

LIBOR Transition Prep Heats Up as Financial Institutions Bite the Repapering Bullet

By Jeffrey Catanzaro
Executive Vice President, Integreon



By now, financial institutions are well aware that LIBOR (London Interbank Offered Rate) will phase out as of December 31, 2021. Within the Contracts and Compliance group at Integreon, we are seeing LIBOR preparation engines heating up fast for our financial clients and their law firms. Organizations are emerging from pandemic-induced lulls to face the immense contract repapering projects that LIBOR transition will require.

The LIBOR transition is not just a legal problem, a contracting problem, or a business problem – it is all of the above. That is why a successful LIBOR strategy requires cross-functional input and coordination.

Over the coming months, financial companies will be evaluating what the LIBOR transition will entail for them. They are already, or soon will be, taking inventory and developing budgets and plans. Since LIBOR repapering is a mandatory, non-discretionary spend, it will push other less urgent priorities aside. Still, though LIBOR is an undisputed priority, financial companies will aim to minimize spending as much as possible.

Financial institutions require a variety of resources to help them move away from LIBOR. Some are initially entrusting the project to law firms which are providing strategic and legal advice, as well as bringing in human and technology resources as needed. Others are hand-picking individual partners from several law firms, relying on each one for a particular skillset or expertise. Many financial institutions and law firms are realizing that their internal resources are not sufficient to face LIBOR’s massive workload. They are looking to companies like Integreon who specialize in contract repapering and strategic technology application for projects like LIBOR.

I spearheaded Integreon’s LIBOR Task Force when I joined the company a year ago. Since then, we have seen that financial institutions look to Integreon to provide the human capital, program and change management, and technology support to achieve a successful LIBOR transition.

Integreon provides financial institutions with experienced and flexible teams. We can adjust our role and scale up or down over the course of a project, depending on the client’s evolving needs. Integreon leverages experience gained having successfully completed many complex

repapering projects such as ISDA negotiations, MiFID and IM repapering projects to capably ensure adherence to regulatory requirements for LIBOR. Integreon also provides a team of lawyers and paralegals which can be deployed onsite at short notice to undertake the negotiations and ensure all impacted agreements are remediated with appropriate fallbacks in place.

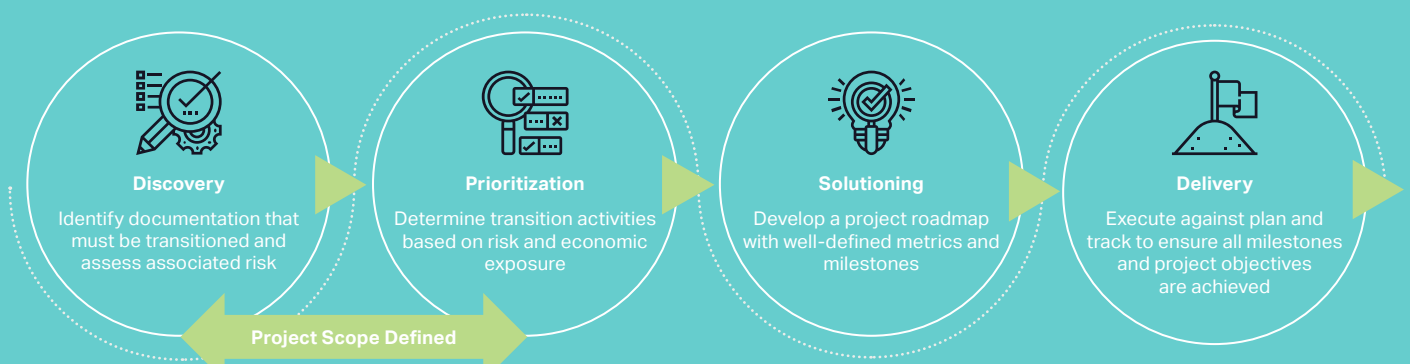
Technology plays a key role in a successful LIBOR transition because it can identify impacted agreements as well as facilitate efficient negotiation processes. Artificial intelligence (AI) and other technology types are useful for LIBOR, provided that they are thoughtfully implemented working in concert with human eyes. Integreon is technology agnostic which allows us to provide an objective assessment of what technology will work best to meet client needs and fill gaps.

Integreon provides financial institutions with experienced and flexible teams. We can adjust our role and scale up or down over the course of a project, depending on the client’s evolving needs.

We have partnered with [Sirion Labs](#) to augment our LIBOR workflow by providing a LIBOR remediation workflow tool to step through the process. We analyze contractual language and affected parties early on in the process, allowing clients to identify complex scenarios such as intra-group arrangements or multi-jurisdictional transactions. Using the LIBOR workflow tool, Integreon guides clients through which transactions/contracts are in scope for remediation and also provides a playbook to support the renegotiation and repapering of both vanilla and complex legal arrangements. Integreon’s workflow supports both buy side and sell side together with any multi-jurisdictional transactions.

Integreon recognizes that clients are at different levels of readiness to bite the bullet on LIBOR. Therefore, we have designed our process to be modular and customizable, so clients can get support where they need it most. Sometimes, we work directly with the bank client. Other times it’s collaborative where the bank, Integreon, and the law firm work together. We understand the key is to be agile and ready to jump in at any point in the supply chain. Drawing upon global resources on three continents, Integreon stands ready to help financial institutions and their law firms to tackle the LIBOR transition efficiently and promptly.

The Integreon LIBOR Task Force breaks the transition process into four stages: Discovery, Prioritization, Solutioning and Delivery.



About the Author

Jeffrey Catanzaro is Executive Vice President at Integreon and leads the company’s Contracts and Compliance Services practice group and LIBOR Task Force. Email him at: jeffrey.catanzaro@integreon.com.