

WHAT IS THE SHAPE OF YOUR LIBOR RISK?

A Guide to Buy-Side LIBOR Cessation Risk

IBORS, including the **London Inter-Bank Offered Rate** (LIBOR), are scheduled for discontinuation globally starting December 31, 2021. Successfully traversing the myriad of steps and the magnitude of work needed to reach a timely state of LIBOR reform readiness requires an understanding of the specific shape of your organization's related risk.

To determine the shape of buy-side LIBOR risk entails an in-depth analysis of all contractual relationships where a duty may arise or where a regulatory obligation must be met. This may feel akin to navigating a mine field. And for those that fail to meet readiness deadlines, they may be given short shrift by regulators and exposed to a litany of potential issues, including litigation.



The Shape of Buy-Side Related Risk

LIBOR cessation readiness requires both an evaluation of activities and relationships with counterparties with an eye toward relationships under management and duties which arise in accordance with the specificity of any given undertaking.



Recommend gathering information from administrators/trustees of managed funds, etc. to understand the full impact cessation brings and any specific requirements for a group centric LIBOR cessation approach.



As a regulated firm, you may be under an obligation to protect or treat your customers fairly. Timely, pre-deployment communications about your LIBOR cessation plan should be considered and may prove to be beneficial to a successful transition plan.



As a bond holder, your consent is required in order to implement the transition from LIBOR to an RFR. This may involve negotiations as not only will the referenced LIBOR rate require replacing, but calculation parameters in respect of the inclusion of a relative credit spread will also require attention.



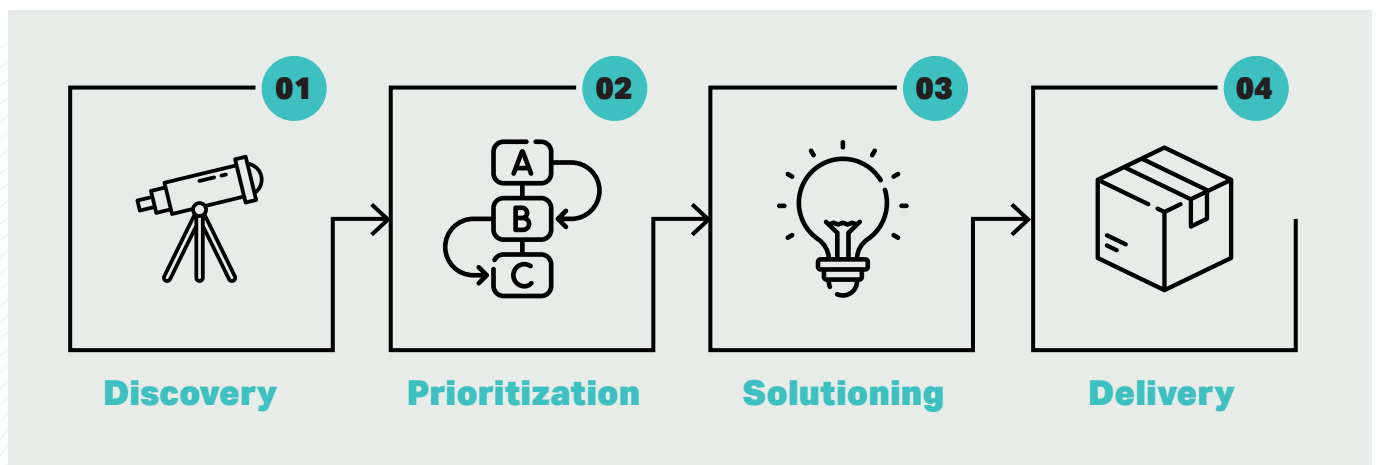
Arbitrage opportunities may arise for entities which have collateral optimization desks/functions. LIBOR cessation provides in theory the opportunity for cherry picking in relation to collateral movement.



Due to the extent of LIBOR reform not being entity type, size or product related, an analysis of all contracts and related documentation, including internal guidance policies and procedures and standards (for regulated entities) is recommended.

Integreon's End-to-End 4-phase LIBOR Reform Approach

Through experience supporting global financial institutions, our approach delivers efficiency, quality assurance and mitigates risk. Integreon implements an end-to-end solution consisting the following four phased approach.



We can also offer these phases on a stand-alone basis to bolster implementation of an existing solution.

Delivering Transformational Solutions

Integreon is an alternative legal services provider (ALSP), experienced in providing regulatory event remediation solutions worldwide and equipped to readily and cost effectively:

- Provide a complete, end to end solution.
- Act as an extension or supplement an existing regulatory change program in a modular or bespoke manner.
- Provide access to highly skilled resources including lawyers, contract specialists, paralegals, and six sigma experts.
- Work seamlessly with technology providers, outside counsel, and other program contributors.
- Scale as needed drawing from 3,000+ global employees in the USA, UK, India, and the Philippines.