


IBOR REFORM UPDATE

January 2022

At the end of 2021, all London Interbank Offered Rate (LIBOR) settings in sterling, euro, Japanese yen and Swiss franc as well as 1-week and 2-month US dollar LIBOR ceased being calculated based on panel bank submissions. Overnight, 1-month, 3-month, 6-month and 12-month dollar LIBOR will continue operating until 30 June 2023.

The Euro Overnight Index Average (EONIA) has also terminated.

Regulators globally have implemented regulations to facilitate an orderly wind-down of legacy LIBOR-linked securities. The European Union has established statutory replacements for LIBOR rates. The United Kingdom's Financial Conduct Authority (FCA) has mandated that "synthetic" rates be used, on a temporary basis, to replace the 1-month, 3-month and 6-month LIBOR settings in sterling and yen. Synthetic LIBOR's calculation relies on eligible transaction data for derivatives in the alternative reference rates (ARRs) for, respectively, sterling and yen LIBOR.

LIBOR Currency	Settings	Final Publication Date based on Panel Submissions	Non-representative Synthetic Publication
USD 	1M, 3M, 6M	30 June 2023	The FCA may launch a consultation about continued publication on a synthetic basis beyond June 2023.
	Overnight, 12M	30 June 2023	No
	1W, 2M	31 December 2021	No
GBP 	1M, 3M, 6M	31 December 2021	1 January to 31 December 2022; assessed annually for up to 10 years (i.e., to end 2031)
	Other 4 tenors		
JPY 	1M, 3M, 6M	31 December 2021	1 January to 31 December 2022
	Other 4 tenors		No
CHF 	All 7 tenors	31 December 2021	No
EUR 	All 7 tenors	31 December 2021	No

New use based on synthetic LIBOR is prohibited.

Similarly, the dollar continuing rates can be used in legacy dollar instruments. New use is permitted in limited instances, such as to offset legacy positions or for risk management.

BMO GAM (EMEA) Position

BMO GAM (EMEA) has ceased using LIBOR and EONIA in its agreements and as measures of performance. We continue to actively monitor our holdings and have added additional provisions in our governance processes, as we shift our transition program's controls to business-as-usual activities.