



日期：2020/9/22

敬愛的客戶 您好

配合香港金管局指示，為提醒企業客戶及早因應倫敦銀行同業拆借利率(以下簡稱「LIBOR」)將於2021年底後停止適用之議題，在此提出以下說明。

由於英國金融行為監理總署 (Financial Conduct Authority) 已明確表示 LIBOR 將於 2021 年底後停止報價，銀行多已開始積極進行 LIBOR 過渡性準備工作，但後續仍須與企業客戶協調後，始能完成此項工作。

因此香港金管局與財資市場公會 (Treasury Markets Association) 特別於 2020 年 7 月針對企業客戶發布 Points to Note for Corporate Treasurers，內容包括 LIBOR 過渡時期將如何影響公司營運及公司應採取哪些步驟因應，並通過一系列問答方式，期望對企業客戶於 LIBOR 過渡性準備工作能有所幫助。

本行茲將重點敘述如下，相關文件亦可由財資公會網站連結或本行網址取得：

1. 由於 LIBOR 是金融市場最廣泛使用的利率基準，因此停止適用後將有重大影響。
2. 如企業仍具有 LIBOR 計價相關之合約，建議停止適用前，企業應採取行動以評估影響性，並酌情尋求專業意見，與專家、銀行或交易對手討論，以及早為過渡工作做好準備

http://www.tma.org.hk/FixingsFile/LIBOR_Transition_Points_for_Corporate_Treasurers.pdf?855

※如有疑問請洽詢專項諮詢/服務窗口

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Transitioning Away from LIBOR: Points to Note for Corporate Treasurers

Key Takeaways:

- The London Interbank Offered Rate (LIBOR) will likely be discontinued after 2021. This is a significant development as LIBOR is the most widely used benchmark for a variety of financial contracts.
- Contracts that reference LIBOR could be subject to legal disputes if corporates do not reach an agreement with their banks or counterparts on a replacement rate before LIBOR becomes unavailable.
- Corporates are suggested to take prompt action to assess the implications of LIBOR discontinuation, seek professional advice as appropriate, and engage their bankers and counterparts to make early preparations for the transition.

Overview

- According to the UK Financial Conduct Authority (FCA), which regulates LIBOR, LIBOR will likely be discontinued after end-2021, as there is a very high chance that LIBOR panel banks will stop making submissions for LIBOR determination after that date. The FCA has already warned that market participants should prepare for a transition away from LIBOR.
- LIBOR discontinuation will have implications not only for financial institutions but also corporates which have outstanding contracts referencing LIBOR with a maturity beyond 2021. This note explains how the benchmark transition will impact the corporate sector through a series of Q&As.

Q&As

1. Why should I (as a corporate treasurer) be concerned?

- LIBOR, especially USD LIBOR, is the most widely used benchmark rate for a variety of financial contracts, including loans and derivatives. As most existing LIBOR contracts do not stipulate how contract terms would be managed should LIBOR become permanently unavailable, these contracts could be subject to disputes or litigation if the parties to the contract fail to agree on a replacement rate or other fallback arrangements in advance.

2. Are there alternatives to LIBOR?

- In the five LIBOR currency areas (i.e. the US, Euro Area, Japan, the UK and Switzerland), relevant authorities have identified transaction-based overnight interest rates as the alternative reference rates for LIBOR (Table 1).

Alternative Reference Rates

IBOR	Alternative reference rate
USD LIBOR	Secured Overnight Financing Rate (SOFR)
EUR LIBOR/EURIBOR	Euro Short Term Rate (ESTR)
JPY LIBOR/TIBOR	Tokyo Overnight Average (TONA)
GBP LIBOR	Sterling Overnight Index Average (SONIA)

CHF LIBOR	Swiss Average Rate Overnight (SARON)
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3. *How can these alternative reference rates be used in financial transactions, given they are overnight rates without a term structure like LIBOR?*

- Interest payments based on overnight rates are generally calculated using the method of simple or compounded averaging. Currently, the most popular calculation method is compounding in arrears. Certain overseas authorities are also exploring the possibility of deriving a term structure for these overnight rates. However, a firm timetable for doing this has yet to be established. As such, corporates are advised to rely on calculation methods that have already been developed (such as those aforementioned) and promptly consult their banks on how these can be used, and also look into necessary changes that may be required, including to IT systems.

4. *What steps should I take to prepare for the transition away from LIBOR?*

- First, corporates should take steps to identify and review all their existing contracts that use LIBOR as the reference rate (e.g. loans, derivatives, floating rate notes, etc.). If the contracts do not contain provisions setting out how LIBOR will be replaced when it becomes unavailable, you should talk to your banks and counterparties to build in the alternative reference rates as a fallback.
- Furthermore, corporates should avoid entering into new contracts with a maturity beyond 2021 using LIBOR as reference rates. Instead, they should consider using the alternative reference rates set out in question 2 above for new contracts.

5. *Will HIBOR be discontinued?*

- In Hong Kong, there is no plan to discontinue HIBOR as it remains a credible financial benchmark. Nevertheless, Hong Kong has identified an alternative reference rate for HIBOR following the international trend, which is the HKD Overnight Index Average (HONIA). Market participants are free to choose between HIBOR and HONIA.

6. *Who can I contact if I have more questions?*

- For more background information about the cessation of LIBOR and relevant transition work being undertaken, please refer to the following website:
https://www.tma.org.hk/en_market_LIBOR.aspx
- For specific questions about your existing LIBOR contracts and how these should be handled, please contact your banker, and seek advice from your lawyers or financial advisors as appropriate.