

(Tentative translation)

(Excerpt from "Report from the Working Group on Currency Swaps", meeting material of Aug. 13, 2021 Meeting)

August 13, 2021

The Cross-Industry Committee on
Japanese Yen Interest Rate Benchmarks

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