

IBOR TRANSITION SERIES:

A LOCAL MARKET PERSPECTIVE SINGAPORE IBOR TRANSITION

(IN COLLABORATION WITH THE
ASSOCIATION OF BANKS IN SINGAPORE)

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Philippe Dirckx
Managing Director – Head of Fixed Income
ASIFMA

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Agenda:

Time (SGT/HKT)	Session
10:00 – 10:15	Welcome Remarks <ul style="list-style-type: none">• Philippe Dirckx, Managing Director – Head of Fixed Income, ASIFMA• Mrs Ong-Ang Ai Boon, Director, The Association of Banks in Singapore
10:15 – 10:35	Keynote Address <ul style="list-style-type: none">• Leong Sing Chiong, Deputy Managing Director (Markets & Development), Monetary Authority of Singapore
10:35 – 10:50	Impact of SORA Transition on Singapore Banking Industry and Key Considerations for a Smooth Transition <ul style="list-style-type: none">• Andrew Ng, Group Executive, Head of Treasury Markets, DBS

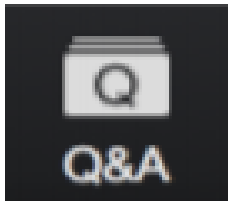
Agenda:

Time (SGT/HKT)	Session
10:50 – 11:35	<p>SORA Product Presentations (Case Studies)</p> <ul style="list-style-type: none">• Ryan Page, Solutions Specialist, Refinitiv• Wolfram Hedrich, Partner, EY• Gaurav Kapoor, APAC Head – Risk & Valuations, Bloomberg L.P.
11:35 – 11:45	<p>Data Transformation/Implementation</p> <ul style="list-style-type: none">• David Rickard, Global Director, Trading Desktop – FX/MM & Derivatives, Refinitiv
11:45 – 12:00	<p>Accounting and Tax Issues – Top 10 to Tax Issues to Keep Front of Mind</p> <ul style="list-style-type: none">• Rajesh Bheemane, Partner, Financial Services Transfer Pricing, Ernst & Young Solutions LLP• KwanEng Chew, Partner, Quantitative Analytics and Treasury Services, Ernst & Young Solutions LLP

Agenda:

Time (SGT/HKT)	Session
12:00 – 12:40	<p>Banking Panel on Legal/Conduct Issues</p> <ul style="list-style-type: none">• Glenn Foo, Partner, Allen & Gledhill• Kok Chee Wai, Partner, Allen & Gledhill• Francis Mok, Co-head of Financial Services Department, Allen & Gledhill• Joyce Lai, Executive Director, Head, Legal & Compliance, Treasury & Markets, DBS• Lyn Lee, Senior Vice President, Group Legal & Regulatory Compliance, OCBC• Poh Mai Fuang, Capital Markets Legal Counsel, OCBC• Chan Mun Bin, Head, Legal, FXRC & Financial Markets, ASA, Standard Chartered• Koh Hwee Keow, Senior Vice President, Group Legal & Secretariat, UOB• Lam Chee Kin, Managing Director & Head, Group Legal, Compliance & Secretariat, DBS (moderator)
12:40 – 12:45	Q&A
12:45 – 12:50	<p>Closing Remarks</p> <p>Vernice Moh, Managing Director, ASEAN, Refinitiv</p>

Get involved by:



Asking a question anytime via the “Q&A” box on your tool bar

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Welcome Remarks:



Mrs Ong-Ang Ai Boon

Director

The Association of Banks in Singapore

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Keynote Address:



Leong Sing Chiong

Deputy Managing Director (Markets & Development)
Monetary Authority of Singapore

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Impact of SORA Transition on Singapore Banking Industry and Key Considerations for a Smooth Transition :



Andrew Ng
Group Executive
Head of Treasury Markets
DBS

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SORA Product Presentations (Case Studies):



Ryan Page
Solutions Specialist
Refinitiv



Wolfram Hedrich
Partner
EY



Gaurav Kapoor
APAC Head – Risk & Valuations
Bloomberg L.P.

SORA Product Presentations (Case Studies):



Ryan Page
Solutions Specialist
Refinitiv

LIBOR Transition

Case Studies



Widespread impact for market participants



Market Data vendor – product impacts and enhancements

Calculators

- Ability to use RFRs to price e.g. coupon calculations for FRNs, Swap price calculator
- Compound RFR Calculator Tool
- Scenario Analysis Tools e.g. in Multi Asset Portfolio app MARVAL

Analytics

- Zero Coupon basis free curves using RFRs
- Fallback Curves Applied
- LIBOR-OIS curves
- Bootstrapped OIS curves for discounting/projecting cashflows

Search/Monitor

- New bond issuance linked to RFRs
- Existing bonds and derivatives linked to IBORs/RFRs
- General landing page for all RFR/IBOR transition related activity

Onboard 3rd Party Data

- New RFRs and term rates, new compound indices of RFRs
- Broker OIS Data
- Interest Rate Futures & Options
- IBOR fallback benchmarks

Reference Data

- New fields to easily identify LIBOR linked securities
- Fallback language and triggers captured in bond notes
- Capture Bond Covenant and Transition Changes

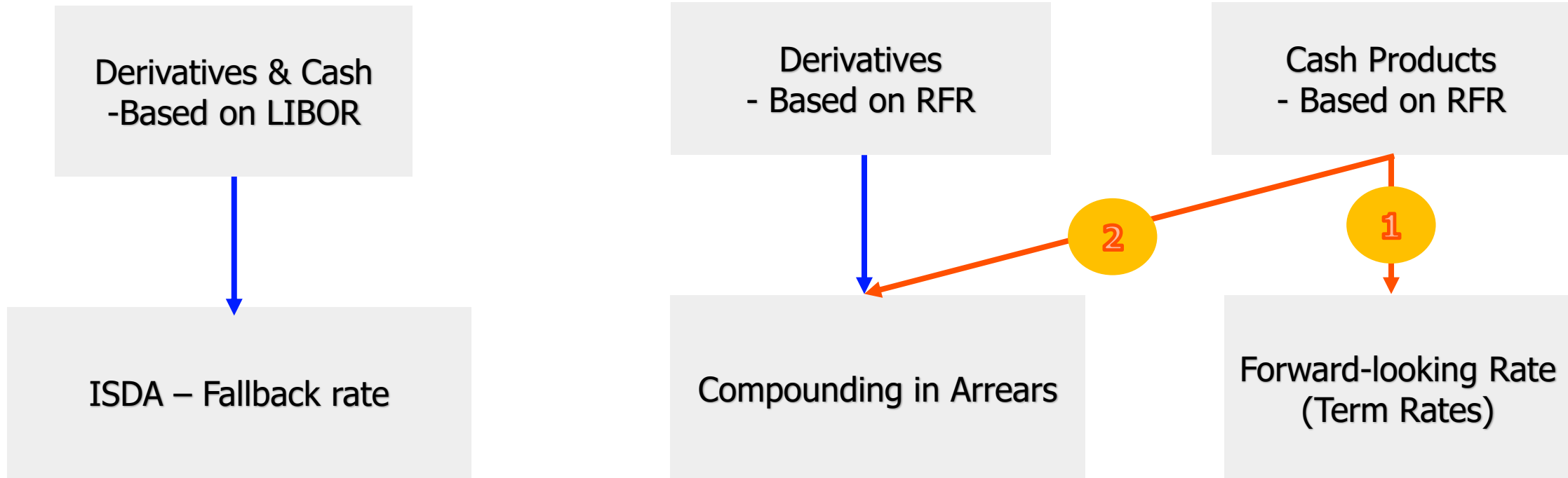
Refinitiv Benchmarks

- Term Rates Based on OIS data in select markets
- Compound Indices for major RFRs using market standard methodologies
- SONIA forward term rate offering

Client case-study ... LIBOR Transition approach

- Our client is the largest bank in its domestic market and is principally engaged in the provision of banking and related financial services. The Bank mainly operates three segments, including Corporate Banking segment, Personal Banking segment and Capital Markets segment.
- As a result, this client has a wide range of products that is impacted by LIBOR transition
 - Derivatives (market making Foreign Currency Interest Rate Derivatives),
 - Cash Products (Corporate Loans & Personal Loans)
 - Bonds (Floating Rate Notes)
- The client had a LIBOR transition workforce, comprised of users from different departments including Market Risk team, ALM team, Legal team and Technology team.
- The engagement took the shape of a consultative collaboration, with the overall assessment of effort being estimated at 80% of the time being spent on understanding what the transition meant to the client's operations\workflows and 20% on the Refinitiv solutions that were complimentary to the recommended target state.

Overall Recommendation Diagram – client product perspective



Scenario



After LIBOR Cessation,
Existing LIBOR products

Products

Derivatives

Cash



Prevailing Rate

ISDA Fallback rate

Forward looking
rate + Spread

Other Official
Reference Rate +
Spread

ISDA
Fallback rate



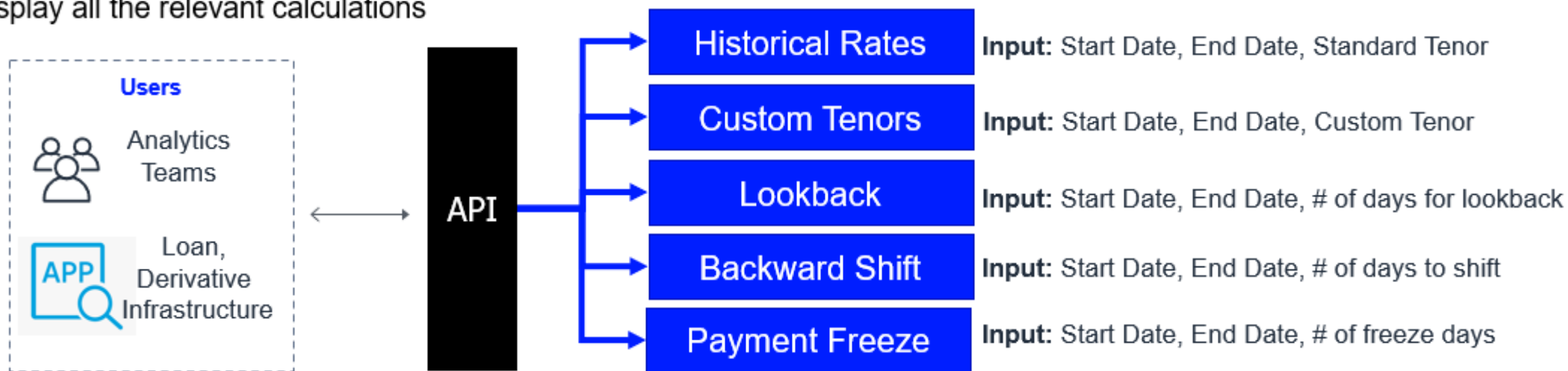
Refinitiv's Data and Solution for IBOR transition

RFR Data Sets	Summary
RFR Rates	Risk Free rates (RFR) are recommended alternatives to Libor. These are overnight rates e.g SORA, SOFR, SONIA, ESTR
RFR Term Structures	Forward looking rates administrated by benchmark administrators – including Refinitiv Term Structure for SONIA. Potential replacement for LIBOR rates.
RFR Compounded Rates	Daily compounded rates (e.g. 30D, 60D, 90D) published by central banks on RFR. Can be used in cashflow/coupon calculations.
ISDA Fallback Rates	Fallback rates required for ISDA OTC Derivatives. Fallbacks are not intended to be a primary means of moving from IBORs to RFR – they are required to determine fallbacks for existing OTC derivative contract.
RFR Market Data (Swaps, Basis, Caps, Swaptions)	Market Data Pricing in new Swaps products - required for price discovery, input to curves and analytics. Exclusive Tradeweb data, and price data from all Inter-dealer Brokers.
RFR Zero Curves	Zero curve replacements for existing Libor curves used to pricing new derivative products. Available through OISZERO.
RFR Bonds and Loans	FRNs issued with RFR underlying. Coupon calculation methodologies have lookback features - as RFRs are overnight not forward looking.

Access across the Enterprise

Addressing the challenge at the Enterprise level ?

- Unified analytics so that firms can access these analytics via **API** or **FTP** based flat-file download option
- Market data providers have access to all the underlying data needed and can provide reliable and robust capabilities
- **Cloud delivery** provides a unified API into existing infrastructure with **no additional hardware footprint**
 - Retrieve historical RFR averages published for standard tenors
 - Retrieve RFR compounding factors for flexible compounding periods to price non-standard interest cycles
 - Retrieve RFR compounding factors for Lookback, Payment Freeze and Observation Shift methods
 - Display all the relevant calculations



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SORA Product Presentations (Case Studies):



Wolfram Hedrich
Partner
EY

An aerial photograph of a large group of triathletes in black wetsuits and white swim caps swimming in clear, turquoise water. A single kayaker in a bright pink kayak is positioned in the center of the group. The water is splashing around the swimmers, and the overall scene is dynamic and energetic.

SOR to SORA transition

SORA Products & Customer Communication

2 February 2021

Current Challenges in Bank IBOR Programs

Market is still largely in 'wait & see' mode – but don't wait too long!

Status

- Banks' IBOR programs made a lot of progress over last year
 - New product roll-out (Derivatives leading Cash)
 - Communication strategies
 - Systems capabilities
 - Fallbacks for derivatives - ISDA protocol
- Important updates to final transition timeline expected in coming weeks (IBA/FCA)
 - USD LIBOR link to SOR important for local market
 - Possible impact on SORA update
- Market still working through exact mechanics of restructuring/repapering options
- Banks have started outreach to clients, with mixed success

Current issues

- 1 Fragmentation** - lack of common standards and templates means lots of legal and systems work to cater to a huge tree of rates calculation alternatives
- 2 Regulatory Uncertainty** - diverging timelines means that banks and customers become more hesitant to change
- 3 Low Adoption** - customers have a 'wait & see' attitude; rate compression doesn't help since pricing looks less attractive
- 4 Value Transfer** - Need to understand and handle value transfer: both external (to/from client) and internal (FtP)
- 5 Client Engagement** - how, when and what to offer in order to minimize complexity, conduct risk and value transfers? How will you negotiate with customers?

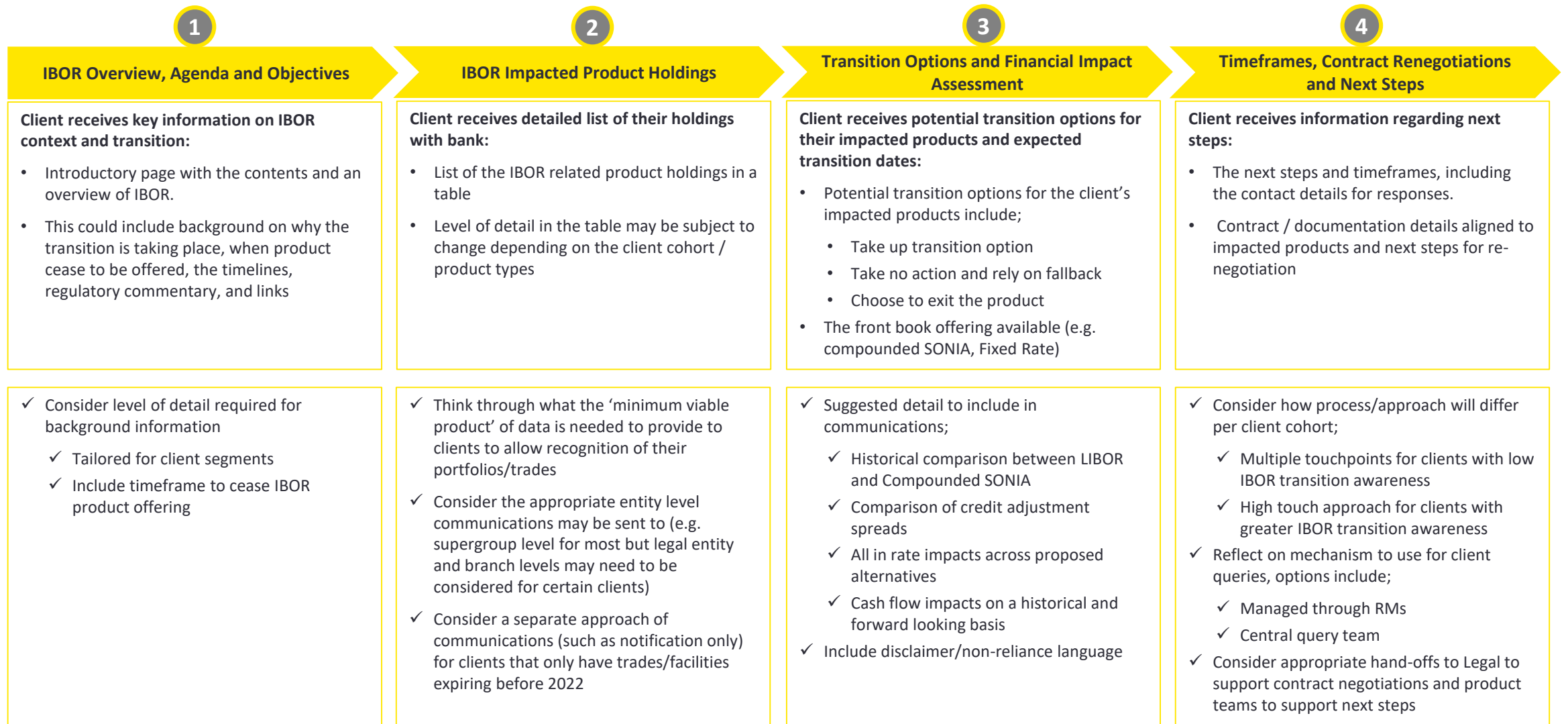
Client Engagement

Where should you be right now?

		Expected Status for 'GREEN' in Q1 2021	Accelerators in use
1	Client Exposure and Contract Remediation Scoping & Reporting	<ul style="list-style-type: none"> ▶ Centralized view of client transition data available, updated for possible cessation timeline changes ✓ ▶ Ability to deliver analytics and supporting scenarios to facilitate commercial discussion ready ✓ ▶ Dashboard reporting live on transition progress e.g. by client, exposure, contractual progress ✓ 	<ul style="list-style-type: none"> ▶ Workflow Tools to manage client communications
2	Client strategy	<ul style="list-style-type: none"> ▶ Client strategy by product and / or client cohort for transition prepared ✓ ▶ Assessment of risk for each scenario (above) done; mitigants for all risks identified and a greed remediation plan ✓ ▶ Developed pricing strategy (ARR, spreads, floors) and simulated impact of rate scenarios on SORA versus IBOR products ✓ ▶ New Product Approval process defined ✓ 	<ul style="list-style-type: none"> ▶ MI and visualisation layer ▶ FAQ document
3	Contract Strategy, Scoping and Execution	<ul style="list-style-type: none"> ▶ Population for restructuring or revised fallback repapering identified ✓ ▶ Summary and detailed playbooks for front-line teams prepared, training given to teams, escalation pathways identified ✓ ▶ Templates / amendments agreed for impacted contracts ✓ ▶ Integration of end-to-end workflow tooling and method to capture fallback status and reporting ✓ 	<ul style="list-style-type: none"> ▶ Regulatory horizon scanning and insight
4	Client Communication/ Engagement	<ul style="list-style-type: none"> ▶ General education docs / memos and FAQs prepared; regular newsletters shared internally /externally ✓ ▶ Governance process to manage client escalations established ✓ ▶ Process & tooling to deliver client specific packs driven by client strategy discussions ✓ ▶ Ongoing client meetings held with Coverage Teams/Sales ✓ ▶ Initial contract negotiation to kick-off: Q1 2021 with clear coverage across all IBOR impacted positions ✓ 	<ul style="list-style-type: none"> ▶ Workflow Tools to manage client communications ▶ Legal Contract Tools
5	Internal Communication	<ul style="list-style-type: none"> ▶ Training program and training material rolled out ✓ ▶ Audit trail / workflow tooling live ✓ ▶ Post-sale outcome reviews ongoing ✓ 	<ul style="list-style-type: none"> ▶ Training platform

Case Example: Information for Clients

Overview of the core client information to be provided in the transition



Case Example: Tailored Communications

Information provided and process will differ depending on client sophistication

Client Sophistication → Low → High

Product (L1)	Product (L2)	Client Segmentation				
		Small Enterprises	SME	Mid Corp.	Large Corp.	FI and Other
Linked	Bilateral Loan + Interest Rate Swap + Inflation Swap					
	Bilateral Loan + Interest Rate Swap					
Loans and Deposits	Multicurrency Loan Products					
	Agent –Syndicated RCF					
	Agent –Syndicated Term Loan					
	Not Agent - Syndicated RCF					
Derivatives	Interest Rate Swap					
Loans and Deposits	Bilateral RCF					
	Not Agent – Syndicated Term Loan					
	Bilateral Term Loan					

Product Complexity ↑ High

Product Complexity ↓ Low

Overall, there may be an increased focus on providing information on the background to the IBOR transition and differences in the rate options. Clients may require 1:1 discussions and follow up to discuss their concerns and questions.

Approach

- ✓ Send a letter in good time (at least 3 months before commercial discussion) notifying the client of the IBOR transition
- ✓ Follow up (in the form of a phone call or email) to check in and ensure the client understands the transition and to answer any questions or concerns
- ✓ Meeting to discuss commercial proposition (information should include current exposure, rate comparisons (backward and forward 5 years), cash flow comparisons etc.)
- ✓ Allow time to process information and transition options (suggested minimum 14 days)
- ✓ Execute if the client is ready to transition

Overall, there may be an increased focus on the financial impact across client impacted holdings, and less of a need to provide background or comparison of rates. Information may be provided virtually, with less need for follow up discussions

Approach

- ✓ Website publication or standard white paper on overview of change and high level timeline for transition strategy
- ✓ Meeting to discuss commercial options to transition. This is often complex so may require multiple meetings to discuss options.
- ✓ Execute if the client is ready to transition

Case Example: Playbook

The playbook is a practical guide for business to manage the transition of IBOR-referencing client contracts

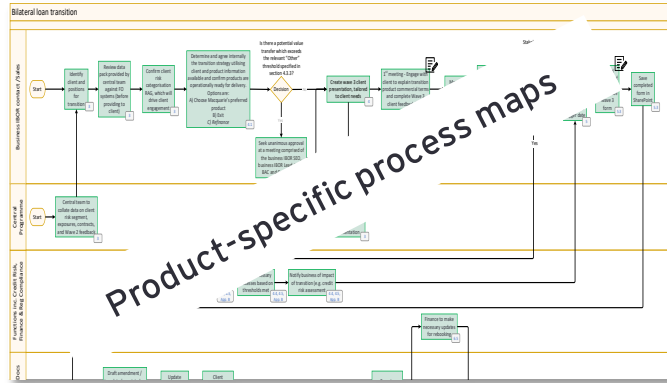
Customer Playbook TOC

- Provides an overview of the transition
 - ‘How to use’ guide
 - Scope of application (products)
 - Timing and overall transition program
- Describes the steps to take with the client, differentiated by customer segment¹:
 1. Information collection and client segment
 2. Evaluation of transition alternatives
 3. Engaging with the client: communication approach and matters to be discussed (by segment)
- Provides guidance on how to manage the transition
 - Progress tracking mechanisms
 - Record keeping requirements
 - Client issues escalation and resolution
 - Booking and settlement
 - Legal steps/interaction

Keep it simple. Important to provide clear messages to front-line teams. Better practice to provide detailed reference guide with end-to-end support plus shorter summarised view on key customer actions required.

Example Components

OUTCOME	#	OUTCOME	Legacy Derivative Outcomes	Customer Process
1. Restructure into RFR Product	1	RESTRUCTURE	Avoid fallback changes and repaper to alternative RFR products ahead of cessation (immediately or agree to move to the RFR on a forward date)	<ul style="list-style-type: none"> • Bilateral negotiation • Bank and customer require ability to book/manage new RFR products
	2	CLOSE/NEW	Avoid fallback changes, close out existing transactions and enter into new (at market) RFR products	<ul style="list-style-type: none"> • Bilateral negotiation. • Bank and customer require ability to book/manage new RFR products
2. Insert robust fallback language	3	PROTOCOL	Update fallbacks using the ISDA Protocol – no exceptions	<ul style="list-style-type: none"> • Multilateral process. Client independently notifies ISDA of intent
	4	PROTOCOL + EXEMPTIONS	Update fallbacks under the ISDA Protocol + Bilateral exclusion and amendment agreement to carve specific transactions out of the protocol	<ul style="list-style-type: none"> • Multilateral process. Client independently notifies ISDA of intent • Bilateral negotiation for exclusions
	5	BILATERAL use of ISDA FALLBACKS	Bilateral amendment agreement to apply the ISDA Fallbacks	<ul style="list-style-type: none"> • Bilateral negotiation
	6	OTHER PREFERRED FALLBACKS	Bilateral amendment agreement to apply an Acceptable Alternative Fallback	<ul style="list-style-type: none"> • Bilateral negotiation
	7	OTHER FALLBACKS	Bilateral amendment agreement to apply the customer's fallback proposal	<ul style="list-style-type: none"> • Bilateral negotiation
3. No Agreement to change	8	NO CHANGE	Legacy transaction(s) remain unchanged	<ul style="list-style-type: none"> • Bilateral negotiations but no change occurs / no agreement reached and exiting arrangements continue



1) Including a simplified approach for low risk transition, which can be ‘fast-tracked’ while still achieving an appropriate client outcome (neutral value outcome, industry-level replacement rate and spread-adjustment, etc.)

Lessons Learned

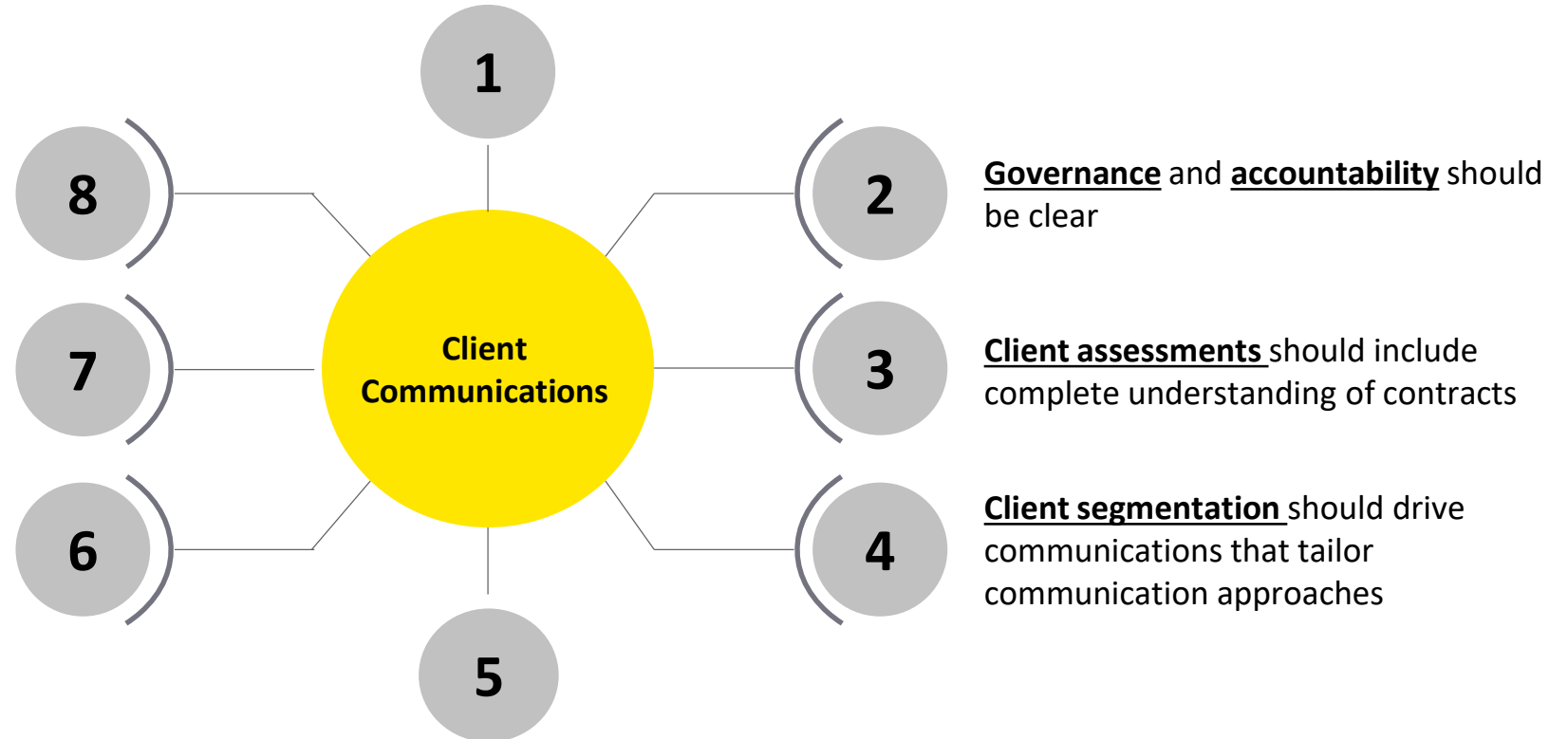
A communications strategy supports delivery of consistent messaging and communication across stakeholders

Internal training, a sequenced plan, communication and coordination is paramount as part of pre-outreach planning.

Rigorous tracking and use of related tools should be used

Timing should be coordinated and triggers for new outreach should be identified and tracked

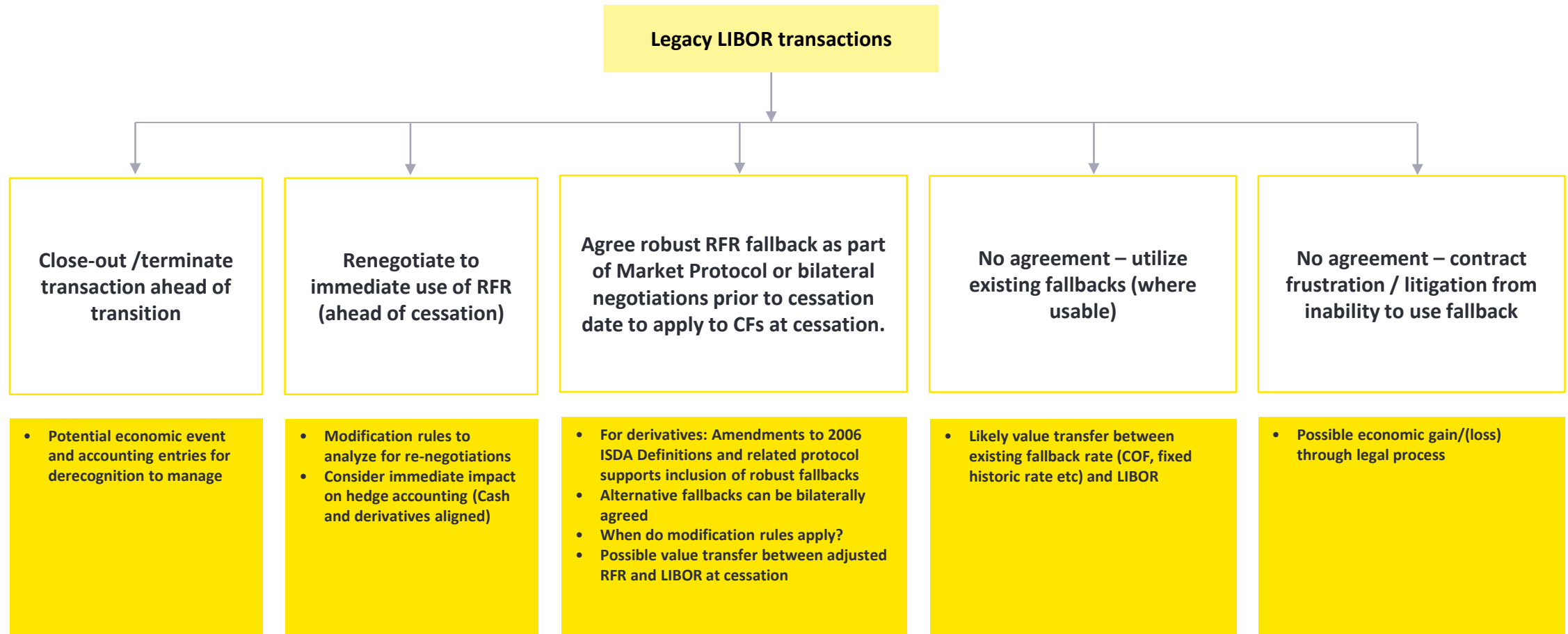
Playbooks, FAQs and templates should be developed



Mitigating conduct and reputational risk should guide the development of communications

Value transfer is inevitable, as transition replaces cash flows at contract level

Expected client discussions and outcomes on legacy transactions



Question is how to minimize the value transfer across the board and for each customer - Do you understand the value implications of fallbacks? Do you understand the value implications of new base rates?

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SORA Product Presentations (Case Studies):



Gaurav Kapoor
APAC Head – Risk & Valuations
Bloomberg L.P.

IBOR transition – A Risk Management Challenge

Gaurav Kapoor
APAC Head – Sellside Risk & Valuations

Bloomberg

Technology challenges posed by new rates



Systems

Front, middle and back office systems need to be adjusted to support new rates



Across assets & functions

Valuation, cashflow calculations & risk sensitivities across derivatives, bonds, loans & mortgages



Scope

Market data, conventions, modelling, ALM mismatch, Risk Management overhaul, legal challenges



Decision

Tech stack review, Build vs Buy? Plug n Play solutions

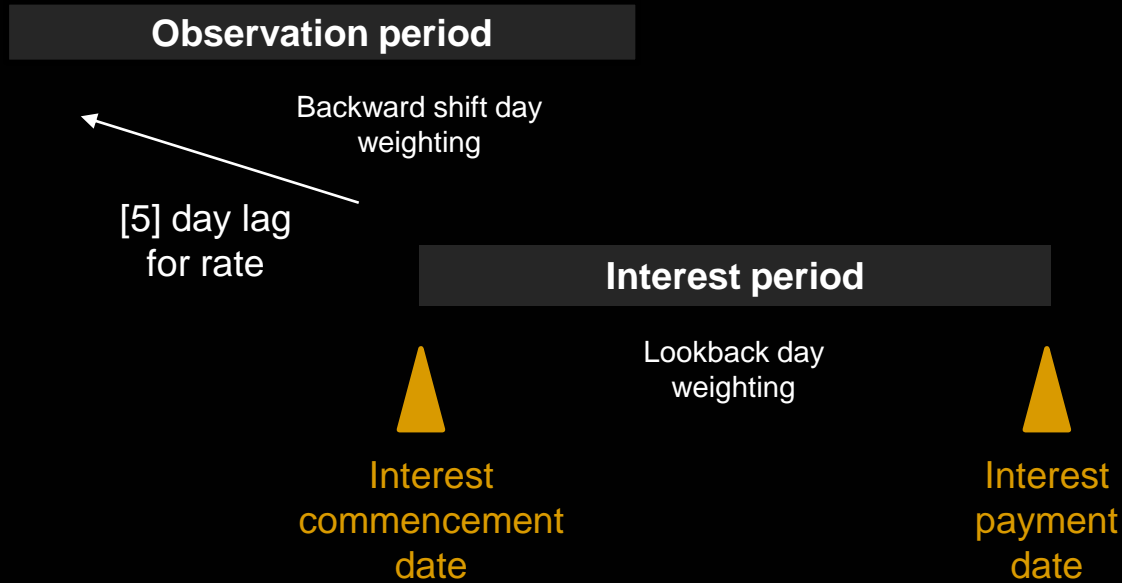
Case Study 1: Cash Book - A multitude of new mechanisms (Operational Risk)

Support for **fixing in-arrears**, **compounding** and **averaging** conventions necessary for securities that reference new rates.

Incorporation of **payment delays**, **lookbacks**, **lockouts**, **observation period shifts** and other mechanisms used to ensure timely payment processing for RFR-based securities.

Ability to maintain the **history** of any outstanding trades while transitioning to RFR for future interest payments.

Lookback v Backward Shift



Date	SOFR	#1 Lookback	Weight	#2 BackwardShift	SOFR
Mon 20 May	2.39		1		2.39
Tue 21 May	2.38		1		2.38
Wed 22 May	2.37		1		2.37
Thu 23 May	2.37		1		2.37
Fri 24 May	2.37		4		2.37
Sat 25 May			-		
Sun 26 May			-		
Mon 27 May			-(hol)		
Tue 28 May	2.41	1.000066389	1	1.000066389	2.41
Wed 29 May	2.4	1.000066111	1	1.000066111	2.4
Thu 30 May	2.4	1.000065833	1	1.000065833	2.4
Fri 31 May	2.49	1.0001975	3	1.000065833	2.49
Sat 01 Jun			-		
Sun 02 Jun			-		
Mon 03 Jun	2.4	1.000065833	1	1.000263333	2.4
Tue 04 Jun	2.39	1.000066944	1	1.000066944	2.39
Wed 05 Jun	2.4		1		2.4
Thu 06 Jun	2.4		1		2.4
Fri 07 Jun	2.39		3		2.39
Sat 08 Jun			-		
Sun 09 Jun			-		

Rate %:	2.3792	2.3783
Amount \$:	5287.11	5285.11

(SOFR compounding, based on \$10m notional, start 28 May, end 5 June, 5 day lag)

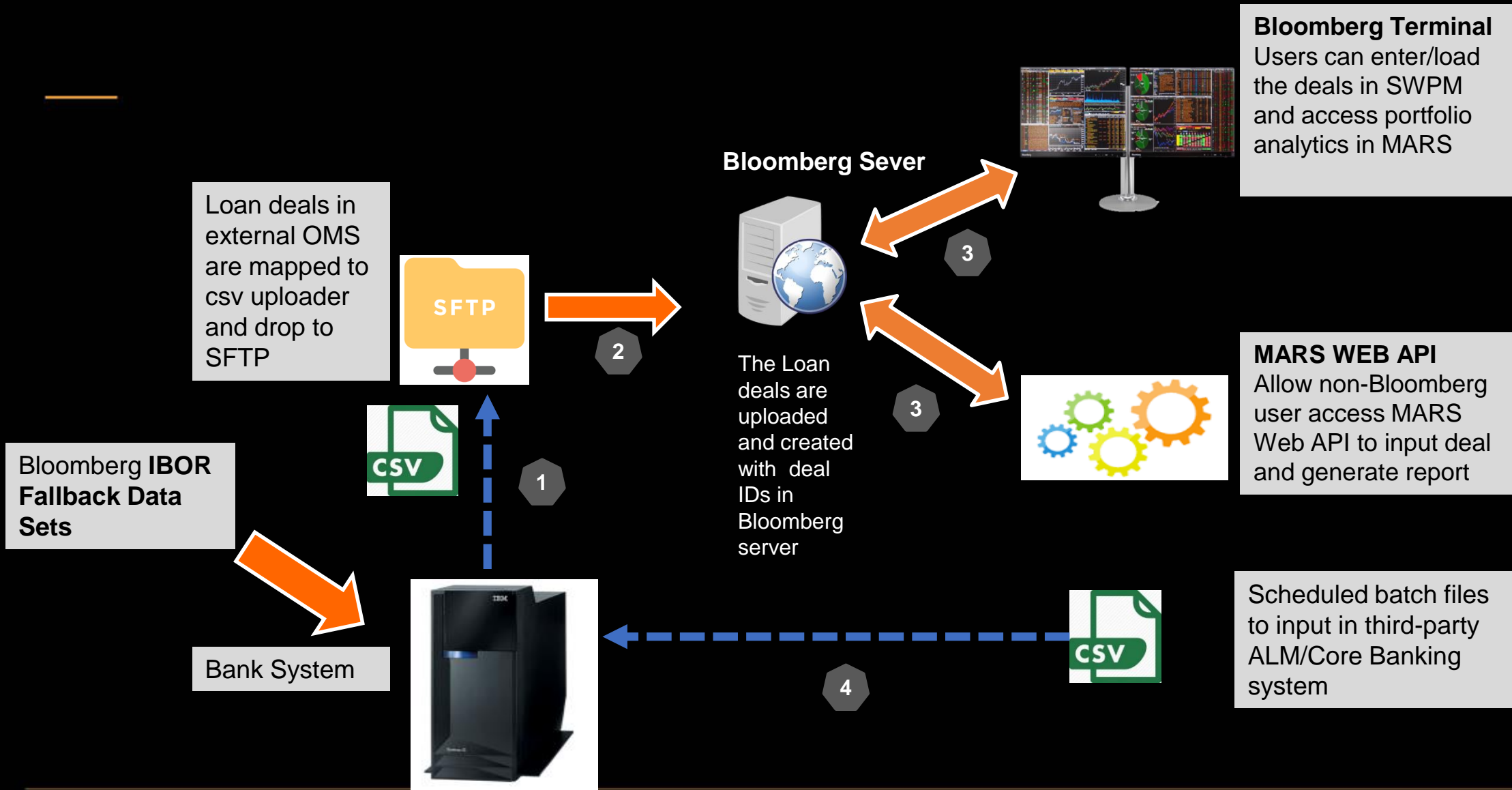
Example batch upload: SOFR loan with lookback

#Portfolio	Portfolio Name	Portfolio Action	Portfolio Currency	Register Date	Ref No	Serial (same Ref No)	Deal Ticker	Loan/Swap type	RECEIVE / PAY	Currency	Notional	Include Notional	
12	uat_Loan1	ADD		20200825	uat_Loan11	uat_Loan11	1	/LOAN	LOAN_FLOAT	RECEIVE	USD	10000000	NO
Booking details													
Loan ID, Notional, etc.													
Effective Date	Maturity Date	First Payment Date	Next to Last Payment Date	Day Count	Pay Frequency	Reset Frequency	Days Before Accrual (Lookback, BOS)	Days Before Accrual Type	Rate Cut-off Days (Lockout+1)				
12	3/20/2020	2/20/2021		ACT/360	Q	D	4	Lookback	5				
Loan Schedule													
Index	Spread	Business Day Adjustment	Roll Convention	Calculation Calendar1	Calculation Calendar2	Fixing Calendar	Pay Delay	Pay Delay Shift Type	Reset Type	Compounding			
12	SOFRRATE	50		FD		GT	5	Business Days	Y	ExcludeSprd			
Interest rate													
Calendar													

Example Report : 30 fields including accrued SOFR interest

Serial No	Portfolio Name	Ref No	Direction	Currency	Notional	Effective Date	Maturity Date	Valuation Date	Matured	Total Accrued Interest	Total Accrual Days	Unpaid Effective Rate	Unpaid Interest Amount	Unpaid Accrual Days	Effective Rate at Valuation Date	Current Accrued Interest	Number of Days to Accrual (Valuation Date - Accrued Start Date)	
1	uat_Loan1	uat_Loan11	Receive	USD	10000000	2020/3/20	2021/2/20	2020/8/25	N	15716.96	97	0.58262	14889.18	92	0.596	827.78	5	
Accrued Start Date	Accrued End Date	Next Payment Date	Total Accrual Days (Accrued End Date - Accrued Start Date)	Effective Rate at Payment Date	Expected Payment Amount	Pay Frequency	Day Count	Index	Spread	Business Day Adjustment	Roll Convention	Calculation Calendar	Fixing Calendar	Days Before Acrl (Lookback, BOS)	Days Before Acrl Type	Compounding	Bloomberg Deal ID	
1	2020/8/20	2020/11/20	2020/11/30	92	0.57442	14679.64	Quarterly	ACT/360	SOFRRATE	50	ModifiedFollowing	Backward (EndOfMonth)	[FD]	[GT]	4	Lookback	ExcludeSprd	SLWM00F6 Corp

Example Workflow for Bonds / Loans Analytics



Case Study 2: Derivatives: Front Office Risk -> Market Risk -> Counterparty Risk

Front-Office Risk

- PAI and Re-papering
- Valuation Transition
- FO Risk reports including 'What-if' both at a bank and an end customer level

Market Risk

- Modelling Complexity
- Potential increase in market risk capital requirements
- Operational considerations for Implementation

Counterparty Risk

- Transition analytics to include XVA analyses
- Increase in IM for hedged portfolios especially curve trades involving longer tenors – what about MVA?

Derivatives Markets: MARS API on Changes in Discount Curves

Bloomberg
Discount Change Analysis

Context

Portfolio Name	IBOR TRANSITION - 1
Valuation Date	21/2/2020
Currency	USD
CCP	ALL
Counterparty	

Calculate Done

Deal ID	Asset Type	Notional	Deal Currency	Maturity	Market Value	Market Value What If	Diff Market Value	DV01	DV01 What If	Diff DV01	Error Message
SL325A6Z Corp	OIS Swap	10000000	USD	4/12/2021	2346.37	2391.33	44.96	-1832.38	-1832.24	0.14	
SL325A6W Corp	US 6M Libor	25000000	USD	4/2/2030	428422.89	428506.30	83.41	-425.93	-425.90	0.03	
SL325A6T Corp	US 1M Libor	10000000	USD	4/2/2025	-241.77	-241.59	0.18	167.99	168.00	0.01	
SLM4038G Corp	Rec Fix/Pay Flt	20000000	USD	15/7/2039	2085115.24	2087954.35	2839.11	35690.08	35745.10	55.02	
SLM4038P Corp	Pay Fix/Rec Flt	10000000	USD	10/9/2026	-158130.78	-158264.17	-133.40	-6272.63	-6272.45	0.19	
SLM40384 Corp	Pay Fix/Rec Flt	25000000	USD	24/5/2048	-7569232.62	-7590693.52	-21460.90	-67997.75	-68208.05	-210.30	
SLM4038J Corp	Rec Fix/Pay Flt	20000000	USD	19/7/2022	267953.80	267918.10	-35.70	4433.01	4432.76	-0.25	
SLM4038M Corp	Pay Fix/Rec Flt	10000000	USD	19/8/2024	-283778.01	-283675.48	102.52	-4422.11	-4421.71	0.40	
SLM4038D Corp	Pay Fix/Rec Flt	15000000	USD	15/3/2024	-272540.36	-272418.98	121.38	-5874.87	-5874.30	0.57	
SLM40381 Corp	Pay Fix/Rec Flt	25000000	USD	17/7/2025	-1389455.85	-1389434.75	21.10	-12457.27	-12456.25	1.02	
SLM4037V Corp	Rec Fix/Pay Flt	10000000	USD	17/7/2029	322859.28	323132.55	273.27	8851.74	8853.26	1.52	
SLM4038A Corp	Pay Fix/Rec Flt	15000000	USD	15/1/2027	-745166.35	-745307.56	-141.21	-9942.99	-9942.84	0.15	
SLM40387 Corp	Rec Fix/Pay Flt	25000000	USD	24/2/2033	2939590.31	2940987.74	1397.43	31654.74	31672.51	17.77	
Totals		220000000	USD		-4372257.86	-4389145.70	-16887.84	-28428.37	-28562.10	-133.73	
As Percentage							0.3862%			0.4704%	

Total Mkt Val - Pre vs Post

Total DV01 - Pre vs Post

Mkt Val and DV01 Diff (%)

Maturity vs MktVal Change

FO Risk: MARS API for Multi-Curve KRR

KRR Analysis Type: **Multi Curve KRR Analysis** Calculate

Done

S42	KRR Value	KRR Value	Difference
Term	Portfolio	What-If	
1 DAY	-5.22	-2.78	2.43
2 WEEK	0.18	-0.00	-0.18
3 WEEK	1.34	0.00	-1.34
1 MONTH	-0.56	0.00	0.56
2 MONTH	-2.83	-0.00	2.83
3 MONTH	-7.52	-2.70	4.82
4 MONTH	-5.37	0.00	5.37
5 MONTH	8.64	0.00	-8.64
6 MONTH	16.25	3.83	-12.42
9 MONTH	-33.88	-14.39	-19.49
12 MONTH	20.52	12.77	-7.75
18 MONTH	-549.32	-528.08	21.23
2 YEAR	-1341.12	-1308.07	33.05
3 YEAR	-96.47	-1.17	95.29
4 YEAR	-136.60	6.72	143.32
5 YEAR	-141.61	3.11	144.72
7 YEAR	143.12	72.94	-70.18
10 YEAR	302.72	145.12	-157.59
12 YEAR	78.38	77.34	-1.04
15 YEAR	-722.88	-27.46	695.43
20 YEAR	-1977.06	-235.39	1741.68
25 YEAR	-3092.15	-141.63	2950.52
30 YEAR	-1013.64	50.81	1064.45
40 YEAR	0.00	0.00	0.00
50 YEAR	0.00	0.00	0.00
Totals	-8555.09	-1889.03	6666.06

S490	KRR Value	KRR Value	Difference
Term	Portfolio	What-If	
1 DAY	0.00	-2.40	-2.40
42 DAY	0.00	-3.84	-3.84
133 DAY	0.00	-3.48	-3.48
224 DAY	0.00	-4.12	-4.12
315 DAY	0.00	-5.28	-5.28
406 DAY	0.00	-4.11	-4.11
497 DAY	0.00	-4.03	-4.03
2 YEAR	0.00	-32.51	-32.51
3 YEAR	0.00	-95.40	-95.40
4 YEAR	0.00	-143.42	-143.42
5 YEAR	0.00	-144.87	-144.87
7 YEAR	0.00	70.51	70.51
10 YEAR	0.00	158.95	158.95
12 YEAR	0.00	4.10	4.10
15 YEAR	0.00	-697.21	-697.21
20 YEAR	0.00	-1749.71	-1749.71
25 YEAR	0.00	-2970.92	-2970.92
30 YEAR	0.00	-1074.06	-1074.06
40 YEAR	0.00	0.00	0.00
50 YEAR	0.00	0.00	0.00
Totals	0.00	-6701.81	-6701.81

S23	KRR Value	KRR Value	Difference
Term	Portfolio	What-If	
133 DAY	622.33	622.26	-0.08
224 DAY	211.71	211.67	-0.05
315 DAY	-0.20	-0.23	-0.03
406 DAY	-0.23	-0.27	-0.04
497 DAY	-0.23	-0.27	-0.04
588 DAY	-0.22	-0.27	-0.05
3 MONTH	-130.89	-130.92	-0.04
2 YEAR	2186.26	2185.77	-0.50
3 YEAR	2623.13	2623.09	-0.04
4 YEAR	-7015.84	-7014.22	1.62
5 YEAR	-10085.31	-10084.65	0.66
6 YEAR	-9255.90	-9257.50	-1.60
7 YEAR	-13461.51	-13469.30	-7.79
8 YEAR	-0.18	-6.31	-6.12
9 YEAR	4711.03	4709.00	-2.03
10 YEAR	4175.97	4173.41	-2.56
11 YEAR	0.18	-7.81	-7.99
12 YEAR	17844.06	17876.27	32.20
15 YEAR	15066.98	15116.29	49.31
20 YEAR	31091.46	31304.22	212.76
25 YEAR	-17420.68	-17414.37	6.32
30 YEAR	-40558.04	-40934.84	-376.80
40 YEAR	0.00	0.00	0.00
50 YEAR	0.00	0.00	0.00
Totals	-19396.10	-19499.01	-102.91

S51	KRR Value	KRR Value	Difference
Term	Portfolio	What-If	
6 MONTH	-1247.43	-1247.42	0.01
18 MONTH	0.30	0.75	0.45
1 YEAR	-0.00	-0.00	-0.00
2 YEAR	-0.65	-0.55	0.10
3 YEAR	0.40	0.15	-0.25
4 YEAR	0.21	-0.68	-0.89
5 YEAR	-0.24	-2.83	-2.59
7 YEAR	15.10	5.12	-9.98
10 YEAR	23819.22	23837.72	18.50
12 YEAR	0.00	0.00	0.00
15 YEAR	0.00	0.00	0.00
20 YEAR	0.00	0.00	0.00
25 YEAR	0.00	0.00	0.00
30 YEAR	0.00	0.00	0.00
Totals	22586.92	22592.26	5.34

S50	KRR Value	KRR Value	Difference
Term	Portfolio	What-If	
1 MONTH	-77.68	-77.68	-0.00
3 MONTH	0.01	0.00	-0.00
6 MONTH	0.00	-0.01	-0.01
9 MONTH	-0.00	-0.03	-0.02
18 MONTH	-0.06	-0.16	-0.10
1 YEAR	0.00	-0.02	-0.02
2 YEAR	0.12	0.02	-0.10
3 YEAR	-0.07	-0.00	0.07
4 YEAR	-10.78	-10.44	0.33
5 YEAR	-4910.60	-4910.43	0.17
6 YEAR	0.00	0.00	0.00
7 YEAR	0.00	0.00	0.00
10 YEAR	0.00	0.00	0.00
12 YEAR	0.00	0.00	0.00
15 YEAR	0.00	0.00	0.00
20 YEAR	0.00	0.00	0.00
25 YEAR	0.00	0.00	0.00
30 YEAR	0.00	0.00	0.00
Totals	-4999.06	-4998.74	0.32

Case Study 3: Accounting areas impacted by the reform

Changes to contractual cash flows of financial instruments

Practical expedient to avoid derecognition or adjustments to the carrying amount

Hedge accounting

- Additional temporary exceptions to avoid discontinuation, even if formal designation and documentation are amended
- Designate the non-contractually specified risk component, even if not separately identifiable
- Cash flow hedge reserve is deemed to be based on the alternative benchmark rate
- Cumulative fair value change may be reset to zero when performing IAS 39's retrospective effectiveness test
- Group of items: relief allows the allocation of hedged items to subgroups

Disclosures

- Companies are required to disclose information about the progress of the transition to alternative benchmark rates and how it is managing that transition
Including quantitative information disaggregated by significant interest rate benchmark

Case #1 - Fair Value Hedge transition example

Deal	Fixed	Counterparty	IRS CNTRPARTY	Ticker /	LOAN	20 Properties
Contract				Valuation Settings		
Fixed	Pay			Curve Date	12/31/2018	
Notional	10MM			Valuation	12/31/2018	
Currency	USD			<input checked="" type="checkbox"/> OIS DC Stripping		
Effective	12/31/2018					
Maturity	12/31/2023					
Coupon	2.568978 %					
Pay Freq	SemiAnnual					
Day Count	30I/360					
Calc Basis	Money Mkt					
Option						
Style	None					
Market						
Dscnt Curve	23 Mid	USD (30/360, S/A vs. 3M LIBOR)	(ICVS Defau			

5 years fixed rate loan paying 5% coupon on a semi-annual basis

For purposes of hedge accounting, only 2.57% is being considered as designated risk component

This is based on the LIBOR component of the fixed rate coupon for the tenor of the loan (obtained via the par coupon)

Valuation Results				Calculators	
Par Cpn	2.568978	OAS (bp)	0.00	PV01	-4,660.48
Principal	-10,000,000.00	Premium	-100.00000	DV01	-4,656.99
Accrued	0.00			Gamma (1bp)	-2.48
NPV	-10,000,000.00				

Fair Value Hedge transition example

Deal	Fixed Float Swap	Counterparty	SWAP CNTRPARTY	Ticker / SWAP	Properties
Swap SLRX0CG1		SLRX0CG2		Valuation Settings	
Leg 1:Fixed	Receive	Leg 2:Float	Pay	Curve Date	12/31/2018
Notional	10MM	Notional	10MM	Valuation	12/31/2018
Currency	USD	Currency	USD	CSA Coll Ccy	N/A
Effective	12/31/2018	Effective	12/31/2018	<input checked="" type="checkbox"/> OIS DC Stripping	
Maturity	12/31/2023	Maturity	12/31/2023		
Coupon	2.568731 %	Index	3M US0003M		
Pay Freq	SemiAnnual	Spread	0.000 bp		
Day Count	30I/360	Leverage	1.00000		
Calc Basis	Money Mkt	Latest Index	2.80300		
		Reset Freq	Quarterly		
		Pay Freq	Quarterly		
		Day Count	ACT/360		
Market					
Dscnt	23 M USD (30/360, S/A vs	Dscnt	23 M USD (30/360, S/A vs		
		Fwd	23 M USD (30/360, S/A vs		

Fair Value Hedge transition example

Designation Effective	YES	Designation Name	FVH example v0: IFRS amendmen...
Designation Date	12/31/18	Last Report Date	06/30/20
Hedge Type	Fair Value	Risk Class	■ Interest Rate ■ FX
Bond [Buy]	SLRX0CFZ Corp	Bond OAS	0.00
Hedge	/SWAP 2.57 12/31/23 Corp	Notional	10M
		Currency	USD

Prospective Analysis		Measurement			
Test Type		Regression	Analysis Period	12/31/18 - 06/30/20	
Analysis Frequency		Monthly	Beta Range	(-0.8) - (-1.25)	
Tenor		Rolling	Fair Value Changes	Period to Period	
■ Show Details					
		Exposure	Hedge	Results	
	Curve Date	Hedged Risk	Fair Value	Slope	R^2 Efctv
11)	12/31/18	-10,000,000	0	-1.016	0.979 YES
12)	03/29/19	-10,126,664	126,532	-1.012	0.987 YES
13)	06/27/19	-10,357,673	357,216	-1.011	0.992 YES
14)	09/29/19	-10,428,648	428,340	-1.003	0.994 YES
15)	12/31/19	-10,333,283	332,279	-1.005	0.995 YES
16)	03/31/20	-10,773,850	773,769	-1.010	0.997 YES
17)	06/30/20	-10,806,752	806,516	-1.004	0.996 YES

Changes to the swap

Solver (Premium)		Load	Edit	Trade	CCP	ID					
Main		Details	Curves	Cashflow	Resets	Scenario	Risk	CVA	Matrix		
Deal	Fixed Float Swap	Counterparty	SWAP CNTRPARTY	Ticker /	SWAP	20 Properties					
Swap	SLRXOCG1	SLRXOCG2		Valuation Settings							
Leg 1:Fixed	Receive	Leg 2:Float	Pay	Curve Date	06/30/2020						
Notional	10MM	Notional	10MM	Valuation	06/30/2020						
Currency	USD	Currency	USD	CSA Coll Ccy	N/A						
Effective	12/31/2018	Effective	12/31/2018	<input checked="" type="checkbox"/> OIS DC Stripping							
Maturity	12/31/2023	Maturity	12/31/2023								
Coupon	2.568731 %	Index	3M	US0003M							
Pay Freq	SemiAnnual	Spread	0.000	bp							
Day Count	30I/360	Leverage	1.00000								
Calc Basis	Money Mkt	Latest Index	0.30788								
		Reset Freq	Quarterly								
		Pay Freq	Quarterly								
		Day Count	ACT/360								
Market		Dscnt		23	USD (30/360, S/A vs	Dscnt	23	MUSD (30/360, S/A vs	Fwd	23	USD (30/360, S/A vs
Leg 1: NPV		10,806,665.71	Leg 2: NPV		-10,000,150.09						
Valuation Results		Par Cpn		0.251522	Premium	8.06516	PV01	3,480.55			
		Principal		806,515.62	BP Value	806.51562	DV01	3,387.90			
		Accrued		0.00			Gamma (1bp)	1.43			
		NPV		806,515.62							

Solver (Premium)		Load	Edit	Trade							
Main		Details	Curves	Cashflow	Resets	Scenario	Risk				
Deal	Fixed vs SOFR	Counterparty	SWAP CNTRPARTY								
Swap	SLRXOCFX	SLRXOCFY	Arrears								
Leg 1:Fixed	Receive	Leg 2:Float	Pay								
Notional	10MM	Notional	10MM								
Currency	USD	Currency	USD								
Effective	12/31/2018	Effective	12/31/2018								
Maturity	12/31/2023	Maturity	12/31/2023								
Coupon	2.318251 %	Index	1D	SOFRRATE							
Pay Freq	SemiAnnual	Spread	0.000	bp							
Day Count	30I/360	Leverage	1.00000								
Calc Basis	Money Mkt	Latest Index	0.10000								
		Reset Freq	Daily								
		Pay Freq	Quarterly								
		Day Count	ACT/360								
Market		Dscnt		490	USD SOFR (ICVS D	Dscnt	490	MUSD SOFR (ICVS D	Fwd	490	USD SOFR (ICVS D
Leg 1: NPV		10,806,503.76	Leg 2: NPV		-9,999,987.76						
Valuation Results		Par Cpn		0.011687	Premium	8.06516					
		Principal		806,516.00	BP Value	806.51600					
		Accrued		0.00							
		NPV		806,516.00							

Changes to the loan

Solver (Premium)		Load	Edit	Trade	CCP	ID
Main Details Curves Cashflow Scenario Risk Matrix						
Deal	Fixed	Counterparty	IRS CNTRPARTY	Ticker /	LOAN	Properties
Contract						
Fixed	Pay					
Notional	10MM					
Currency	USD					
Effective	12/31/2018					
Maturity	12/31/2023					
Coupon	2.568978 %					
Pay Freq	SemiAnnual					
Day Count	30I/360					
Calc Basis	Money Mkt					
Option						
Style	None					
Market						
Dscnt Curve	23	Mid	USD (30/360, S/A vs. 3M LIBOR)	(ICVS Defau		

Valuation Results		Calculators	
Par Cpn	0.251091	OAS (bp)	0.00
Principal	-10,806,751.68	Premium	-108.06752
Accrued	0.00	Gamma (1bp)	-1.44
NPV	-10,806,751.68		

Solver (Premium)		Load	Edit	Trade
Main Details Curves Cashflow Scenario Risk Matrix				
Deal	Fixed	Counterparty	IRS CNTRPARTY	
Contract				
Fixed	Pay			
Notional	10MM			
Currency	USD			
Effective	12/31/2018			
Maturity	12/31/2023			
Coupon	2.318960 %			
Pay Freq	SemiAnnual			
Day Count	30I/360			
Calc Basis	Money Mkt			
Option				
Style	None			
Market				
Dscnt Curve	490	Mid	USD SOFR	(ICVS Default Curve)

Valuation Results		Calculators	
Par Cpn	0.011722	OAS (bp)	0.00
Principal	-10,806,751.68	Premium	-108.06752
Accrued	0.00		
NPV	-10,806,751.68		

Previously it was 2.57%

Fair Value Hedge transition example

Designation Effective	YES	Designation Name	FVH example: IFRS amendments
Designation Date	12/31/18	Last Report Date	09/30/20
Hedge Type	Fair Value	Risk Class	Interest Rate FX
Bond [Buy]	SLRXOCFV Corp	Bond OAS	0.00
Hedge	/SWAP 2.32 12/31/23 Corp	Notional	10M
		Currency	USD

Curve Date	Exposure	Hedge
	Hedged Risk	Fair Value
12/31/18	-10,000,000	0
03/29/19	-10,126,664	126,532
06/27/19	-10,357,673	357,216
09/29/19	-10,428,648	428,340
12/31/19	-10,333,283	332,279
03/31/20	-10,773,850	773,769
06/30/20	-10,806,752	806,516

Prospective Analysis	Measurement
Test Type	Regression
Analysis Frequency	Monthly
Tenor	Rolling
Analysis Period	12/31/18 - 09/30/20
Beta Range	(-0.8) - (-1.25)
Fair Value Changes	Period to Period

Show Details

	Curve Date	Exposure Hedged Risk	Hedge Fair Value	Results Slope	R^2 Efectv
11)	12/31/18	-10,000,000	0	-1.016	0.979 YES
12)	03/29/19	-10,126,664	126,532	-1.012	0.987 YES
13)	06/27/19	-10,357,673	357,216	-1.011	0.992 YES
14)	09/29/19	-10,428,648	428,340	-1.003	0.994 YES
15)	12/31/19	-10,333,283	332,279	-1.005	0.995 YES
16)	03/31/20	-10,773,850	773,769	-1.010	0.997 YES
17)	06/30/20	-10,806,752	806,516	-1.004	0.996 YES
18)	~ 09/30/20	-10,736,965	736,731	-1.000	0.997 YES

For fair value hedges, the hedging instrument and hedged item are re-measured based on the RFR and recorded in profit or loss as part of the recorded hedge ineffectiveness for the period

Trade modification highlighted (~) in the system



Thank you



IBOR TRANSITION SERIES:

A LOCAL MARKET PERSPECTIVE SINGAPORE IBOR TRANSITION

(IN COLLABORATION WITH THE
ASSOCIATION OF BANKS IN SINGAPORE)

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Data Transformation/Implementation:



David Rickard

Global Director, Trading Desktop – FX/MM & Derivatives
Refinitiv

MANAGING LIBOR TRANSITION

Risk-Free Rates – Data Transformation & Implementation

February 2021, David Rickard

Global Sales Readiness Director – FX, Money Markets & Derivatives

REFINITIV[®]
EIKON

WHAT IS THE IBOR REFORM CHANGE?

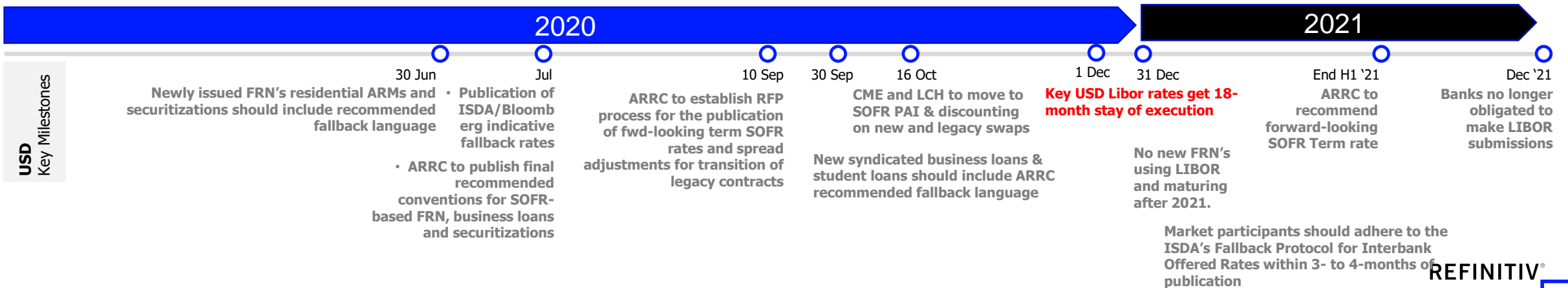
From the end of 2021, the FCA will no longer guarantee the production of LIBOR, leading to the real possibility that LIBOR will cease by the end of 2021. The financial services industry is migrating away from LIBOR benchmarks towards the new risk-free rates (RFRs). Note USD LIBOR cessation was delayed until June 2023.

As a result, regulators and central banks have announced and released a series of overnight RFRs such as Sterling Over Night Index Average (SONIA) in the UK, Secured Overnight Financing Rate (SOFR) in the U.S., Euro Short-Term Rate (€STR) in the euro area and of course the Singapore Overnight Rate Average (SORA).

While much of the market is expected to adopt these overnight RFRs administered by central banks, pockets of demand for term rate benchmarks based on RFRs for loans and other cash products remain.

Central banks will not provide term RFRs, but benchmark administrators, including Refinitiv are developing such products and now makes term SONIA rates available.

Refinitiv is committed to providing the data and benchmarks clients need to adjust operating models across front, middle and back offices and to create new financial products in light of the IBOR reforms and LIBOR transition, while also ensuring we meet the high regulatory standards required for benchmarks.



THE TRANSITION TO RISK FREE RATES IS NOT RISK FREE

Data Transition

➤ Access to multiple reliable prices sources

- It is critical that organisation understand and map their current IBOR linked product exposures and calculated risk.
- Throughout 2021 (and beyond) there could be the need to run parallel valuations against existing IBOR based instruments & RFR base instruments
- Understand how your business will connect and consume new RFR/SORA based data – and how the new calculation methodologies need to be applied (Backward looking/Forward looking)
- Accessing new zero coupon curves & ISDA Fallback Rates
- Datascope has new fields for Fallback Language and transition events – and trial access to specialist broker data from our IDB partners
- Ensure that any instruments that are currently referencing existing IBOR based instruments are carefully checked from a legal stand point and re-papered where needed – work with your legal and compliance teams

Implementation

➤ Adapting existing legacy platforms or building/replacing with new RFR designed

- Connectivity – recognising how to access and integrate multiple new data types (live/End of Day)
- Take the opportunity to review how you consume/move data around your organisation and ensure that it is done in an ‘audit proof’ compliant approach
- Ensure that your company has access to data that can cover your product/instrument exposures that you have today, but also look to where you might need broader coverage in the future.
- Look beyond your local currency/market and have a plan in place to map how you could need addition currencies/RFRs such as SONIA, SOFR, ESTR, TONA, HONIA etc etc.
- Refinitiv now offer Term SONIA rates that can be applied to Loans, Term Finance and other interest rate linked instruments
- New analytics – make sure you have access to calculators and valuation tools that have all new RFR curves built into them and test them.

IBOR TRANSITION EIKON APP

Access all new RFR data, news and analytics **on the IBOR page** in Refinitiv Eikon®

The IBOR Transition app keeps you up to date with global changes to interest rate benchmarks. The app provides news and values on a variety of rates:

- Risk-free reference rates (RFRs)
- Key links
- Incumbent interest rates
- Brokers RFR derivative content (Fixing, OIS, Basis Swaps, FRAs...)
- Derived Analytics data: Term Rates, Compounded Index, Zero Curves

INTEREST RATE BENCHMARK REFORM

OVERVIEW | SOFR | ESTR | **SONIA** | CORRA | TONA | SARON

Interest Rate Benchmark Reform

Welcome to the Refinitiv Interest Rate Benchmark Reform homepage. Here you can find some of the key information related to the Reform of Interest Rates Benchmark and transition to Risk Free Rates (RFRs). Considering the degree of evolutions and updates on this topic, this page will be periodically updated to incorporate all relevant information on a best-effort basis. Should you have any feedback on the pages please click [HERE](#)

MOVE FORWARDS with **Refinitiv Term SONIA** Begin prototype testing today

REFINITIV

RECENT ADDITIONS | IBOR, RFR AND BENCHMARK DEVELOPMENT GRID

Jurisdiction	Benchmark	RIC/Chain	RIC Value	Status	Administrator	Input Data	Tenor(s)	Secured/Unsecured	Methodology Note	Rates Published	Publication Time (local except where indicated)
Japan	TONA	JPONMU=RR	-0.030	RFR	BOJ	Transactions	Overnight	Unsecured	Provisional rate 5:15pm T, final rate 10:00am T+1	July-85	10:00am, T+1 (Final)
Japan	JPY LIBOR	JPYLIBOR=	Click RIC to view chain	Incumbent	IBA						

Click SORA to access SORA related data news chart

REFINITIV CONTENT

BENCHMARK	RIC	SORA OIS ZERO CURVE
SONIA	SONIA=MAST	0#SGDSRAOISZ=R
SONIA INDEX	.SORA	
SONIA 1M COMPOUND AVERAGE	SONIA1MAVG=	
SONIA 3M COMPOUND AVERAGE	SONIA3MAVG=	
SONIA 6M COMPOUND AVERAGE	SONIA6MAVG=	
ABS FALLBACK RATE (SOR)	FBKSORFIX=	

BROKER CONTENT

SUPPLIER	OIS	BASIS SWAPS	CURRENCY BASIS SWAPS
BGC PARTNERS	SGDSRAOIS=BGCP	SG6SOSRABS=BGCP	SGUSSASRBS=BGCP
GFI GROUP SINGAPORE	SGDSRAOIS=GFIS	SG6SOSRABS=GFIS	SGUSSASRBS=GFIS
ICAP	SGDSRAOIS=ICSG	SG6SOSRABS=ICSG	
TRADITION	SGDSRAOIS=TRDS	SG6SOSRABS=TRDS	SGUSSASRBS=TRDS
TULLETT PREBON	SGDSRAOIS=TPSG	SG6SOSRABS=TPSG	SGUSSASRBS=TPSG

INTEREST RATE BENCHMARK REFORM

OVERVIEW | SOFR | ESTR | **SONIA** | CORRA | TONA | SARON

REFINITIV CONTENT

BENCHMARK	RATE
SONIA	SONIAOSR= 0.0547
SONIA 1M TERM REFERENCE RATE	GBPTRR1M=RFTB 0.05156
SONIA 3M TERM REFERENCE RATE	GBPTRR3M=RFTB 0.04794
SONIA 6M TERM REFERENCE RATE	GBPTRR6M=RFTB 0.02685
SONIA 1Y TERM REFERENCE RATE	GBPTRR1Y=RFTB -0.01300
SONIA COMPOUNDED INDEX	.SONIA 101.31414260

DISCOVER MORE ABOUT THE REFINITIV SONIA TERM RATE HERE

OTC DERIVATIVES AVAILABLE ON NEW RFRS – SORA OIS & OTHER RFR

OIS Data available from all major Interdealer Brokers and Tradeweb platform

REFINITIV CONTENT			
BENCHMARK		RIC	SORA OIS ZERO CURVE
SORA		SORA=MAST	0#SGDSRAOISZ=R
SORA INDEX		.SORA	
SORA 1M COMPOUND AVERAGE		SORA1MAVG=	
SORA 3M COMPOUND AVERAGE		SORA3MAVG=	
SORA 6M COMPOUND AVERAGE		SORA6MAVG=	
ABS FALLBACK RATE (SOR)		FBKSORFIX=	

BROKER CONTENT			
SUPPLIER	OIS	BASIS SWAPS	CURRENCY BASIS SWAPS
BGC PARTNERS	SGDSRAOIS=RGCP	SG6SOSRABS=BGCP	SGUSSASRBS=BGCP
GFI GROUP SINGAPORE	SGDSRAOIS=GFIS	SG6SOSRABS=GFIS	SGUSSASRBS=GFIS
ICAP	SGDSRAOIS=ICSG	SG6SOSRABS=ICSG	
TRADITION	SGDSRAOIS=TRDS	SG6SOSRABS=TRDS	SGUSSASRBS=TRDS
TULLETT PREBON	SGDSRAOIS=TPSG	SG6SOSRABS=TPSG	SGUSSASRBS=TPSG

SGD OIS SORA curve (Tradition)

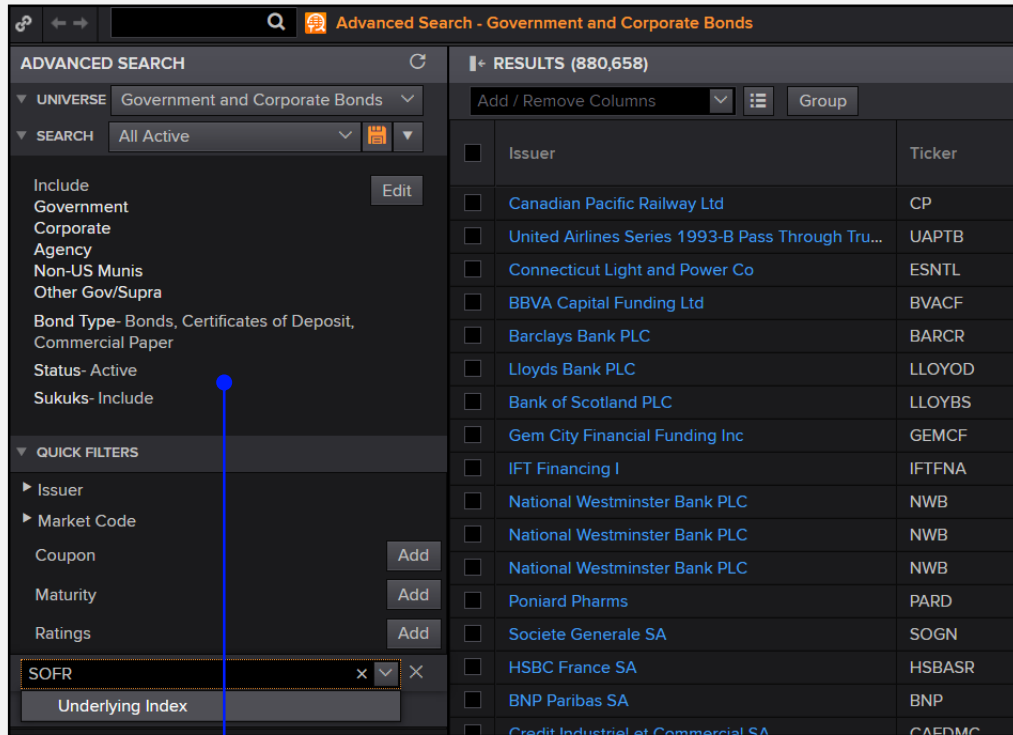
Currency	Instrument	Additional Information				
SGD	OIS	SORA				
	BID	ASK	SOURCE	LOC	DATE	TIME
1M	0.150	0.190	TRADITION	SIN	29JAN21	17:16
2M	0.150	0.190	TRADITION	SIN	29JAN21	17:16
3M	0.150	0.190	TRADITION	SIN	29JAN21	17:21
6M	0.150	0.190	TRADITION	SIN	29JAN21	17:16
9M	0.150	0.190	TRADITION	SIN	29JAN21	17:16
1Y	0.205	0.235	TRADITION	SIN	01FEB21	11:17
18M	0.233	0.265	TRADITION	SIN	01FEB21	11:17
2Y	0.238	0.278	TRADITION	SIN	01FEB21	09:52
3Y	0.320	0.333	TRADITION	SIN	01FEB21	10:05
4Y	0.435	0.445	TRADITION	SIN	01FEB21	11:14
5Y	0.505	0.530	TRADITION	SIN	01FEB21	09:52
6Y	0.614	0.664	TRADITION	SIN	01FEB21	11:08
7Y	0.708	0.758	TRADITION	SIN	01FEB21	11:08
10Y	0.905	0.985	TRADITION	SIN	01FEB21	10:38
12Y	0.965	1.105	TRADITION	SIN	01FEB21	10:51
15Y	1.055	1.165	TRADITION	SIN	01FEB21	10:38
20Y	1.085	1.195	TRADITION	SIN	01FEB21	10:38
30Y	1.085	1.195	TRADITION	SIN	01FEB21	10:38

USD OIS SOFR 1Y Quotes

TRADEWEB						
US Dollar 1 Year Overnight Index Swap -AM-A360/SOFR						
Bid Ask Sorting <input type="checkbox"/> Show All Excluded Prices <input type="checkbox"/>						
		TRADEWEB	TRADEWEB			
Best Price		08:34	0.057	0.062	08:34	
		Pay	Receive			
Contributor	Time	Bid	Ask	Time	Mid	
FENICS MARKET DATA	08:49	0.054	0.064	08:49	0.059	
REUTERS CAPITAL MARKETS	00:30	0.050	0.070	00:30	0.060	
SWAPPX	00:30	0.050	0.070	00:30	0.060	
TRADEWEB	08:34	0.057	0.062	08:34	0.060	
TRADITION	09:20	0.045	0.075	09:20	0.060	
TRADITION	09:20	0.045	0.075	09:20	0.060	
TRADITION DATA	08:30	0.054	0.064	08:30	0.059	

FIND NEW RFR DENOMINATED INSTRUMENTS – SORA EXAMPLE

Type **“GOVSRCH”** to open the Eikon bond search tool

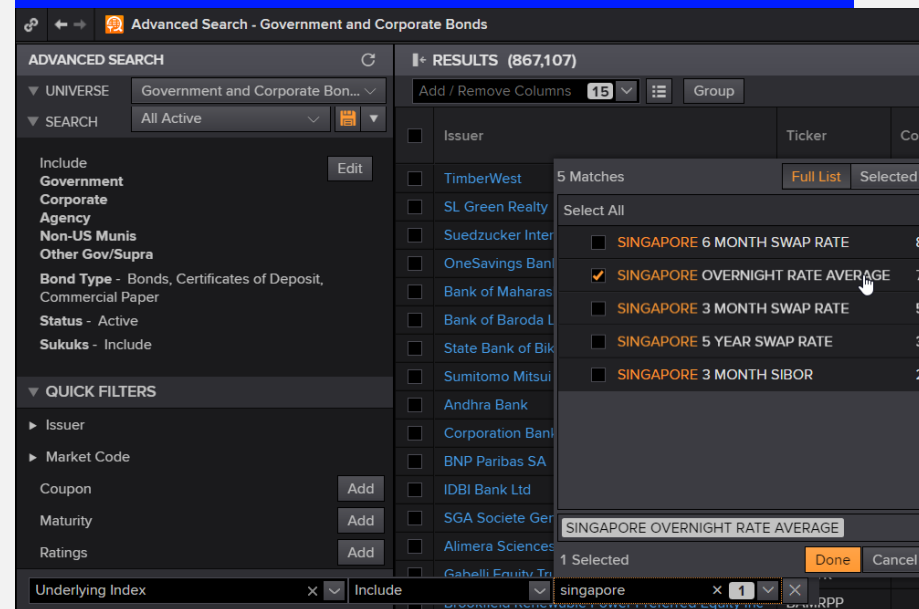


Filter by Bond Type to display bonds only or certificates of deposits

Related Refinitiv Eikon Apps:

- Use bond calculators' value to determine coupon calculations for RFR FRNs, select a bond and type **“BNDC”**

Type **“SORA”** in Quick Filters and click Underlying Index



FIND NEW RFR DERIVATIVES – SOFR SEARCH RESULTS

Save your search filters to re-run the search on one click

Expand **Contributors** to view Data from Inter Dealer Brokers

Click the Pop Up Icon to open a **Quote**

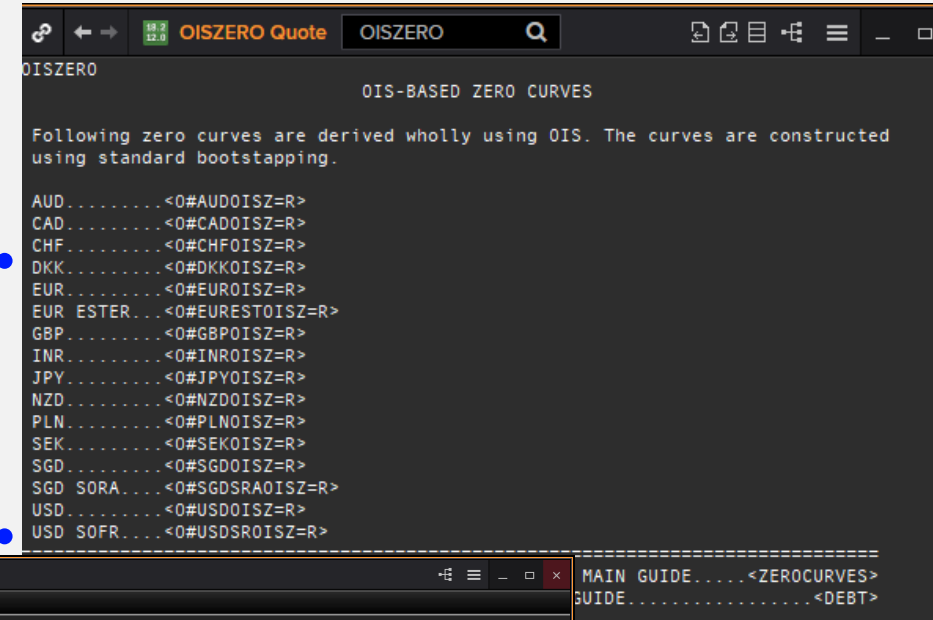
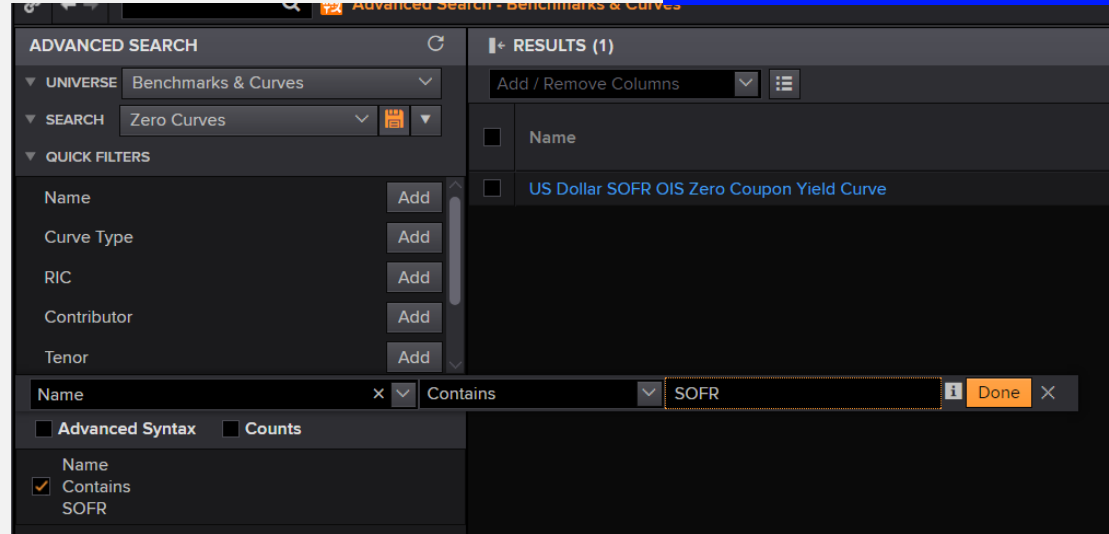
Here you will find **FRAs, Libor/new RFRs Basis Swaps, OIS**

The screenshot shows the 'ADVANCED SEARCH' interface for 'OTC Interest Rate Derivatives'. The search criteria are 'USDSR3LIMM=F...' and 'All'. The results table contains 16 entries. The table columns are: RIC, Name, Instrument Type, Currency, Second Currency, Term (Maturity), Contributor, and Contributors. The 'Contributors' column is expanded for several rows, showing 'FENICS MARKET DATA', 'TRADITION', 'TULLETT PREBON', 'REUTERS CAPITAL MA...', and 'SWAPPX'. A 'Pop Up' icon is visible in the top right of the table header.

RIC	Name	Instrument Type	Currency	Second Currency	Term (Maturity)	Contributor	Contributors
USDSR3LBS=FMD	US Dollar SOFR vs 3M Libor Basis Swap	Basis Swaps	US Dollar			FENICS MARKET DATA	Contributors
USDSR3LBS=TRDL	Basis Swaps	Basis Swaps	US Dollar			TRADITION	
USDSR3LBS=TPSR	Basis Swaps	Basis Swaps	US Dollar			TULLETT PREBON	
USDSR3LBS=RCM	Basis Swaps	Basis Swaps	US Dollar			REUTERS CAPITAL MA...	
USDSR3LBS=SX	Basis Swaps	Basis Swaps	US Dollar			SWAPPX	REUTERS CAPITAL MARKETS
USDSRFFBS=FMD	US Dollar SOFR vs Fed Funds Basis Swap	Basis Swaps	US Dollar			FENICS MARKET DATA	
USDSRFFBSIM=F...	US Dollar SOFR vs Fed Funds Basis Swap	Basis Swaps	US Dollar			FENICS MARKET DATA	Contributors
USDSRFFBSIM=F...	Basis Swaps	Basis Swaps	US Dollar			FENICS MARKET DATA	
USDSRFFBSMD=...	US Dollar SOFR vs Fed Funds Meeting Date Basis Swap	Basis Swaps	US Dollar			FENICS MARKET DATA	
USFSROISS=TRDL	USD Forward SOFR FOMC vs Fed Funds Overnight Index Swap Sp...	FRA-Overnight Index...	US Dollar			TRADITION	
USDSROISIMM=F...	US Dollar ANN vs SOFR IMM FRA Overnight Index Swap Spread	FRA-Overnight Index...	US Dollar			FENICS MARKET DATA	
USDSR3LFRA=F...	US Dollar SOFR vs 3 Month Libor Forward Rate Agreement	Forward Rate Agree...	US Dollar			FENICS MARKET DATA	
USDSRFFRA=F...	US Dollar SOFR vs Fed Funds Forward Rate Agreement	Forward Rate Agree...	US Dollar			FENICS MARKET DATA	
USDSR3LIMM=F...	US Dollar SOFR vs 3M Libor IMM Basis Swap	Basis Swaps	US Dollar			FENICS MARKET DATA	Contributors
USDSR3LIMM=R...	Basis Swaps	Basis Swaps	US Dollar			REUTERS CAPITAL MA...	
USDSR3LIMM=SX	Basis Swaps	Basis Swaps	US Dollar			SWAPPX	
USDSR3LIMM=F...	Basis Swaps	Basis Swaps	US Dollar			FENICS MARKET DATA	
USDSROIS=FMD	US Dollar AMM vs SOFR Overnight Index Swap	Overnight Index Swa...	US Dollar			FENICS MARKET DATA	Contributors
USFOSROIS=FMD	USD Forward SOFR FOMC Meeting Date 1 vs FOMC Meeting Date...	Overnight Index Swa...	US Dollar			FENICS MARKET DATA	Contributors
USDTSFR=FMD	US Dollar SOFR vs Treasury Swap Spreads	Treasury Swap Sprea...	US Dollar			FENICS MARKET DATA	
USIMOFSRSP=TP...	US Dollar SOFR Overnight FRA Index Swap Spread	FRA-Overnight Index...	US Dollar			TULLETT PREBON	

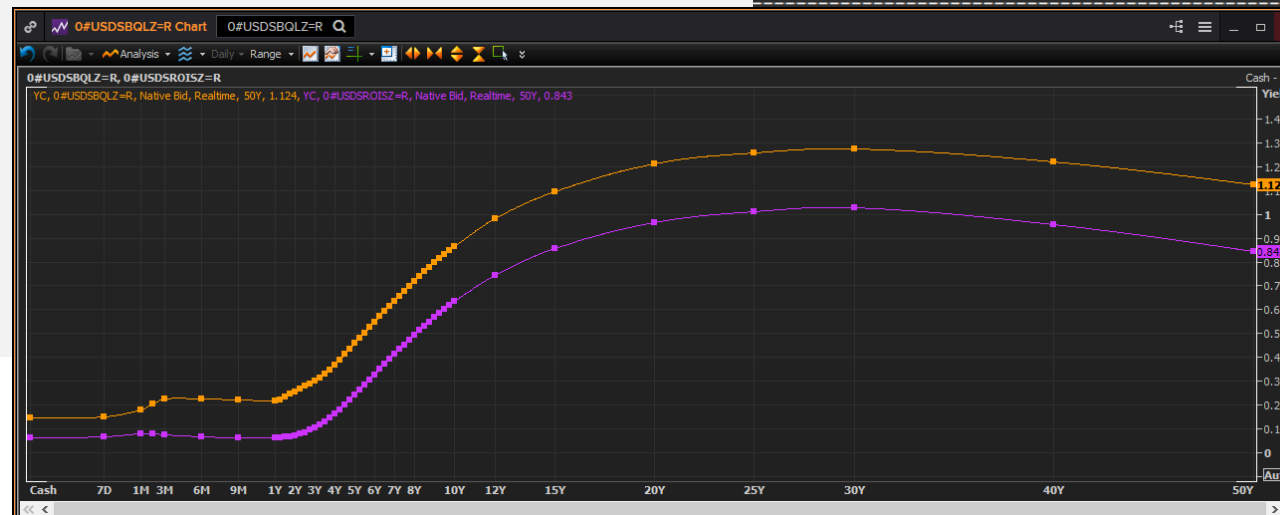
FIND NEW RFR OIS ZERO COUPON BASED CURVES

Type **"CURVESRCH"** to open the Eikon Curves advanced search tool and find New curves to support RFR product and valuation **Select Name Contains SOFR**



Alternatively open a Quote and type **<OISZERO>** to find all REFINITIV OIS Zero Curves including the new Curves

USD Zero Coupon SOFR CURVE vs 3M Libor



NEW RFR OIS PRICING – SWAP PRICER APP

Priced using New RFR curves, **Fixing in Arrears** is available, SOFR, SONIA, €STR, SORA... **OIS discounting** is available for all Derivatives.

€STR, SARON, SOFR, SONIA, SORA, TONAR, AONIA are available in Swap Pricer & Analytics APIs

1ST LEG Pay USD | FIXED

Leg Type / Pay Freq: Fixed / Annual

Start / End Date: Dec 9, 2020 / Dec 9, 2025

Cpn. / Accrued Type: MM Act/360 / MM Act/360

2ND LEG RECEIVE | USD | FLOAT

Leg Type / Pay Freq: Float / Quarterly

Start / End Date: Dec 9, 2020 / Dec 9, 2025

Underlying / Reset Type: Fixing / In Arrears

Index Name / Fixing Date: SOFR / Mar 9, 2021

Index Tenor / Reset Freq: ON / Quarterly

Cpn. / Accrued Type: MM Act/360 / MM Act/360

Fwd Rate USD ZC (1D): 0.07750

ZERO CURVE

Discount Curve: OIS SOFR

FWD Zero Curve: OIS SOFR

Discount Curve: OIS SOFR

SWAP RESULTS SOLVE FOR 1st Leg

VALUATION

NPV	0.00
Premium	0.00
Par Rate (%)	0.2732
Principal Value	0.00
Accrued	0.00
Market Value	0.00

RISK

DV01	-4,955.00
Annuity	-5,045.32
Modified Duration	-4.95
BP DV01	-4.95

LEG RESULTS BID / ASK SPREAD

Fixed Rate (%)	0.2732	0.00 (bps)
NPV / Premium	-1,337.44	-0.01
Accrued	0.00	
Market Value	-10,001,293.21	

Spread (bp): 0.0000

NPV / Premium: 1,337.44 0.01

Accrued: 0.00

Market Value: 10,001,293.21

ISDA FALLBACKS – REFINITIV IS AN OFFICIAL AUTHORIZED REDISTRIBUTOR

Type “IBOR” to open the IBOR App, and select the Fallbacks tab

INTEREST RATE BENCHMARK REFORM

OVERVIEW SOFR ESTR SONIA CORRA TONA SARON SORA **FALLBACK RATES**

LIBOR USD FALLBACK

Tenor	Fallback Rate	01-Dec-2020	Spread Adjustment	01-Dec-2020	Adjusted Reference Rate	01-Dec-2020
ON	USDONFSRF=ISDA	0.08500	USDONFSRS=ISDA	0.00500	USDSONFRON=ISDA	0.08000
SW	USD5WFSRF=ISDA	0.11761	USD5WFSRS=ISDA	0.03712	USD5OFRSW=ISDA	0.08000
1M	USD1MFSRF=ISDA	0.19964	USD1MFSRS=ISDA	0.11458	USD5OFR1M=ISDA	0.08516
2M	USD2MFSRF=ISDA	0.27135	USD2MFSRS=ISDA	0.18487	USD5OFR2M=ISDA	0.08656
3M	USD3MFSRF=ISDA	0.34810	USD3MFSRS=ISDA	0.26165	USD5OFR3M=ISDA	0.08649
6M	USD6MFSRF=ISDA	0.45443	USD6MFSRS=ISDA	0.42844	USD5OFR6M=ISDA	0.08843
1Y	USD1YFSRF=ISDA	1.00929	USD1YFSRS=ISDA	0.60833	USD5OFR1Y=ISDA	0.49929

LIBOR GBP FALLBACK

Tenor	Fallback Rate	01-Dec-2020	Spread Adjustment	01-Dec-2020	Adjusted Reference Rate	01-Dec-2020
ON	GBPONFSRF=ISDA	0.0612	GBPONFSRS=ISDA	0.0070	SONIAOSRON=ISDA	0.0542
SW	GBPSWFSRF=ISDA	0.0733	GBPSWFSRS=ISDA	0.0193	SONIAOSRSW=ISDA	0.0539
1M	GBP1MFSRF=ISDA	0.0927	GBP1MFSRS=ISDA	0.0377	SONIAOSR1M=ISDA	0.0538
2M	GBP2MFSRF=ISDA	0.1305	GBP2MFSRS=ISDA	0.0725	SONIAOSR2M=ISDA	0.0538
3M	GBP3MFSRF=ISDA	0.1776	GBP3MFSRS=ISDA	0.1229	SONIAOSR3M=ISDA	0.0542
6M	GBP6MFSRF=ISDA	0.3127	GBP6MFSRS=ISDA	0.2800	SONIAOSR6M=ISDA	0.0572
1Y	GBP1YFSRF=ISDA	0.7548	GBP1YFSRS=ISDA	0.4642	SONIAOSR1Y=ISDA	0.2467

LIBOR JPY FALLBACK

Tenor	Fallback Rate	01-Dec-2020	Spread Adjustment	01-Dec-2020	Adjusted Reference Rate	01-Dec-2020
SN	JPYSNFSRF=ISDA	-0.04977	JPYSNFSRS=ISDA	-0.01826	JPONMUSN=ISDA	-0.03156
SW	JPYSWFSRF=ISDA	-0.04947	JPYSWFSRS=ISDA	-0.01949	JPONMU1W=ISDA	-0.03001
1M	JPY1MFSRF=ISDA	-0.05550	JPY1MFSRS=ISDA	-0.02435	JPONMU1M=ISDA	-0.03092

LIBOR EUR FALLBACK

Tenor	Fallback Rate	01-Dec-2020	Spread Adjustment	01-Dec-2020	Adjusted Reference Rate	01-Dec-2020
ON	EURONFSRF=ISDA	-0.5483	EURONFSRS=ISDA	0.0087	EUROSTRON=ISDA	-0.5570
SW	EURSWFSRF=ISDA	-0.5296	EURSWFSRS=ISDA	0.0270	EUROSTRSW=ISDA	-0.5567
1M	EUR1MFSRF=ISDA	-0.5087	EUR1MFSRS=ISDA	0.0473	EUROSTR1M=ISDA	-0.5563

USD1MFSRF=ISDA Quote

ISDA IBOR Fallback Rate

Value	Rate	Update Time	Publication Date	Currency
0.19964	30OCT20	14:18	30NOV20	Tenor: 1M
0.19980	29OCT20			
0.19963	28OCT20			
0.20035	27OCT20			
0.20052	26OCT20			

related Data: ISDAIBOR

contact: calculated by Bloomberg

Disclaimer: ISDAIBORDISCLAIM

USD1MFSRF=ISDA Chart

Daily USD1MFSRF=ISDA

LineGrd, USD1MFSRF=ISDA, 30/10/2020, 0.19964, N/A, N/A

02/12/2015 - 02/02/2021 (GMT)

Value: 0.19964

What is a Benchmark fallback

Benchmark fallbacks are replacement rates that would apply to derivatives trades referencing a particular benchmark (LIBOR). Source: [ISDA](#)

When ? Q3 2021 according to BOE


Complete active conversion of cash products. Where active conversion is not possible for loans, ensure robust fallbacks are adopted Source: [Bank of England](#)

REFINITIV TERM SONIA RATES – NOW IN PRODUCTION

Type “**SONIA**” to open the IBOR App, and Term Reference Rates

INTEREST RATE BENCHMARK REFORM

OVERVIEW SOFR €STR **SONIA** CORRA TONA SARON SORA FALLBACK RATES



REFINITIV CONTENT

	BENCHMARK	RATE
SONIA	SONIAOSR=	0,0498
SONIA 1M TERM REFERENCE RATE	GBPTRR1M=RFTB	0,0430
SONIA 3M TERM REFERENCE RATE	GBPTRR3M=RFTB	0,0326
SONIA 6M TERM REFERENCE RATE	GBPTRR6M=RFTB	0,0114
SONIA 1Y TERM REFERENCE RATE	GBPTRR1Y=RFTB	-0,0239
SONIA COMPOUNDED INDEX		

DISCOVER MORE ABOUT THE REFINITIV SONIA TERM RATE HERE



Refinitiv® Term SONIA Rates

Refinitiv Term SONIA Rates leverage our experience in administering benchmarks to create a GBP forward looking term risk-free rate, published prior to noon on a daily basis. It is available in 1-month, 3-month, 6-month and 12-month tenors

REFINITIV ANALYTICS INITIATIVES UNDERWAY

Derived analytics: Refinitiv is adding the following Analytics features

- Scenario analysis tools to help assess the impact of IRS, FRNs LIBOR based on existing portfolios
- **New calculator App and Excel spreadsheet to help calculate Realized Compounded rates for SONIA, SOFR, €STR and TONAR** (Tokyo Overnight Average Rate) following Bank of England recommendation

Tenor	Start	End	Realised Rate	Lag
ON	03/12/2020	04/12/2020	0.0800	-5D
1W	27/11/2020	04/12/2020	0.0814	0.0614
1M	04/11/2020	04/12/2020	0.0830	0.0867
2M	05/10/2020	04/12/2020	0.0857	0.0867
3M	04/09/2020	04/12/2020	0.0861	0.0864
6M	04/06/2020	04/12/2020	0.0887	0.0881
1Y	04/12/2019	04/12/2020	0.4792	0.5084
Broken dates:	23/03/2020	03/12/2020	0.0724	0.0743

Tenor	Start date	End date	Realised rate, %	Lag
ON	24-Feb-2020	25-Feb-2020	0.002	0.002
1W	18-Feb-2020	25-Feb-2020	0.014	0.014
1M	27-Jan-2020	25-Feb-2020	0.056	0.056
2M	25-Dec-2019	25-Feb-2020	0.121	0.121
3M	25-Nov-2019	25-Feb-2020	0.179	0.179
6M	26-Aug-2019	25-Feb-2020	0.357	0.357
1Y	25-Feb-2019	25-Feb-2020	0.712	0.712

- New real-time analytics-derived calculations such as Forward Swaps, Swaptions skews on the new RFRs

KEY EIKON APP SHORTCUTS

IBOR

SRCH

BNDFOSRCH

GOVSRCH

CURVESRCH

IRDOTCSRCH

FINIM

BNDC

SWPR

Ibor App

Search tools home page

Future Search tool

Bond Search tool

Curve Search tool

Rates Derivatives Search tool

New Issue Monitor App

Bond Calculator

Swap Pricer Calculator

LINKS AND RESOURCES

[Refinitiv Libor Transition website](#) / scan here:



[White Paper on IBOR reform](#) by Refinitiv and Waters Technology

[SOFR as an alternative to LIBOR](#), blog post by Alexandre HARDOUIN

[SONIA Term Rate Methodology](#), [factsheet](#), [Press release](#), external [Blog](#)

ISDA Fallback [Data Notification](#)

THANK YOU

Refinitiv is one of the world's largest providers of financial markets data and infrastructure, serving over 40,000 institutions in approximately 190 countries. It provides leading data and insights, trading platforms and open data and technology platforms that connect a thriving global financial markets community – driving performance in trading, investment, wealth management, regulatory compliance, market data management, enterprise risk and fighting financial crime.

Visit [refinitiv.com](https://www.refinitiv.com)



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THE BEGINNING[®] 

IBOR TRANSITION SERIES:

A LOCAL MARKET PERSPECTIVE SINGAPORE IBOR TRANSITION

(IN COLLABORATION WITH THE
ASSOCIATION OF BANKS IN SINGAPORE)

Co-host



Lead Sponsor



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Accounting and Tax Issues – Top 10 to Tax Issues to Keep Front of Mind:



KwanEng Chew

Partner

Quantitative Analytics and
Treasury Services

Ernst & Young Solutions LLP



Rajesh Bheemanee

Partner

Financial Services Transfer Pricing

Ernst & Young Solutions LLP



SOR to SORA transition

Hedge Accounting and Tax Consideration

2 February 2021

Presenters



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Hedge Accounting

Hedge Accounting

A quick recap of reliefs and reminder of potential sources of ineffectiveness

	Phase 1	Phase 2
	Pre-replacement Issues	Replacement Issues
Effective Date	Periods beginning on or after 1 January <u>2020</u> (early application permitted)	Periods beginning on or after 1 January <u>2021</u> (early application permitted)
Hedge Accounting Reliefs	1. The assessment of whether a forecast transaction is highly probable	1. Relief from discontinuing hedge relationships because of changes to hedge documentation required by the reform* 2. Temporary relief from having to meet the separately identifiable requirement
	2. Assessing when to reclassify the amount in the cash flow hedge reserve to profit and loss	
	3. The assessment of the economic relationship between the hedged item and the hedging instrument	
Sources of ineffectiveness	▶ To the extent that a hedging instrument is altered so that its cash flows are based on an RFR, but the hedged item is still based on IBOR (or vice versa), there is no relief from measuring and recording any ineffectiveness that arises due to differences in their changes in fair value	

* Important notes

Changes must be necessary as a direct consequence of interest rate reform

The new basis for determining the contractual cash flows is “economically equivalent” to the previous basis

Hedge Accounting

Transitioning a Cashflow Hedge Relationship – Scenario Analysis on Effectiveness

	Scenario 1: Reference Rate and observation mismatch	Scenario 2: Transition Timing Mismatch	Scenario 3: Critical terms match
Fallback rate for loan	Compounded SORA + adjustment	Compounded SORA + 10bps	Fallback SOR/Compounded SORA + adjustment
Fallback rate for derivative	Fallback SOR	Compounded SORA + 15bps	Matches the loan fall back rate
Rate transition timing	Loan repapered earlier/later than derivative	Loan repapered earlier/later than derivative	Both repapered at the same time
Interest observation and accrual	Loan – compounding in advance Derivative –compounding in arrears	Both – compounding in arrears ¹	Both – backward compounding in arrears ¹
Potential sources ² of ineffectiveness	Mismatch in underlying reference rate and interest observation	Potential interest differential in term adjustment due to timing mismatch	Unlikely



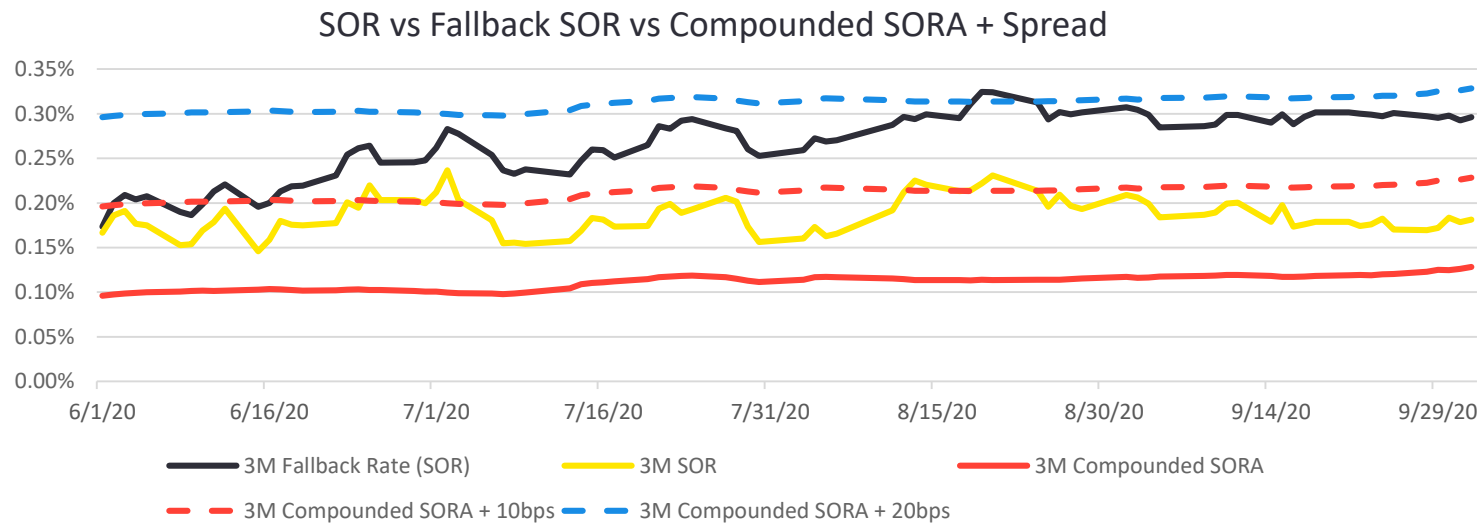
Note:

¹ No intended preference between in arrears and in advance compounding

² Assuming all things equal and no other modifications that are non-IBOR related has been made to both loans and derivatives

Hedge Accounting

How can we react to corporate clients with legacy contracts designated for hedge accounting?



Source: MAS and Refinitiv

For purpose of illustration, 3M compounded SORA has been shifted for the ease of comparing a 3M interest reset

How we see it

Entities are recommended to ensure that there are as few mismatches as possible in the timing of the amendment of hedging instruments and hedged items, to minimize the level of recorded hedge ineffectiveness.

This may be especially challenging if an entity's swap traders do not know if a particular derivative is designated in a hedging relationship, as is more likely to be the case where a dynamic strategy is used or if derivatives are designated in 'proxy' hedges. Procedures would need to be established to help ensure that derivatives are not modified without first considering the accounting consequences.

Achieving high effectiveness



Reference Rate



Timing of transition



Interest observation and accrual



No other non-IBOR related terms repapering

Tax Considerations

Tax Considerations

Overview



Tax should proactively assess the “tax only” consequences – in addition to the potential value transfer - and not just assume downstream impacts from accounting and legal changes arising on IBOR transition



Corporate Tax (Transactional PnL)

- ▶ Termination, amendments, or revaluation of financial instruments, or any other tax assets and liabilities may entail immediate tax recognition
- ▶ Tax treatment to follow the prevailing revenue/capital tax treatment of the underlying transaction

Transfer Pricing

- ▶ The IBOR transition will impact various financial instruments / lending facilities & arrangements, from a transfer pricing perspective
- ▶ Need to reassess transfer pricing policies to ensure applicability of alternate reference rates (ARRs)
- ▶ Amending existing intercompany loan agreements that reference IBOR to include fallback language
- ▶ Tax authority would view the transition as new pricing event or considered a price adjustment under the existing terms of the loan
- ▶ Impact on APAs, Debt Capacity Agreements, rulings or other agreements with tax authorities

Tax Considerations

Overview



Tax should proactively assess the “tax only” consequences – in addition to the potential value transfer - and not just assume downstream impacts from accounting and legal changes arising on IBOR transition



Stamp Duty

- ▶ Dutiable instruments which have to be re-executed (due to legal requirement) may incur stamp duty again

Withholding Tax

- ▶ Banks and approved financial institutions that have blanket withholding tax exemptions will continue to be covered during the transition from SOR to SORA
- ▶ WHT exemption granted to non-bank corporate taxpayers would continue where terms with specified reference interest rate are replaced by SORA

Others

- ▶ Tax deduction rules for borrowing costs for non-bank corporate taxpayers
- ▶ For example, the one-time payment might fall within the definition of “conversion fees or amendments fees” or “cancellation fees,” depending on whether the loan is amended or it is canceled and replaced with another loan

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Allen & Gledhill



Kok Chee
Allen & Gledhill



Francis Mok
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Joyce Lai
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Lyn Lee
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Q&A



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Closing Remarks:



Vernice Moh
Managing Director, ASEAN
Refinitiv

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We hope to see you at our next event:

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