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Implementation of Fallbacks in Derivative Contracts






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Preparing for IBOR transition

Overview of alternative RFR identification

Working Groups in each jurisdiction have recommended robust, alternative RFRs to transition away from existing IBORs, the alternative RFR benchmarks are overnight, whereas the current use of IBORs is largely in term rates.

Jurisdiction	Working Group	Alternative RFR	Rate administration	Characteristics		
				Secured vs. unsecured	Anticipated publication date	Description
 UK	Working Group on Sterling Risk-Free Reference Rates	Reformed Sterling Overnight Index Average (SONIA)	Bank of England	Unsecured	Currently being published	<ul style="list-style-type: none"> Fully transaction-based Encompasses a robust underlying market Overnight, nearly risk-free reference rate Includes an expanded scope of transactions to incorporate overnight unsecured transactions negotiated bilaterally and those arranged with brokers Includes a volume-weighted trimmed mean
 US	Alternative Reference Rates Committee	Secured Overnight Financing Rate (SOFR)	Federal Reserve Bank of New York	Secured	Currently being published	<ul style="list-style-type: none"> Fully transaction-based Encompasses a robust underlying market Overnight, nearly risk-free reference rate that correlates closely with other money market rates Covers multiple repo market segments, allowing for future market evolution
 Europe	Working Group on Risk-Free Reference Rates for the Euro Area	European Short Term Rate (€STR)	European Central Bank	Unsecured	Currently being published	<ul style="list-style-type: none"> Fully transaction-based Encompasses a robust underlying market Overnight, nearly risk-free reference rate Includes a volume-weighted trimmed mean
 Switzerland	The National Working Group on CHF Reference Rates	Swiss Average Rate Overnight (SARON)	SIX Swiss Exchange	Secured	Currently being published	<ul style="list-style-type: none"> Became the reference interbank overnight repo on 25 August 2009 Secured rate that reflects interest paid on interbank overnight repo
 Japan	Study Group on Risk-Free Reference Rates	Tokyo Overnight Average Rate (TONA)	Bank of Japan	Unsecured	Currently being published	<ul style="list-style-type: none"> Fully transaction-based benchmark for the robust uncollateralized overnight call rate market The Bank of Japan calculates and publishes the rate on a daily basis, using information provided by money market brokers known as Tanshi As an average, weighted by the volume of transactions corresponding to the rate

IBOR Fallbacks: ISDA's Work – Fallback Rates (1)

Relevant IBOR and corresponding floating rate options in 2006 ISDA Definitions		Fallback rate
GBP LIBOR	GBP-LIBOR-BBA GBP-LIBOR-BBA-Bloomberg	SONIA
CHF LIBOR	CHF-LIBOR-BBA CHF-LIBOR-BBA-Bloomberg	SARON
JPY LIBOR	JPY-LIBOR-FRASETT JPY-LIBOR-BBA JPY-LIBOR-BBA-Bloomberg	TONA
TIBOR	JPY-TIBOR-TIBM JPY-TIBOR-17096 JPY-TIBOR-17097 JPY-TIBOR-TIBM (All Banks)-Bloomberg	TONA
Euroyen TIBOR	JPY-TIBOR-ZTIBOR	TONA
BBSW	AUD-BBR-AUBBSW AUD-BBR-BBSW AUD-BBR-BBSW-Bloomberg	RBA Cash Rate
USD LIBOR	USD-LIBOR-BBA USD-LIBOR-BBA-Bloomberg	SOFR
HIBOR	HKD-HIBOR-HKAB HKD-HIBOR-HKAB-Bloomberg	HONIA
CDOR	CAD-BA-CDOR CAD-BA-CDOR-Bloomberg	CORRA
EUR LIBOR	EUR-LIBOR-BBA EUR-LIBOR-BBA-Bloomberg	€STR
EURIBOR	EUR-EURIBOR-Reuters	€STR

IBOR Fallbacks: ISDA's Work – Fallback Rate (2)

- A number of key Asian benchmarks are synthetic benchmarks derived by applying a forward FX curve to the USD LIBOR curve. When USD LIBOR is no longer available after the end of 2021, the sustainability of these benchmarks is in doubt:
- Key benchmarks are: **SOR** (Singapore); **THBFIX** (Thailand); **MIFOR** (India) and **PHIREF** (Philippines).
- Planning for the cessation of LIBOR is led by the respective administrators and regulators of these benchmarks. Some have replacement rates for new transactions identified and transition timelines in place (**SOR** and **THBFIX**), whereas others are yet to identify the replacement rates.
- ISDA IBOR Fallback Protocol and Supplement cover SOR and THBFIX
 - Index cessation event is triggered by the occurrence of an “Index Cessation Event” applicable to USD LIBOR
- Links to the National RFR Working Groups in the APAC region
 - <https://www.bot.or.th/Thai/FinancialMarkets/Pages/ReferenceInterestAndEndOfUseLIBOR.aspx>
 - <https://www.abs.org.sg/benchmark-rates/about-sora>
 - https://www.tma.org.hk/en_market_LIBOR.aspx
 - https://afma.com.au/ibor_transformation_working_grouphttps://www.isda.org/2020/05/11/benchmark-reform-and-transition-from-libor/
 - https://www.boj.or.jp/en/paym/market/jpy_cmte/index.htm/

IBOR Fallbacks: ISDA's Work – Implementation of Fallbacks in Supplement

Form of Amendments

- **Supplement to the 2006 ISDA Definitions:** To account for any permanent discontinuation of a relevant IBOR, amendments to the floating rate options in Section 7.1 of the 2006 ISDA Definitions for the relevant IBORs will take the form of:
 - a statement identifying the objective triggers that would activate the selected fallbacks (the trigger defined as 'Index Cessation Event'); and
 - a description of the fallbacks that would apply upon the occurrence of that trigger, which will be:
 - i. the relevant RFR adjusted using methodologies to account for (A) the fact that the RFR is an overnight rate and (B) the various premia included within the IBOR; and
 - ii. if the relevant RFR is permanently discontinued, one or more further fallbacks.

Upon publication of the Supplement, all **new** derivative transactions entered into on or after the date of the amendments that incorporate the 2006 ISDA Definitions will include the fallbacks (counterparties will **not** have to take any additional steps).

IBOR Fallbacks: ISDA's Work – Implementation of Fallbacks in Protocol

Form of Amendments

- **ISDA 2020 IBOR Fallbacks Protocol:** ISDA will also publish a protocol to facilitate inclusion of the amended floating rate options (*i.e.*, the definitions with fallbacks) into **existing** derivative contracts entered into prior to publication of the Supplement.
 - Adherents to the Protocol will agree that derivative transactions that they have entered into *with other adherents* prior to publication of the Supplement will be based on the relevant amended floating rate options in the 2006 ISDA Definitions, notwithstanding when the transactions were entered into.
 - The Protocol will cover those ISDA master agreements, ISDA credit support documents and confirmations that:
 - i. incorporate one of several ISDA definitional booklets;
 - ii. reference an IBOR as defined in or has the meaning in one of several ISDA definitional booklets; or
 - iii. reference an IBOR howsoever defined.
 - The Protocol will also extend to additional non-ISDA master agreements and credit support documents.
 - ISDA will also provide translation of the IBOR Fallbacks Supplement and Protocol for certain jurisdictions

IBOR Fallbacks: ISDA's Work – Triggers

- The fallbacks apply upon the **permanent discontinuation** of the relevant IBOR (based on pre-determined, objective triggers) and will be to the relevant alternative risk-free rate (RFR), subject to term and spread adjustments. The **permanent discontinuation** trigger is defined as “Index Cessation Event” in the non-LIBOR Rate Options.
- The fallbacks will not apply until the actual discontinuation of the relevant IBOR (if that is after the announcement date). This date is defined as the “Index Cessation Effective Date”.
- For **LIBOR** in **GBP/CHF/USD/EUR/JPY**, the fallbacks apply upon the **earlier to occur of (i) the permanent discontinuation or (ii) the non-representativeness (as determined by the UK FCA) (a so-called “pre-cessation” trigger)** of LIBOR in the relevant currency (based on pre-determined, objective triggers) and will be to the relevant alternative RFR, subject to term and spread adjustments. The combined **permanent discontinuation** and **pre-cessation** trigger is also defined as “Index Cessation Event” in the LIBOR Rate Options.
 - The Index Cessation Effective Date for the pre-cessation trigger will be the date on which LIBOR in the relevant currency ‘is no longer representative’, which may either coincide with or be after the date of an announcement that it is ‘no longer capable of being representative’.
 - Statement from the UK FCA regarding announcement of contractual triggers for LIBOR available at <https://www.fca.org.uk/markets/transition-libor/libor-contractual-triggers>

IBOR Fallbacks: Adjustments to Fallback Rates

Form of Adjustments

- The RFRs are adjusted (1) to reflect the fact that the IBOR is a term rate and (2) to factor in the embedded bank credit spread element of the IBOR.
- The current methodology is:
 - RFRs are based on the **compounded setting in arrears rate** and the **five year historical median approach to the spread adjustment**.
 - The **compounded setting in arrears rate** is the RFR observed over a period (generally equivalent to the relevant IBOR tenor) and compounded daily. The rate is adjusted whereby the observation period is backward-shifted to allow for the rate to be known prior to the relevant payment date.
 - The **five-year historical median approach to the spread adjustment** is based on the median spot spread between the IBOR and the term-adjusted RFR calculated over a static lookback period of five years prior to the Index Cessation Event. The spread adjustment will be added to the compounded setting in arrears rate (but will not be compounded itself).

Information about the relevant consultations and results, as well as test data and example calculations from Bloomberg, are available at **ISDA Benchmark Reform and Transition from LIBOR webpage** <https://www.isda.org/2020/05/11/benchmark-reform-and-transition-from-libor/>

IBOR Fallbacks: Adjustments to Fallback Rates

- **Bloomberg will publish (i) the compounded setting in arrears rate, (2) the spread adjustment and (3) the ‘all in’ fallback rate on a daily basis**
 - Publication will be on an indicative basis (i.e., ‘as if’ the fallbacks were triggered on the publication date)
 - Upon the occurrence of an ‘Index Cessation Event’ for the relevant IBOR, the spread adjustment will be fixed (but the indicative compounded setting in arrears rate and ‘all in’ fallback rate will continue to change on a daily basis). Contracts will continue to reference the relevant IBOR until the ‘Index Cessation Effective Date’ occurs.
 - Upon the occurrence of an ‘Index Cessation Effective Date’ for the relevant IBOR, contracts that continue to reference the relevant IBOR will reference the ‘all in’ fallback rate (which will include the spread adjustment that was set on the date of the ‘Index Cessation Event’ but with a changing compounded setting in arrears rate).
- Rulebook for final methodology published April 22, 2020. Available at <http://assets.isda.org/media/34b2ba47/c5347611-pdf/>.
- FAQs (to be updated from time-to-time) available at <http://assets.isda.org/media/ddcb20e0/76dd3ab8-pdf/>

IBOR Fallbacks: Key Dates

Bloomberg begins publication of indicative fallback rates via: <ul style="list-style-type: none">• Bloomberg Terminal• Bloomberg Data License• Bloomberg's LIBOR Transition website (on a delayed basis)	Live as of July 17 th
Launch of IBOR Fallback Supplement and IBOR Fallback Protocol	September 2020 (or later date after receive positive Business Review Letter from the US DoJ and similar comfort from other relevant competition law authorities), with 2-4 weeks' notice of launch date
Effectiveness of IBOR Fallback Supplement and IBOR Fallback Protocol	Late 2020 (or 3-4 months after publication)

IBOR Fallback Protocol: Adherence in Escrow

22 July – ISDA’s Letter to National RFR WGs – ISDA IBOR Fallback Protocol

- ISDA will provide market participants with approximately 2-4 weeks’ notice of the official launch date and later effective date.
- During this 2-4 weeks period, ISDA expects to facilitate a process whereby regulated entities and other key market participants can adhere to the IBOR Fallback Protocol ‘in escrow’ prior to the launch date.
- This adherence will be binding and complete but the adhering entity’s name and information will not appear on the ISDA website until the official launch date (and the adherence letter will be ‘deemed’ delivered as of that launch date, not the earlier date on which it was submitted ‘in escrow’).
- Entities that adhere in escrow will do so via a private link that ISDA sends them. This link will take them to a page with the text of the IBOR Fallback Protocol and all related information, including full adherence mechanics. The final text of the IBOR Fallback Supplement and the IBOR Fallback Protocol will be available on www.isda.org during this time but the information in the private link (e.g., adherence mechanics, list of adherents) will not be publicly available.
- Wide take up of this ‘adherence in escrow’ process will result in a broad and comprehensive list of adherents at the time the IBOR Fallback Protocol launches and thereby indicate to the market an expectation of wide usage of the new fallbacks.
- RFR Working Groups in the UK, the US, the EU, Switzerland, Canada, Japan and Singapore have sent messages encouraging dealers and other firms with significant derivatives exposure to adhere to the protocol during the escrow period in order to promote adoption.

IBOR Fallbacks: Other Templates and Materials

- ‘Short form’ language for bilaterally incorporating the terms of the ISDA IBOR Fallbacks Protocol into agreements on a wholesale basis for purposes of bilateral adherence
- ‘Long form’ language setting out the language from the Attachment to the ISDA IBOR Fallbacks Protocol in full for purposes of bilateral adherence
- Template acknowledgment language for transactions entered into prior to publication of the IBOR Fallbacks Protocol
- Template wording for inclusion in (i) confirmations for new transactions or (ii) amendments to legacy transactions (on a counterparty-by-counterparty or transaction-by-transaction basis) between counterparties who adhered to the IBOR Fallbacks Protocol and/or bilaterally adopted the terms of the IBOR Fallback Protocols using either ‘short form’ or ‘long form’ language
 - Exclude transactions and agree to different fallbacks (e.g., to ‘perfectly match’ hedges)
 - Include enhanced Calculation Agent dispute provisions
 - Include additional documents and/or transactions
 - Exclude the pre-cessation fallbacks for LIBOR
 - Other templates as required/requested
- Potential supplemental amendments to fallbacks for non-linear derivatives (e.g., in arrears swaps, caps/floors, swaptions) – *currently seeking feedback on approaches*

CCPs – Transition to €STR and SOFR Discounting

€STR

- > CCPs to switch discounting on all EUR-denominated products from EONIA to **€STR flat**.
- > CCP Transition Date: 24 July 2020.
- > CCPs to apply **cash compensation** payments to all accounts containing open EUR-denominated positions on the transition date.

SOFR

- > CCPs to switch discounting on all USD-denominated products from Fed Funds to **SOFR**.
- > CCP Transition Date: 16 October 2020 *
- > CCPs to offer a combination of **cash compensation** (in respect of valuation change) and **swap compensation** (in respect of risk profile change) to all accounts containing open USD-denominated positions on the transition date.
- > At certain CCPs, including LCH, client accounts will be able to elect for **cash-only compensation**, in lieu of swap compensation.
- > An auction process will be used to close out unwanted compensating swaps and provide a reference for cash compensation calculations.

**subject to regulatory approval*

ISDA Collateral Agreement Interest Rate Definitions

- > ISDA has published the Collateral Agreement Interest Rate Definitions.
- > Incorporation of these into ISDA collateral agreements will enable parties to include standardised definitions (including triggers and fallbacks) relating to overnight interest rates.
- > The triggers and fallbacks are designed to mirror those used in derivative transactions which reference the relevant overnight interest rates included in the Definitions.
- > The first version contains collateral rate definitions of EONIA (Collateral Rate) and EuroSTR (Collateral Rate). Subsequent versions to contain SOFR (Collateral Rate) and other RFR definitions.
- > Parties can:
 - > (i) incorporate the most recent version of the Definitions prior to entry into the relevant agreement, or
 - > (ii) incorporate the Definitions as amended from time to time, and elect to apply Interest Rate Override. Option to override the definition of either a specified interest rate benchmark (eg Interest Rate Override (EONIA)), or all benchmarks (Interest Rate Override (All Rates)), already included in the relevant agreement with the definition of that interest rate benchmark from the Collateral Definitions.

ISDA's 2018 IBOR Global Benchmark Transition Report – Steps Market Participants Can Take to Prepare for Transition

Assessment of IBOR Exposures	Assess Impact of Permanent Cessation
<ul style="list-style-type: none"> • Inventory of products linked to IBORs • Dynamic quantification of net and gross exposure on and off balance sheet • Calculate roll-off profiles ahead of 2019, 2020, 2021 	<ul style="list-style-type: none"> • Review existing contracts and assess fallbacks • Determine re-papering/client outreach • Engage with industry working groups to enhance fallbacks • Mobilize efforts to implement fallbacks
Transition Route Map	Mobilization of an IBOR Transition Program
<ul style="list-style-type: none"> • Contribute to demand for, design of and trading in new RFR products • Review relevant RFR WG publications, roadmaps etc • Apply to participate in RFR WGs • Determine required infrastructure and process changes • Develop an implementation route map of key projects, milestones and ownership 	<ul style="list-style-type: none"> • Allocate responsibility to senior executive • Federate governance structure • Budget & resourcing • Project objectives • Stakeholder education

IBOR Fallbacks: Additional Information

- [ISDA/Bloomberg/Linklaters IBOR Fallbacks Fact Sheet](#)
- [Understanding IBOR Benchmark Fallbacks](#)
- [Benchmark Reform at a Glance](#)
- [IBOR Transition Guide for Asia](#) co-published by ISDA, ASIFMA, ICMA and APLMA

All of these materials, as well as additional information about ISDA's work to implement IBOR fallbacks and other benchmark reform initiatives, are available on the **ISDA Benchmark Reform and Transition from LIBOR webpage** at <https://www.isda.org/2020/05/11/benchmark-reform-and-transition-from-libor/>



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ISDA: IBOR Fallback Supplement and Protocol และการปรับสัญญาที่อ้างอิง THBFIX

3 กันยายน 2563



1. THBFIX: Index Cessation Event and Effective Date
2. Calculation for Stub Periods
3. Guideline for Amending Cash Product Contracts Referencing THBFIX
4. รายละเอียดการจัดบรรยายและ Office Hours



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1. Index Cessation Event for THBFIX and Effective Date for Fallback THBFIX



As THBFIX utilizes USD LIBOR in its calculation, trigger events for THBFIX are the same as USD LIBOR which are:

Index
Cessation
Event

Index
Cessation
Effective Date

Permanent Cessation

- “Public statement or publication by or on behalf of the administrator of the Applicable Rate announcing that it has ceased or will ceased to provide...”
- “Public statement or publication by the regulatory supervisory for the administrator ...which states that it has ceased or will ceased to provide the Applicable Rate...”

Pre-Cessation (for LIBOR)

- A public statement or publication by the regulatory supervisory for the administrator of such Applicable rate that
 - (A) ...such Applicable Rate is no longer, or as of a specific future date, will no longer be representative ...
 - (B) Is made with the awareness that the statement or publication will engage certain contractual triggers for fallbacks
- Fallback rates will not apply until the first date on which the applicable rate is either (i) non-representative or (ii) no longer provided
- Effective Date may be on the same date as or after the Index Cessation Event.



What happens if certain IBOR tenors are discontinued prior to cessation

- If certain IBOR tenors but not all tenors are discontinued prior to the cessation of IBOR, then Section 8.5 (Discontinued Rate Maturities) which covers the interpolation mechanisms will apply.
- This provision is not applicable for THBFX and SOR (we do not interpolate THBFX and SOR directly).

Example: 6M USD LIBOR is discontinued.

For USD, calculate and utilize an interpolated 6M USD LIBOR.

For THB, Refinitiv will still calculate and publish 6M THBFX using interpolated 6M USD LIBOR.

Index	O/N	1W	1M	2M	3M	6M	12M
USD LIBOR	✓	✓	✓	✓	✓	✗	✓
Interpolated USD LIBOR						✓	
Fallback SOFR			-				
THBFX	✓	✓	✓	-	✓	✓	✓
Fallback THBFX	-	-		-			-

Example: 6M and 12M USD LIBOR are discontinued.

For USD, 6M and 12M cannot be interpolated, utilize 6M and 12M Fallback SOFR.

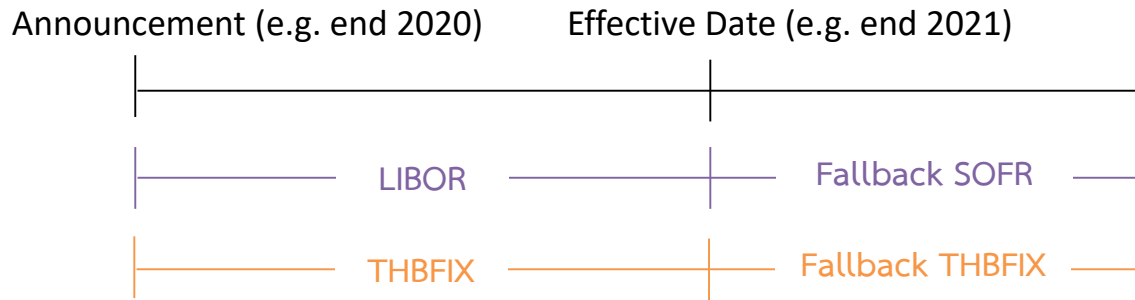
For THB, Refinitiv will also not be able to calculate and publish 6M and 12M THBFX, utilize 6M Fallback THBFX (no 12M Fallback THBFX published).

Index	O/N	1W	1M	2M	3M	6M	12M
USD LIBOR	✓	✓	✓	✓	✓	✗	✗
Interpolated USD LIBOR							
Fallback SOFR						✓	✓
THBFX	✓	✓	✓	-	✓	✗	✗
Fallback THBFX	-	-		-		✓	-

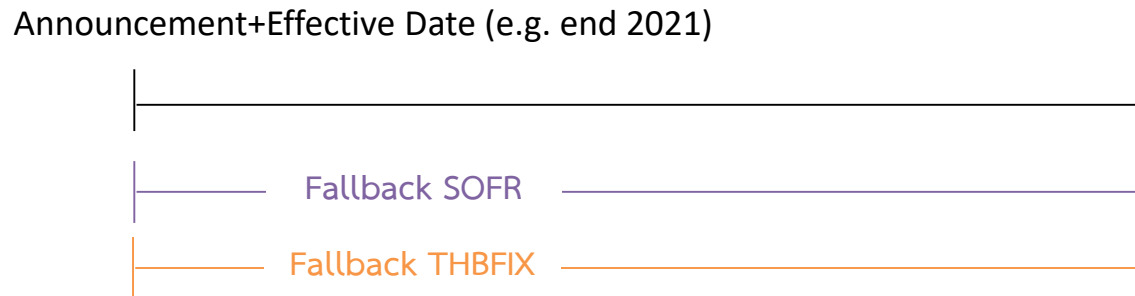


Timeline for Index Cessation Event and Effective Date

Case 1: Announcement of permanent cessation or pre-cessation for all tenors

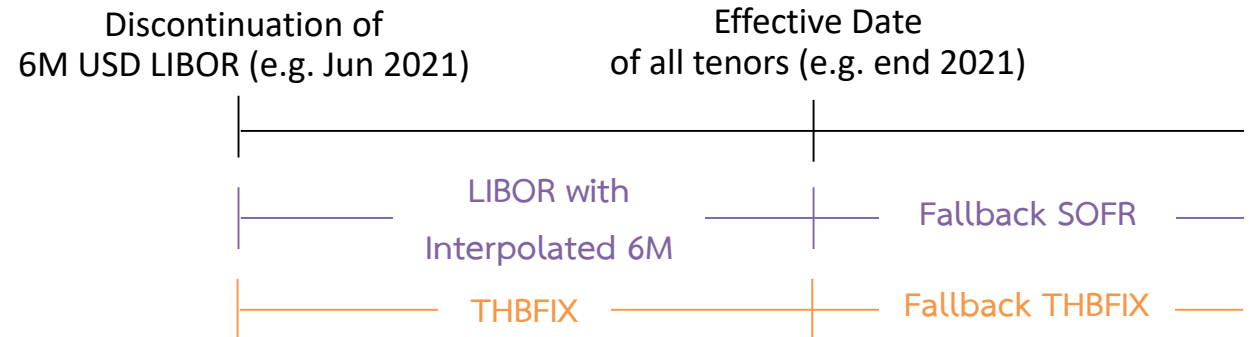


Case 2: Announcement of permanent cessation or pre-cessation with actual cessation for all tenors



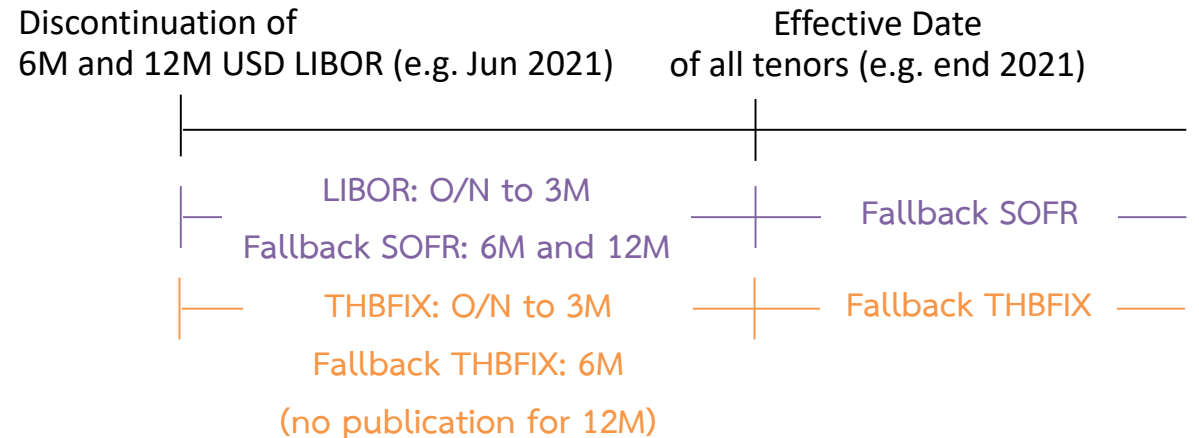
Case 3: Certain IBOR tenor is discontinued and section 8.5 is applicable (for USD LIBOR).

Example: 6M USD LIBOR is discontinued



Case 4: Certain IBOR tenors are discontinued and section 8.5 is not applicable (for USD LIBOR).

Example: 6M and 12M USD LIBOR are discontinued





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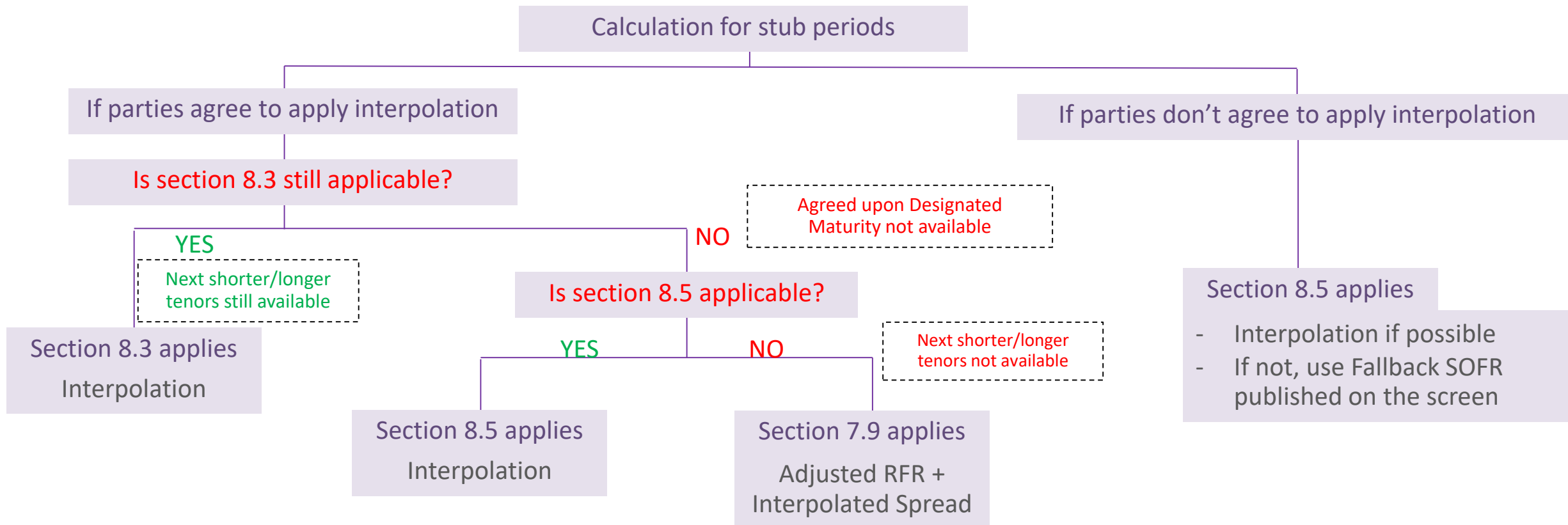
2. Calculation for Stub Periods



- Linear Interpolation mechanism has been included in section 8.3 of the 2006 ISDA Definition.

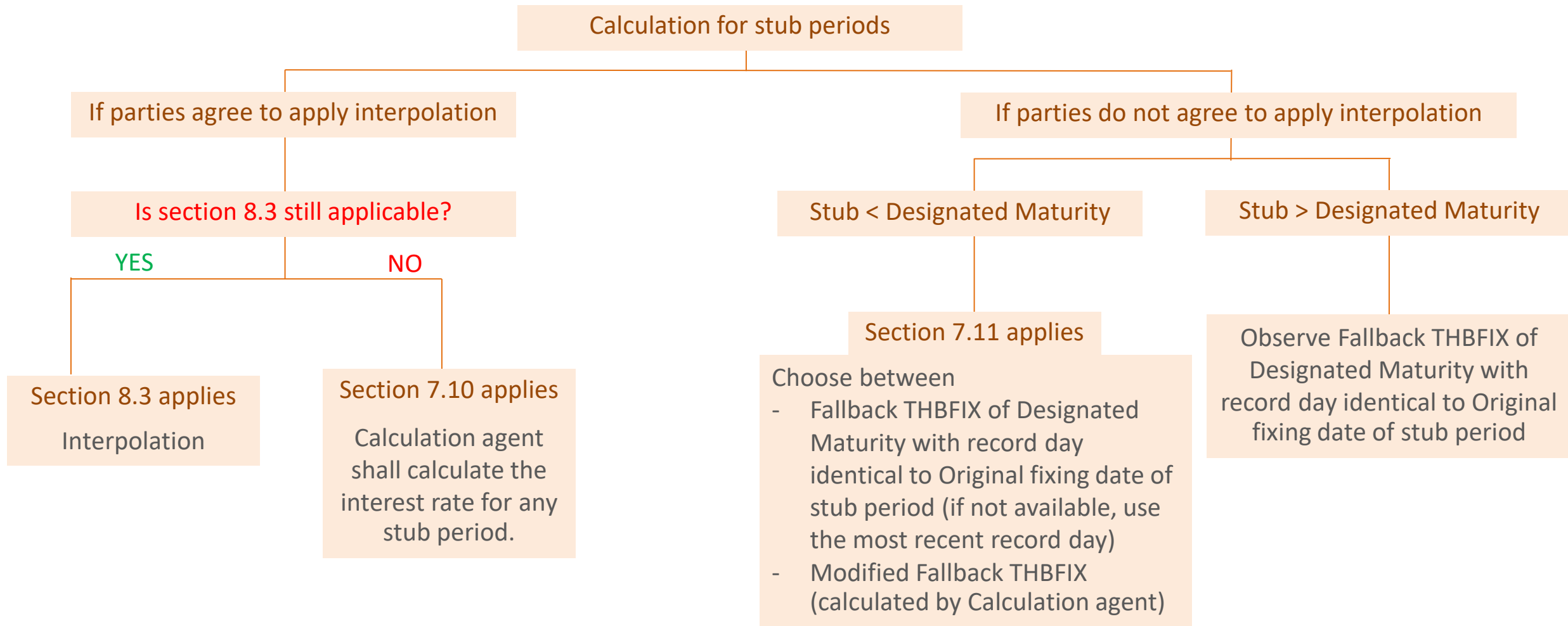
For LIBOR Cessation

- If Linear Interpolation is specified to be applicable and section 8.3 and 8.5 cannot be performed, then section 7.9 shall apply.
- If Linear Interpolation is not specified to be applicable, then section 8.5 shall apply.





- If Linear Interpolation is specified to be applicable and section 8.3 cannot be performed, then section 7.10 shall apply.
- If Linear Interpolation is not specified to be applicable, then section 7.11 shall apply.

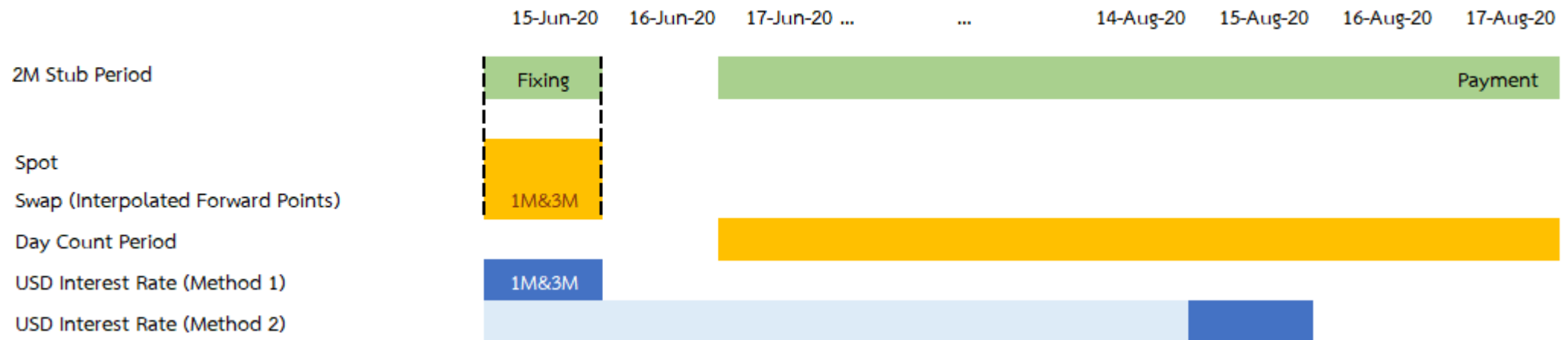




Fallback for SOR and THBFIX for the Calculation Periods to which “Linear Interpolation” is specified to be applicable.

- If section 8.3 cannot be performed, then the calculation agent shall calculate the interest rate according to the following method:

$$\left\{ \left[\left(\frac{\text{Spot Rate} + \text{Interpolated Forward Points}}{\text{Spot Rate}} \right) \times \left(1 + \frac{\text{USD Rate} \times \# \text{ days}}{360} \right) \right] - 1 \right\} \times \frac{365}{\# \text{ days}} \times 100$$



Methodology: On 15 Aug, Calculation Agent to calculate using the following inputs

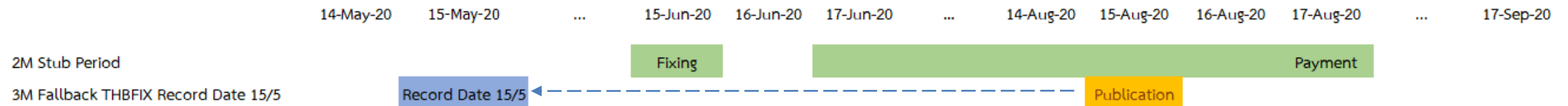
- USDTHB Spot rate (published on the Original Fixing Date of stub period)
- Interpolated Forward Points (Straight-line interpolation of forward points from the next shorter and the next longer than the stub period and use daycount of the stub period)
- USD Interest Rate: if a) is not applicable, then use b)
 - Method 1: Straight-line interpolation of USD LIBOR from the next shorter and the next longer than the stub period
 - Method 2: Adjusted SOFR + Interpolated Spread (Section 7.9)



Fallback for SOR and THBFIX for the Calculation Periods to which “Linear Interpolation” is not specified to be applicable and which are shorter than the Designated Maturity.

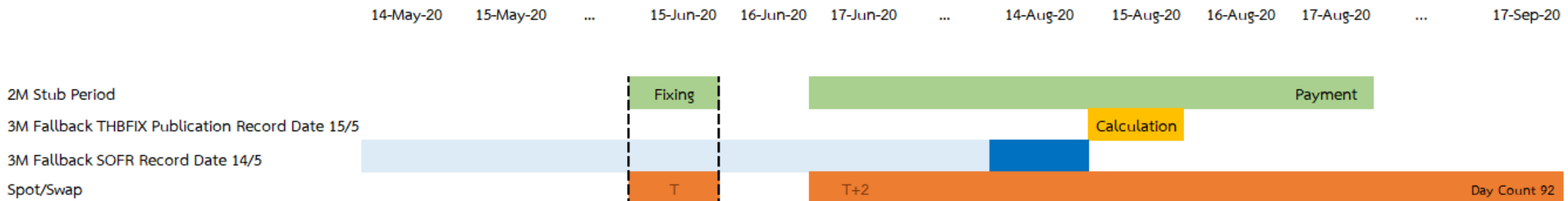
- The calculation agent shall determine whether to apply 1) Fallback THBFIX or 2) Modified Fallback THBFIX

Case 1: Fallback THBFIX of Designated Maturity is applied



This methodology uses 3M Fallback THBFIX with a Rate Record Day of 15 May (published on 15 Aug) as such record date is the most recent available of 3M tenor.

Case 2: Modified Fallback THBFIX is calculated and applied



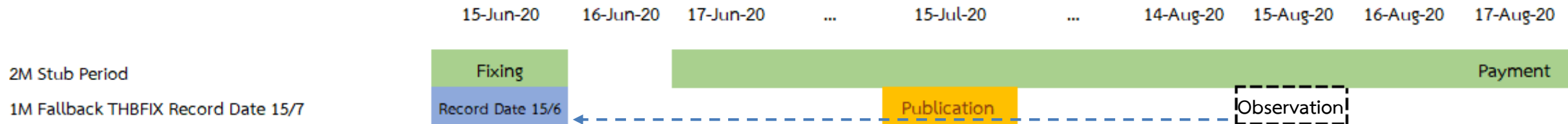
This methodology applies the Spot rate and Swap points to Fallback SOFR of the Designated Maturity with Rate Record Day 14 May. However, the Spot rate, Swap points and daycount are now taken for a 3M tenor on 15 June.



Cases where stub period is longer than Designated Maturity

- Meanwhile, section 7.11 does not cover cases where the stub period is a longer tenor than the Designated Maturity (i.e. 2M stub period using 1M Fallback THBFIX).
- This is because the Rate Record Date which aligns with the original fixing date will always be published and available for observation.

Case 3: Use Fallback THBFIX of Designated Maturity on shorter stub period



This methodology uses 1M Fallback THBFIX with record date of 15 Jun 20 (published since 15 Jul 2020).



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3. Guideline for Amending Cash Product Contracts referencing THBFIX



The Working Committee has published a broad guideline for contractual amendments for Cash Products referencing THBFIX.

Cash Product Contracts

Legacy contracts

New contracts

- Trigger Events:
 - For cash products that are hedged by derivatives, the trigger events should be in line with derivatives transactions.
 - For cash products that **are not** hedged by derivatives, the trigger events could be subject to the BOT's announcements (BOT will announce trigger events in accordance with ISDA's trigger events).
- Replacement Rate:
 - Fallback THBFIX (or others)
- Replacement Rate Application:
 - For hedged loans, 2 business days lookback is recommended, counterparties could observe the Original Rate Record Day of Fallback THBFIX on 2 business days prior to the payment date (if the Original Rate Record Day is not available, use the most recent rate record day).
 - For unhedged loans, lookback period could be more than 2 business days, in which case counterparties will use the most recent rate record day.
- Fallback for Fallback THBFIX:
 - The BOT recommended rate



Derivative Products

1. หาก USD LIBOR บาง tenor ถูกยุติการเผยแพร่ก่อน tenor อื่น ให้สัญญาที่อิง USD LIBOR tenor นั้น
 - Interpolate เอง ถ้ายังมี tenor ที่สั้นกว่าและยาวกว่าเหลืออยู่ หรือ
 - ใช้ Fallback SOFR ถ้า interpolate ไม่ได้ (ไม่มี tenor ที่สั้นกว่าหรือยาวกว่า)
2. หาก THBFIX บาง tenor หายไปตาม USD LIBOR ให้สัญญาที่อิง THBFIX ไปใช้ Fallback THBFIX
3. การคำนวณ stub period ต้องดูว่าได้ตกลงใช้การ Interpolation หรือไม่ ซึ่งจะส่งผลกับวิธีการคำนวณอัตราดอกเบี้ยสำหรับ stub period ที่แตกต่างกัน

Cash Products

- ผู้ร่วมตลาดสามารถศึกษาแนวทางการปรับสัญญา cash products ตาม guideline ที่คณะกรรมการได้เผยแพร่ และ
- (สำหรับธุรกรรมที่ไม่ได้ hedged) ควรระบุ trigger event ของ THBFIX และ effective date ของ Fallback THBFIX เป็นการประกาศ THBFIX cessation ของ ธปท. สำหรับ tenor นั้น
 - ควรระบุให้ Fallback สำหรับ Fallback THBFIX เป็น BOT recommended rate
 - ควรระบุให้ใช้ Most Recent Record Date ของ Fallback THBFIX หากต้องการ observe rate ก่อนวันจ่ายเงินมากกว่า 2 วันทำการขึ้นไป



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4. รายละเอียดการจัดบรรยายและ office hours



วัน เวลา	หัวข้อ	กลุ่มเป้าหมาย
อังคาร 21 ก.ค. 10.30 น. – 12.00 น.	การปฏิรูปอัตราดอกเบี้ยอ้างอิง	ธนาคาร / สภาวิชาชีพบัญชี
อังคาร 4 ส.ค. 10.30 น. – 12.00 น.	THOR	ธนาคาร / สภาวิชาชีพบัญชี
พฤหัสบดี 20 ส.ค. 10.30 น. – 12.00 น.	THBFIX and Fallback THBFIX	ธนาคาร / สภาวิชาชีพบัญชี
พฤหัสบดี 3 ก.ย. 9.30 น. – 12.00 น.	ISDA: IBOR Fallback Supplement and Protocol	ธนาคาร / สภาวิชาชีพบัญชี
อังคาร 29 ก.ย. (TBC)	การปฏิรูปอัตราดอกเบี้ยอ้างอิง	ลูกค้า หน่วยงานภาครัฐ



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Informational Sources

- BOT Office Hour: ทุกวันพุธ เวลา 10.00 น. (Microsoft Teams Meeting)
<https://www.bot.or.th/Thai/FinancialMarkets/Pages/LiborCommunication.aspx>
**** ครั้งสุดท้าย 30 กันยายน 2563 ****
- Email: ReferenceRate@bot.or.th
- <https://www.bot.or.th/Thai/FinancialMarkets/Pages/ReferenceInterestAndEndOfUseLIBOR.aspx>

