in the currency in which the underlying swap is denominated for a period equivalent to the remaining term of the underlying swap and with a floating leg equal to the floating leg of the swap underlying the swaption. For EURIBOR swaptions, this will be the EURIBOR ICE swap rate and for USD LIBOR swaptions, this will be the USD LIBOR ICE swap rate. GBP LIBOR swaptions which elect for Collateralized Cash Price will use the GBP LIBOR ICE swap rate and GBP SONIA swaptions will use the GBP SONIA ICE swap rate.

Fallbacks for legacy transactions pre-Supplement 82 (all currencies): If the par swap rate does not appear on the relevant screen page or is no longer available for the relevant currency/tenor (which is likely if an Index Cessation Event occurs), then the Settlement Rate will be determined on the basis of quotations by Cash Settlement Reference Banks. The Cash Settlement Reference Banks are directed to provide quotations for the swap rate for the relevant swap and accordingly have the ability to quote for the rate for a swap that has fallen back to the compounded RFR plus spread and are not bound to quote for a swap with a EURIBOR/LIBOR leg. Accordingly, this fallback to the Settlement Rate would still be capable of applying, even once the IBOR Fallbacks apply. If fewer than three quotations are provided, the Settlement Rate will be determined by the Calculation Agent.

Fallbacks for EURIBOR swaptions post-Supplement 82: As set out in the paragraph immediately above.

Fallbacks for GBP LIBOR swaptions that reference the ICE Swap Rate post-Supplement 82: If the par swap rate does not appear on the relevant ICE Swap screen page, then prior to the date on which the relevant GBP LIBOR tenor (the tenor forming the floating leg of the swap underlying the relevant ICE swap rate) ceases to be published or is non-representative, the fallbacks are as described for legacy pre-Supplement 82 transactions

above. After the relevant GBP LIBOR tenor ceases to be published or is non-representative, there is a fallback to a published fallback rate based on the SONIA swap rate. These published fallback rates are currently published in beta version. If there is no published fallback rate, the Calculation Agent uses a specified formula to calculate the fallback swap rate (i.e. the adjusted SONIA swap rate). These fallbacks can be applied to pre-Supplement 82 transactions using a template amendment agreement published for this purpose.

For USD LIBOR swaptions that reference the ICE Swap Rate: The position is currently as set out for legacy pre-Supplement 82 transactions above. However, fallbacks as set out for GBP LIBOR swaptions (i.e. a fallback to either a published fallback swap rate or a calculated swap rate based on the adjusted SOFR swap rate from the date on which the relevant USD LIBOR tenor ceases to be published or is non-representative) are expected to be published in Q4 2021.

Par-Yield Curve – Unadjusted:

Par-Yield Curve – Unadjusted is set out in section 18.3(e) of the 2006 ISDA Definitions.

As per ISDA Settlement Matrix, Par-Yield Curve – Unadjusted is the current standard settlement method for GBP LIBOR swaptions.

Par Yield Curve – Unadjusted is calculated in a similar way to Collateralized Cash Price, except that the discount curve for determining the present value will be equal to the Settlement Rate (which is specified as the ICE Swap Rate for swaptions denominated in GBP in the ISDA Settlement Matrix).

The fallbacks to the Settlement Rate are the same as described above for Collateralized Cash Price.

Zero Coupon Yield - Adjusted

Zero Coupon Yield - Adjusted is set out in section 18.3(d) of the 2006 ISDA Definitions.

As per ISDA Settlement Matrix, Zero Coupon Yield – Adjusted is the current standard settlement method for JPY LIBOR swaptions.

Zero Coupon Yield - Adjusted is calculated in a similar way to Collateralized Cash Price. The Settlement Rate for this purpose for JPY LIBOR swaptions (as specified in the ISDA Settlement Matrix) is the Tokyo Swap Rate.

Fallbacks to the Tokyo Swap Rate as the Settlement Rate: The position is currently as set out above under 'Collateralized Cash Price' for legacy pre-Supplement 82 transactions. Fallbacks as set out above under 'Collateralized Cash Price' for GBP LIBOR transactions post-Supplement 82 (i.e. fallbacks to either a published fallback swap rate or a calculated swap rate based on the adjusted TONA swap rate from the date on which the relevant JPY LIBOR tenor ceases to be published or is non-representative) are expected to be published in Q4 2021.

Annex D

Fallbacks for In-Arrears Swaps in the 2006 ISDA Definitions

Under section 6.2(b)(i) of the 2006 ISDA Definitions, if "Arrears Setting" is specified in the confirmation for a swap transaction, the Reset Date will be the first day of the next following Calculation Period. As a result, the relevant Calculation Periods and IBOR periods are not aligned. The Payment Date for an Arrears Setting swap transaction falls on or shortly after the Reset Date.

If the Floating Rate Option specified for such Arrears Setting swap transaction is amended to include the new fallbacks in the ISDA IBOR Fallbacks Supplement, then upon an Index Cessation Effective Date, if linear interpolation is not available, such relevant rate will be the fallback rate (based on a compounded RFR calculation over the two-day backward shifted IBOR period plus spread adjustment) published by Bloomberg for the 'original IBOR rate record day' that corresponds to the original fixing date (which is the Reset Date for in-arrears swaps).

The fallback rate for the 'original IBOR rate record day' that corresponds to the original fixing date will not be published until towards the end of the relevant period. For an in-arrears swap, such original fixing date (i.e., Reset Date) will be one whole period after the Payment Date (e.g. for an in-arrears swap with quarterly Floating Amount payments, approximately three months following the Payment Date).

Under the IBOR Fallbacks, if such fallback rate is not published at least two payment Business Days prior to the relevant Payment Date, then the relevant rate will be the fallback rate for the most recent 'original IBOR rate record day' published for the relevant IBOR in the relevant tenor two payment Business Days prior to the Payment Date. This effectively shifts the period to which the fallback rate relates backwards by one whole IBOR Period.

Attachment I

Language to Modify Certain Terms if Fallback Rates Apply

Changes to Payment Date

- Template wording for existing transactions which can be inserted into an amendment agreement in order to amend the specified "Payment Date" (or equivalent relevant term) in a confirmation[5]

[ ] The parties agree that, from and including the [Amendment Effective Date][6], the [Confirmation][7], is hereby amended as specified below:

[Payment Date(s)]/[Floating Rate Payment Dates [or Period End Dates, if Delayed Payment or Early Payment applies]]/[Premium Payment Date]:[8]	[●][subject to adjustment in accordance with the [Following/Modified Following/Preceding] Business Day Convention]

[5] The parties may wish to consider issues such as:
- the interaction between the term "Payment Date", "Exchange Date", "Premium Payment Date" (or any other specified date for payments calculated by reference to a LIBOR Floating Rate Option) and "Period End Date" and any other terms used in the 2006 ISDA Definitions. For example, if the parties have not specified Period End Dates (or they are not otherwise predetermined or specified to occur in accordance with the FRN Convention), Period End Dates will be determined by reference to each Payment Date. Parties should consider whether Period End Dates should be separately specified, and the periods over which payments should accrue. While the fallback rate will be determined by reference to an accrual period which corresponds to the tenor of the relevant IBOR, Calculation Periods are still relevant for the purposes of such provisions, as in Section 7.9 (*Fallbacks for key IBOR Rate Options for certain Calculation Periods to which "Linear Interpolation" is specified to be applicable*) of the IBOR Fallbacks Supplement; and
- when specifying the payment date(s), the parties should consider how much time is required after notification of the compounded RFR in order to calculate and process the relevant payment(s).

[6] This template wording includes the defined term "Amendment Effective Date" on the basis that this wording will be incorporated into an existing Confirmation by way of an amendment agreement. The parties will need to determine what the effective date of the relevant amendment will be and, in particular, whether or not it should be part way through a Calculation Period.

[7] The parties should include appropriate language to clearly identify the Confirmation to which the amendment relates.

[8] The parties should select the appropriate term from this list.

[Delayed Payment]:	[Applicable: [●] Business Days][9]

- The parties may wish to consider the impact of the application of the fallback rates to new transactions, specifically the following definition in the relevant Confirmation:

[Payment Date(s)]/[Floating Rate Payment Dates [or Period End Dates, if Delayed Payment or Early Payment applies]]/[Premium Payment Date]:	[●] [subject to adjustment in accordance with the [Following/Modified Following/Preceding] Business Day Convention]
[Delayed Payment]:	[Applicable: [●] Business Days]

The issues described in footnotes 5-8 above apply equally to determining the payment date in a new transaction. The parties may wish to consider any divergence from the established payment date conventions for the relevant product in standard documentation in light of these (and any other relevant) issues.

[9] The parties may wish to consider whether applying "Delayed Payment" is preferable to amending the Payment Date.

Changes to Business Day

- Template wording for existing transactions which can be inserted into an amendment agreement in order to amend the place(s) or financial center(s) specified for the purposes of "Business Day" (or equivalent relevant term) in a Confirmation.[10]

[ ] The parties agree that, from and including the [Amendment Effective Date][11], the [Confirmation][12], is hereby amended as specified below:

[Business Days]/[Business Days for payments]/[Business Days for [first currency]]/[Business Days for [second currency]]:[13]	[●] [subject to adjustment in accordance with the [Following/Modified Following/Preceding] Business Day Convention]

[10] The parties may wish to consider issues such as:
- the interaction between the term "Business Day" and any other terms used in the 2006 ISDA Definitions. For example, the impact that changing the places relevant for the purposes of the reference to Business Days may have on the Business Day Convention specified in the confirmation. Business Day Conventions also feed into Period End Dates, and, therefore, the length of any Calculation Period(s). Similarly, terms such as "Calculation Date", "Reset Date" and "Compounding Date" refer back to Business Days or are indirectly affected by a change the term "Business Day"; and
- whether not specifying places for the purposes of the reference to Business Days, and therefore relying on the default provisions in Section 1.4(a)-(c) of the 2006 ISDA Definitions, is sufficient to ensure that the Fallback Rate will be known sufficiently in advance of the relevant Payment Date.

[11] This template wording includes the defined term "Amendment Effective Date" on the basis that this wording will be incorporated into an existing confirmation by way of an amendment agreement. The parties will need to determine what the effective date of the relevant amendment will be and, in particular, whether or not it should be part way through a Calculation Period.

[12] The parties should include appropriate language to clearly identify the Confirmation to which the amendment relates.

[13] The parties should select the appropriate term from this list.

- The parties may wish to consider the impact of the application of the fallback rates to new transactions, specifically the following definition in the relevant Confirmation:

[Business Days]/[Business Days for payments]/[Business Days for [first currency]]/[Business Days for [second currency]]:	[●] [subject to adjustment in accordance with the [Following/Modified Following/Preceding] Business Day Convention]

The issues described in footnotes 10-13 above apply equally to determining the place(s) or financial center(s) specified for the purposes of "Business Day" (or equivalent relevant term) in a new transaction. The parties may wish to consider any divergence from the established business day conventions for the relevant product in standard documentation in light of these (and any other relevant) issues.

Changes to 'fixing date', 'observation date', 'reference day'

- Template wording for existing transactions which can be inserted into an amendment agreement in order to amend the specified "Relevant Original Fixing Date" in a Confirmation:[14]

  [ ] The parties agree that, from and including the [Amendment Effective Date][15], the [Confirmation][16], is hereby amended such that:

  [references to ["Original GBP Fixing Date"]/["Original CHF Fixing Date"]/["Original USD Fixing Date"]/["Original EUR Fixing Date"]/["Original JPY LIBOR Fixing Date"]/["Original JPY TIBOR Fixing Date"]/["Original Euroyen TIBOR Fixing Date"]/["Original AUD Fixing Date"]/["Original CAD Fixing Date"]/["Original HKD Fixing Date"]/["Original SOR Fixing Date"]/["Original THBFIX Fixing Date"][17] in respect of an Applicable Fallback Rate, and as referred to in the Rate Option, shall mean [●].[18]]

  [The [Reference Rate Reset Dates][19]/[*include any other term to describe the dates on which the rate is observed e.g. observation dates*] shall be [●].][20]

[14] The term "Relevant Original Fixing Date" is included in the 2006 ISDA Definitions as a new Section 7.3(p) pursuant to the IBOR Fallbacks Supplement. The term is used to describe the day on which the relevant IBOR is 'fixed' or 'observed'. Depending on the IBOR in question, this may be the relevant Reset Date or it may be a specified day prior to the relevant Reset Date (i.e. two London Banking Days preceding the Reset Date in the case of CHF-LIBOR-BBA).

[15] This template wording includes the defined term "Amendment Effective Date" on the basis that this wording will be incorporated into an existing confirmation by way of an amendment agreement. The parties will need to determine what the effective date of the relevant amendment will be and, in particular, whether or not it should be part way through a Calculation Period.

[16] The parties should include appropriate language to clearly identify the Confirmation to which the amendment relates.

[17] The parties should select the defined term that is used in the relevant Floating Rate Option. For example, if the Floating Rate Option is USD-LIBOR-BBA, the parties should select "Original USD Fixing Date".

[18] The parties should consider the day to which, for purposes of observing the Applicable Fallback Rate (for example, Fallback Rate (SONIA) or Fallback Rate (TONA)) on the 'Original IBOR Rate Record Day', the 'Original IBOR Rate Record Day' will correspond.

[19] The term "Reference Rate Reset Date" is used in Supplement 8 to the 2006 ISDA Definitions.

[20] This option may be useful for range accrual swaps to change the days on which the rate is viewed during the Calculation Period in order to ensure that a different rate can be viewed on each reference day, thereby avoiding having the same fallback rate apply to multiple reference days, as described in Annex A.

- The parties may wish to consider the impact of the application of the fallback rates to new transactions. For purposes of overriding the default definition of "Relevant Original Fixing Date" as set out in the relevant Rate Option, the following can be included in the relevant Confirmation:

["Original GBP Fixing Date"]/["Original CHF Fixing Date"]/["Original USD Fixing Date"]/["Original EUR Fixing Date"]/["Original JPY LIBOR Fixing Date"]/["Original JPY TIBOR Fixing Date"]/["Original Euroyen TIBOR Fixing Date"]/["Original AUD Fixing Date"]/["Original CAD Fixing Date"]/["Original HKD Fixing Date"]/["Original SOR Fixing Date"]/["Original THBFIX Fixing Date]:	[●]

[The [Reference Rate Reset Dates] [21]/[*include any other term to describe the dates on which the rate is observed e.g. observation dates*] shall be [●]]

The issues described in footnotes 14-20 above apply equally to new transactions.

[21] The term "Reference Rate Reset Date" is used in Supplement 8 to the 2006 ISDA Definitions.

Changes to Fallback Observation Day

- Template wording for existing transactions which can be inserted into an amendment agreement in order to amend the specified "Fallback Observation Day" in a Confirmation:[22]

  [ ] The parties agree that, from and including the [Amendment Effective Date][23], the [Confirmation][24], is hereby amended such that:

  "Fallback Observation Day" means, in respect of a Reset Date and the Calculation Period (or any Compounding Period included in that Calculation Period) to which that Reset Date relates, the day that is [●] Business Days preceding the related Payment Date.

[22] "Fallback Observation Day" is included in the 2006 ISDA Definitions as a new defined term pursuant to the IBOR Fallbacks Supplement. The term is used to describe the day by which if the fallback rate for the referenced IBOR's original fixing date is not published, then the fallback rate that has been published for the most recent original fixing date for the relevant IBOR in the relevant tenor will apply. The definition in the IBOR Fallback Supplement states that this day is two Business Days preceding the related Payment Date. Parties may agree to lengthen or shorten this time period via the Confirmation.

[23] This template wording includes the defined term "Amendment Effective Date" on the basis that this wording will be incorporated into an existing confirmation by way of an amendment agreement. The parties will need to determine what the effective date of the relevant amendment will be and, in particular, whether or not it should be part way through a Calculation Period.

[24] The parties should include appropriate language to clearly identify the Confirmation to which the amendment relates.

- The parties may wish to consider the impact of the application of the fallback rates to new transactions. For purposes of overriding the default definition of "Fallback Observation Day", the following can be included in the relevant Confirmation:

  > "Fallback Observation Day" means, in respect of a Reset Date and the Calculation Period (or any Compounding Period included in that Calculation Period) to which that Reset Date relates, the day that is [●] Business Days preceding the related Payment Date. [●].

  The issues described in footnotes 22-24 above apply equally to new transactions.