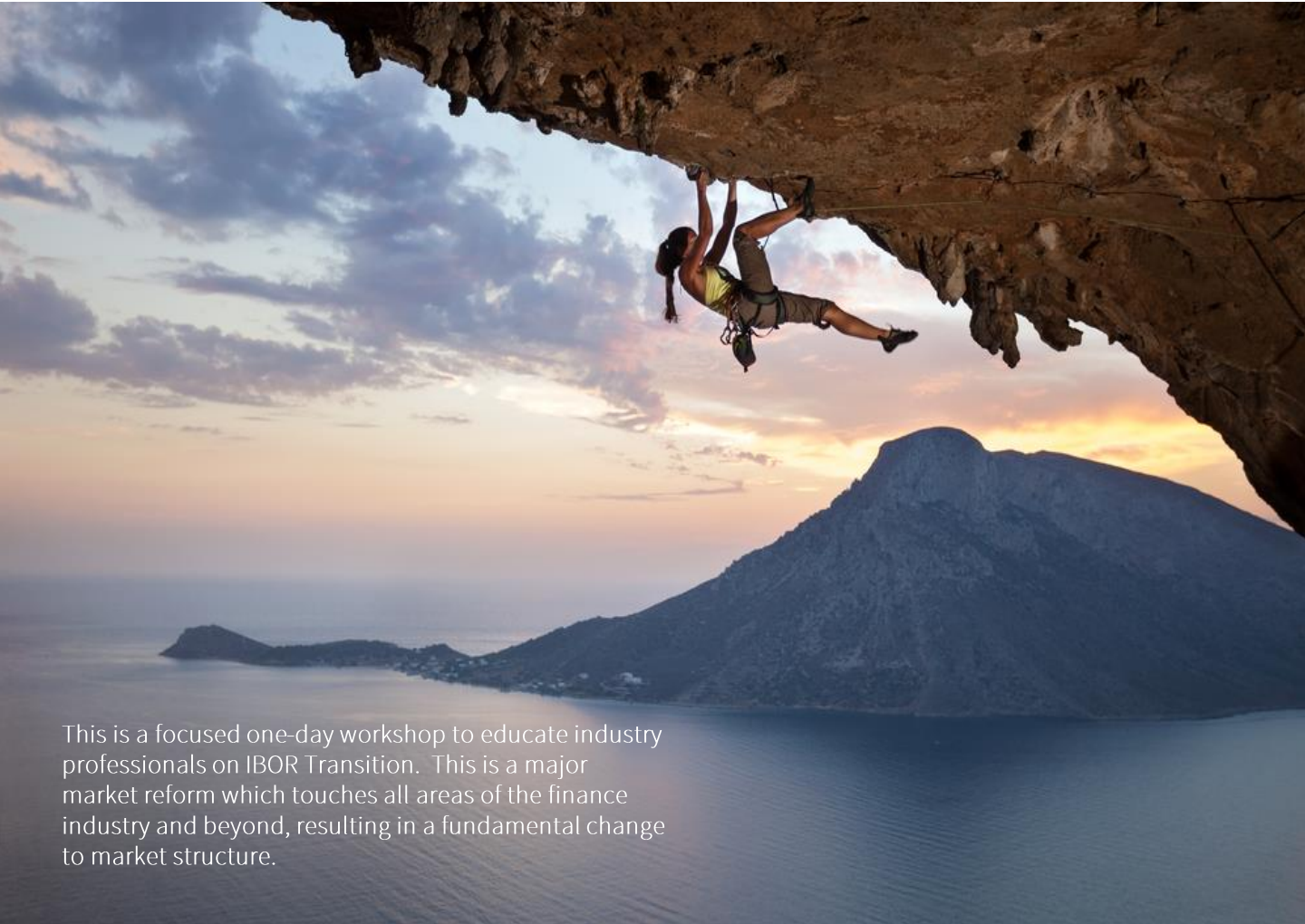


# IBOR TRANSITION WORKSHOP

27<sup>th</sup> November 2019

“ If this transition is chaotic, it could have serious repercussions. It is therefore an imperative that we take preparations for 2021 seriously. ”

Megan Butler, FCA, Feb 2019



This is a focused one-day workshop to educate industry professionals on IBOR Transition. This is a major market reform which touches all areas of the finance industry and beyond, resulting in a fundamental change to market structure.



#### Expert Trainers

- Taught by industry practitioners
- Trainers previously presented at Risk.net and Marcus Evans



#### Accreditation

- Fully endorsed by the CISI
- This course provides the delegate with 6 CPD points



#### Key Benefits

- Pre-course questionnaire to establish business concerns
- Electronic copy of presentation prior to the course



#### IBOR Transition

- Practical demonstration of IBOR transition showing change in risk by CRZ Pricing

Register Below:  
 **0203 751 6465**  
www.dantumconsulting.com



**2019**

# IBOR TRANSITION WORKSHOP

Who should attend?  
C-Level Officers  
Project Managers  
Banks  
Risk Managers

Treasurers  
Asset Managers  
Broker/Dealers  
Insurance Companies  
Corporates

## Programme

### Session 1 - From LIBOR Scandal to RFRs

#### Introduction:

- LIBOR, where it all began and the BBA first official fix
- GFC and Switch to OIS discounting and multi-curve pricing
- LIBOR rigging scandal
- The lack of liquidity in LIBOR transactions
- Regulatory responses: IOSCO principles, FCA "Dear CEO" letter, LIBOR reform and EU Benchmark Regulation

#### Regulatory Backdrop:

- Formation of benchmark committees e.g. ARRC
- The new replacement RFRs/ARRs and adoption in major currencies (SOFR, SONIA, ESTR, SARON, TONAR)
- Regulatory response to "Dear CEO" letter
- Exposure analysis requests from FCA/PRA
- Managing dependencies from parallel regulations: Basel IV, FRTB, CRD5, IRRBBB.

CASE STUDY – Review of 2 Issuances in SOFR and Sonia

### Session 2: Operational Readiness

#### Deeper Dive into Alternative Reference Rates:

- Backward looking overnight rates, and T+1 fixings
- Coupon calculations – Compounding vs Averaging
- Challenge of backward-looking over night indices vs forward looking LIBOR
- Observation methodologies
- Coupon Flooring
- Term structure and how to build a curve

#### Client communication:

- Conduct Risk
- Challenge of clients' acceptance of updated fallbacks
- Compensation procedure (margin changes, non acceptance of fallbacks)

CASE STUDY – Analysis of Programme structure adopted in Tier 1 Sell-side firm

### Session 3: Product Developments and Pricing

#### CCP Discounting Change:

- Proposed ESTR and SOFR discounting changes
- Net exposure amendments –margin / PAI changes
- Compensatory swaps (basis swaps or cash equivalent)
- Value Adjustments

#### Documentation: Fallbacks:

- Limitations of current ISDA 2006 fallback language
- Proposed fallback changes and ARRC recommendations
- Estimating the spread adjustment
- Trading the fallback SOFR-LIBOR basis vs spread assumption

CASE STUDY – Review of Fallback language in recent issuances and securitizations

### Session 4: Key challenges and next steps

#### Transitioning the Legacy book:

- Valuation Adjustments, XVA and the PnL impact
- Effect of Fallback changes
- Discounting, Valuation and OCA curves
- Transition Strategy and dealing with Tough Legacy

#### Programme Structure:

- The buy-side, sell-side and corporate treasury challenge
- Assessing the pace of adoption via MI
- Impending milestones and expected impact

CASE STUDY – Practical demonstration of SOFR swap migration covering curve mechanics and comparison by CRZ Pricing

#### Closing comments:

Recap of key points and milestones  
Feedback forms

Register Now:

 **0203 751 6465**  
www.dantumconsulting.com



**2019**



# IBOR TRANSITION WORKSHOP

## Learning Objectives

- Understand and quantify your exposures to IBOR and establish what needs to be done to facilitate the transition.
- Learn how the futures and swaps market is generating liquidity and how they can be used as the basis for a new term structure.
- Learn how to structure a Programme and effectively manage risks arising from practical case studies.
- Establish an IBOR project team with clear roadmap and responsibilities to deliver a timely and organized transition.

“An excellent course for practitioners  
..I would highly recommend to all  
market participants! ”

Standard Bank

“Great content taught by  
experienced Senior managers”

HSBC

Register Now:

 **0203 751 6465**  
www.dantumconsulting.com



**2019**