

PRESS RELEASE

The Last Mile: ASIFMA and Ashurst Launch Report on Regional Readiness Challenges for LIBOR transition

Hong Kong, 7 January 2021 – [ASIFMA](#), the financial industry's leading regional trade association, and member firm Ashurst today jointly released a new report "[Asia Pacific IBOR Transition Readiness](#)". The purpose of the report is to highlight key areas of action for the industry to focus on as it navigates the London Interbank Offered Rate (LIBOR) transition.

"Much has been said about LIBOR and its position of significance in the financial markets. Dubbed the "world's most important number", the use of LIBOR as a reference rate is prevalent across product classes, as well as across jurisdictions. The transition away from LIBOR is therefore bound to present numerous unique and difficult challenges for regulators and market participants alike," said Philippe Dirckx, Head of Fixed Income at ASIFMA.

In August of 2020, ASIFMA conducted a regional survey among its members to identify key issues that require attention before end-2021.

In general, four main themes emerged from the survey results with regard to transition away from LIBOR as well as various local Interbank Offered Rates ("IBOR"). These are:

- Lack of standardisation, harmonisation and consensus between different jurisdictions and asset classes as an area of concern;
- Transition issues for legacy contracts;
- Litigation, regulatory and conduct risk in connection with (L)IBOR transition; and
- Transition issues in connection with local benchmarks.

Based on the feedback received, action focus areas are identified and examined in this report, which is primarily intended for regulators across APAC, fellow trade associations, as well as market participants in general. The action focus areas that have been identified have been categorised in this report in terms of intended engagement with each target demographic.

Ashurst's financial regulatory partner Evan Lam commented, "Transitioning away from LIBOR is mammoth undertaking that raises major legal, financial, operational and conduct challenges. The survey is a valuable insight into the issues that market participants face on the ground, and it is clear that extensive work remains to be done. As a global law firm, Ashurst's team of financial experts help banks and financial institutions develop pragmatic solutions to these issues as they transition to alternative rates."

"As we head into the tail-end of 2020, we are also entering the final sprint for LIBOR transition. We hope that our identified action focus areas can serve to facilitate a more targeted approach by industry bodies in tackling the most pressing issues of LIBOR transition in an efficient and effective manner," concluded Mr. Dirckx.

ASIFMA also plays an educational role which has led to rolling out eight IBOR Transition webinars across the region (agenda and on-demand recordings of past events can be viewed [here](#))

DEVELOPING ASIAN CAPITAL MARKETS

The full report can be downloaded [here](#).

For media queries, please contact:

Corliss Ruggles, Head of Communications, ASIFMA

Tel: +852 2537 3029 / +852 9359 6996

Email: cruggles@asifma.org

Vianna Yau, PR Manager (Asia), Ashurst

Tel: +852 2846 8944 / +852 9325 0611

Email: vianna.yau@ashurst.com

About ASIFMA

[ASIFMA](#) is an independent, regional trade association with over 140 member firms comprising a diverse range of leading financial institutions from both the buy and sell side, including banks, asset managers, law firms and market infrastructure service providers. Together, we harness the shared interests of the financial industry to promote the development of liquid, deep and broad capital markets in Asia. ASIFMA advocates stable, innovative and competitive Asian capital markets that are necessary to support the region's economic growth. We drive consensus, advocate solutions and effect change around key issues through the collective strength and clarity of one industry voice. Our many initiatives include consultations with regulators and exchanges, development of uniform industry standards, advocacy for enhanced markets through policy papers, and lowering the cost of doing business in the region. Through the [GFMA](#) alliance with [SIFMA](#) in the United States and [AFME](#) in Europe, ASIFMA also provides insights on global best practices and standards to benefit the region.

More information about ASIFMA can be found at: www.asifma.org.

About Ashurst

[Ashurst](#) is a leading international law firm with world class capability and a prestigious global client base. The firm's in-depth understanding of its clients and commitment to providing exceptional standards of service has seen it become a trusted adviser to local and global corporates, financial institutions and governments on all areas of commercial law. The firm's people are its greatest asset and it brings together lawyers of the highest calibre with the technical knowledge, industry experience and regional know-how to provide the incisive advice clients need.

Ashurst has 28 offices in 16 countries and offers the reach and insight of a global network, combined with the knowledge and understanding of local markets. With 400 partners and a further 1,600 lawyers working across 11 different time zones, the firm is able to respond to clients wherever and whenever required. As a global team, Ashurst has a reputation for successfully managing large and complex multi-jurisdictional transactions, disputes and projects and delivering outstanding outcomes for clients.