

**By Email**

15 May 2023

To the Senior Executive Officers of DFSA Authorised Firms

**RE: LIBOR Transition – Cessation of USD LIBOR Panel**

Dear SEO,

Over the last few years, Central Banks and regulatory authorities in major jurisdictions worked jointly with the financial service industry to overhaul some of the Interbank Offered Rates ('IBOR'), including the London Interbank Offered Rate ('LIBOR'), and replacing them with more appropriate and representative Alternative Reference Rates ('ARR').

The purpose of this letter is to ensure that Authorised Firms have taken appropriate operational measures to prepare for the cessation of the USD LIBOR panel by ICE Benchmark Administration ('IBA') on 30 June 2023.

With the cessation of the USD LIBOR panel, the UK Financial Conduct Authority announced their decision to require the IBA to publish a 'synthetic USD Libor' for the 1-month, 3-month and 6-month rates until 30 September 2024.<sup>1</sup>

Authorised Firms are expected to review their contracts referencing USD Libor and have appropriate plans to transition these to robust ARR as early as possible to avoid potential market uncertainty and heightened operational risks before the cessation deadline.

The Financial Stability Board (FSB) have [published](#) a statement on this matter. The statement includes further details and the tools used by market participants to manage their legacy contracts (e.g., ISDA Fallback Protocol).

Authorised Firms must promptly inform the DFSA if they anticipate or experience material impact concerning the LIBOR transition or other significant events.

Yours sincerely,



**Justin Baldacchino**  
**Managing Director, Supervision**

CC: Compliance Officers of Authorised Firms

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<sup>1</sup> <https://www.fca.org.uk/news/news-stories/fca-announces-decision-synthetic-us-dollar-libor>