

LIBOR Transition

Regulator's Expectations on Information Submission and Surveys

October 2020

As the LIBOR transition deadline rapidly approaches regulators around the world have been continuously asking banks to submit progress reports and surveys. While most banks are fully focused on transition implementation, at the same time regulators are demanding more detailed information to monitor the situation. Below we highlight some common survey components that global regulators are asking for with regards progress and preparedness.

Common LIBOR Transition Regulatory Survey Components

Section	Requirements	Data Intensive
Preparation for Transition	<ul style="list-style-type: none"> More details required on governance over the transition including names of responsible senior executives Status completion percentage requirements on specific Libor transition plan components such as system infrastructure updates and risk models 	-
LIBOR Exposures Data	<p>Detailed exposure data and number of contracts breakdowns for all asset and liabilities still referencing LIBOR:</p> <ul style="list-style-type: none"> Assets and liabilities split by 5 currencies (USS, EUR, GBP, JPY, CHF, other benchmarks, HIBOR) Derivative exposures breakdowns and exposures not centrally cleared or governed by an ISDA MA Exposures that are covered by fallback clauses Report the above for all new contracts Apr. 2020 to Sep 2020 referencing Libor 	Yes
ARR Referenced Exposures Data	<ul style="list-style-type: none"> Exposure and number of contract breakdowns by the new Alternative Reference Rates (SOFR, €STR, SONIA, TONA, SARON, HONIA etc....) 	Yes
Data on Contracts and Products	<p>Number of contracts maturing before and after December 2021 including breakdowns by:</p> <ul style="list-style-type: none"> Retail customers Private banking customers Corporate banking customers Detailed product data on number of contracts and notional amounts covering all major products and derivative types split by retail, SME, and corporate banking customers. 	Yes
Remediation Status Data	<p>For all contracts maturing after 2021, detailed data and breakdowns on contract remediation status including:</p> <ul style="list-style-type: none"> Contracts not yet complete or in progress Fallback clause Contracts about to be closed out and replaced All the above split by detailed Asset, Liability and Derivative exposures All amounts reported need to reconcile back to LIBOR exposures data 	Yes



What should Banks do now?

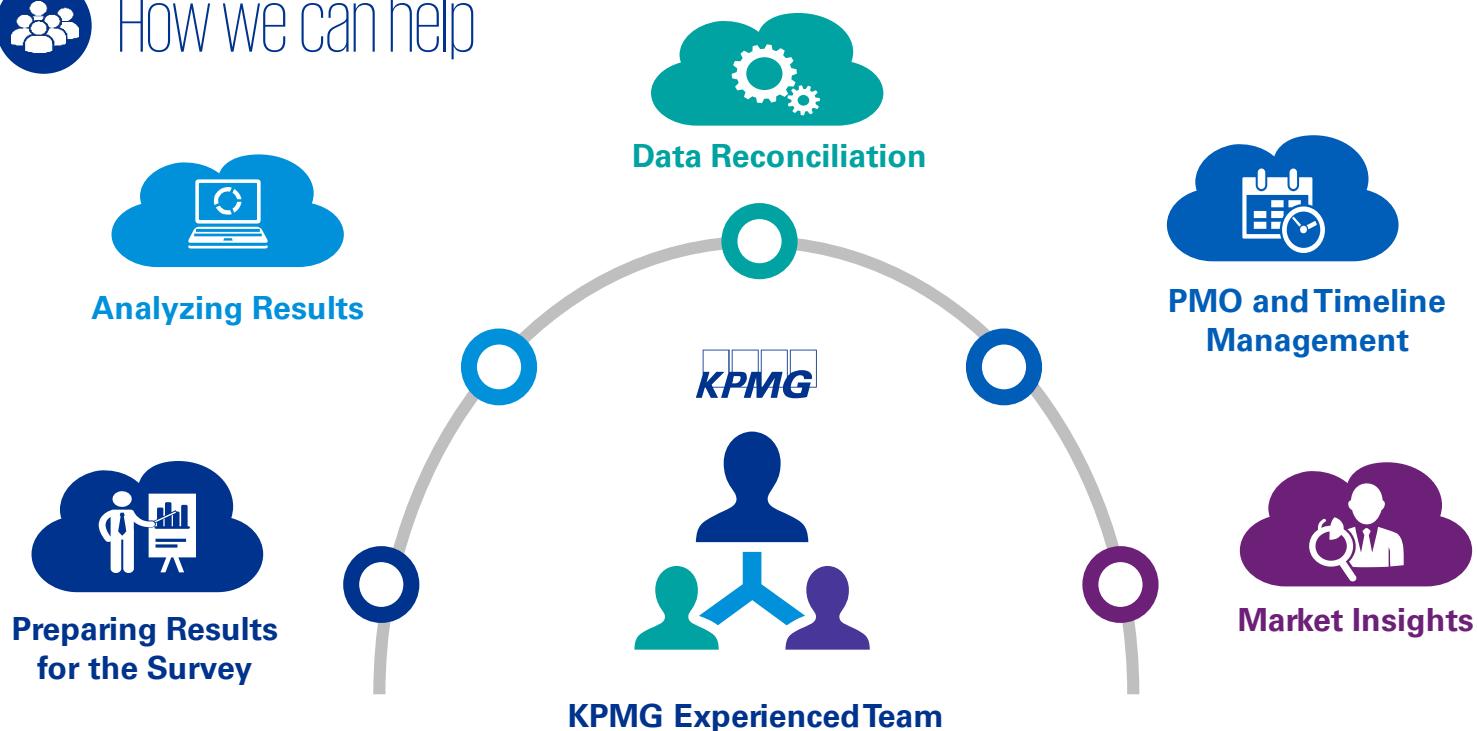
The following actions should be taken if they have not been already to support regulatory reporting on the transition:



- 1 Ensure that transition plans have been approved and are being monitored by appropriate senior executives at the bank
- 2 Deadlines are being monitored by the bank with weekly or bi-weekly status reports
- 3 Data is being collected to support regulatory survey reporting requirements with appropriate data quality and governance procedures in place
- 4 Exposure and contact breakdown data reconciles across various survey components and other banking returns
- 5 Banks are making progress on their ability to offer ARR products and have captured data in the correct way to support regulatory reporting
- 6 Client outreach and communications are progressing as planned with letters, calls, and FAQ's with data being collected to support regulatory reporting
- 7 Fall-back clauses and other contact remediation work is progressing in accordance to the transition plan and data is being collected to support regulatory reporting



How we can help



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