

(Tentative translation)

(Meeting item for the Aug. 13, 2021 Meeting)

Report from the Working Group on Currency Swaps

- The Working Group on Currency Swaps would like to ask the Committee to publish and engage in external communication regarding the appendix about the transition of interdealer trading conventions in the cross-currency basis swaps market.

August 13, 2021

The Cross-Industry Committee on
Japanese Yen Interest Rate Benchmarks

Appendix: Transition of Quoting Conventions in the Cross-Currency Swap Market

The Working Group on Currency Swaps (WG) of the Cross-Industry Committee on Japanese Yen Interest Rate Benchmarks (Committee) consulted with its members and came to a consensus on the start date of September 21, 2021, regarding the transition of the interdealer trading conventions of cross-currency basis swaps referencing LIBOR to risk-free rates (RFRs).

—— The WG expressed support on the start date of September 21 proposed at the Cross-Currency Basis Swap Subgroup of the Alternative Reference Rates Committee (ARRC), based on the consultation mentioned above. ARRC subsequently released a statement on July 21, in which it endorses that interdealer trading conventions for cross-currency basis swaps between U.S. dollar, sterling, Swiss franc, and Japanese yen LIBOR move to each currency's RFR as of September 21¹.

The Committee encourages market participants to proceed with necessary preparations in accordance with the consensus stated above.

¹https://www.newyorkfed.org/medialibrary/Microsites/arrc/files/2021/ARRC_Press_Release_Endorsement_of_MRAC.pdf