

GLOBAL LIBOR - LEGISLATIVE SOLUTIONS ARTICLE

09 June 2022 | New York
Guides

Contributed by Lisa Fried, Marc Gottridge, Rupert Lewis, Ceri Morgan & Jenny Stainsby

The London Inter-Bank Offered Rate (LIBOR), long the preeminent global interest-rate benchmark, ended as of Dec. 31, 2021, in nearly all currencies and tenors (maturities)—and although regulators granted U.S. dollar LIBOR in several tenors a temporary reprieve, it too is scheduled to end after June 30, 2023. The transition from LIBOR to rates such as the Secured Overnight Financing Rate (SOFR) for U.S. dollars and the Sterling Overnight Interbank Average (SONIA) for Sterling has largely been successful.

Legislators and regulators, however, are understandably concerned about the potential disruption of contractual continuity and litigation risk posed by so-called “tough legacy” contracts. These are financial instruments that incorporated LIBOR as a term for the payment of interest but lacked a workable (or in some cases, any) “fallback” rate to replace LIBOR in the event of its unavailability or cessation. We summarize below the legislative and/or regulatory solutions that several jurisdictions have adopted to mitigate the risks raised by tough legacy contracts, all aimed at ensuring contractual continuity and reducing litigation risk. We also identify coverage gaps and potentially inconsistent approaches.

[Read the full article](#)

This article was originally featured on Bloomberg Law

KEY CONTACTS

If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



JENNY STAINSBY
GLOBAL HEAD –
FINANCIAL SERVICES
REGULATORY,
LONDON
+44 20 7466 2995
Jenny.Stainsby@hsf.com



RUPERT LEWIS
PARTNER, HEAD OF
BANKING LITIGATION,
LONDON
+44 20 7466 2517
Rupert.Lewis@hsf.com



LISA FRIED
PARTNER, NEW YORK

+1 917 542 7865
lisa.fried@hsf.com



MARC GOTTRIDGE
PARTNER, NEW YORK

+1 917 542 7807
marc.gottridge@hsf.com



CERI MORGAN
PROFESSIONAL
SUPPORT
CONSULTANT,
LONDON
+44 20 7466 2948
Ceri.Morgan@hsf.com

SUBSCRIBE TO STAY UP-TO-DATE WITH INSIGHTS, LEGAL UPDATES, EVENTS, AND MORE

Close