

IBOR regulatory & industry update

**Sub Working Group: *Alignment with
international legislation and best practices***

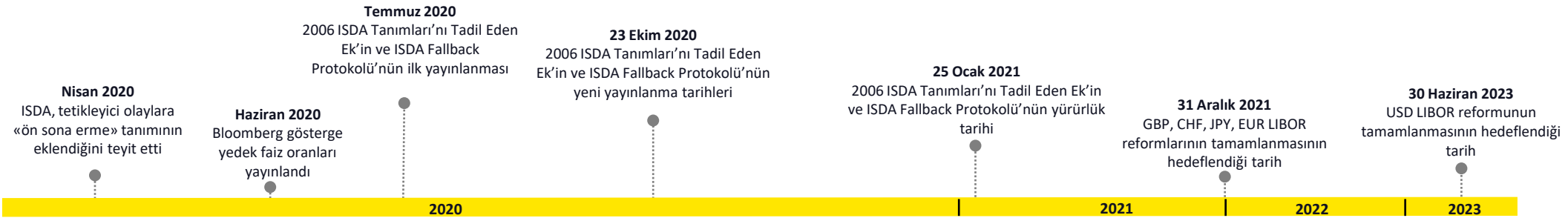
28 January 2021

Agenda

1. Legal update
2. ISDA Workshop update
3. USD LIBOR – SOFR transition update
4. GBP LIBOR – SONIA transition update
5. EONIA & EURIBOR – €STR transition update
6. Swiss & Asian IBORs transition update
7. Open public consultations
8. Reflecting on workstream roadmap

1. Legal update

Geçen Haftanın Özeti – Yürürlük ve Uygulama



• Protokol ve Ek'in farkı nedir?

- Protokol legacy contract olarak belirtilen hali hazırda yürürlükte olan sözleşmeler için getirilmiştir.
- Ek ise 25 Ocak 2021 ve sonrasında akdedilecek tüm işlemler için yani yeni işlemler için hazırlanmıştır.
- Protokol'e taraf olmak için «adhere olmak» yani taraf olmak ve buna ilişkin işlemleri tamamlamak gerekmektedir
- Ek ise direkt olarak ISDA 2006 Definition dokümanını değiştirdiğinden ayrıca bir taraf olma işlemine gerek yoktur.

• Protokol'e taraf olmak için nihai bir tarih var mı?

Henüz Protokol'e taraf olma sürecinin kapanışına ilişkin bir tarih belirlenmedi. Ancak ISDA 30 gün önceden internet sitesinde yayınlamak yahut uygun gördüğü başka kanallarla duyurmak kaydıyla bir kapanış tarihi belirleyebilir.

• Protokol için önem arz eden Yürürlük Tarihi («Effective Date») ve Uygulama Tarihi («Implementation Date») nedir?

- Yürürlük tarihi yukarıda da bahsedildiği üzere 25 Ocak 2021 olarak belirlenmiştir.
- Uygulama Tarihi ise taraflar arasında hüküm doğuracak tarih olarak özetlenebilir ve sözleşme taraflarından hangisi daha sonra Protokol'e taraf olursa Uygulama Tarihi sonraki tarih olacaktır.

• 25 Ocak 2021 tarihinde alternatif faiz oranları ve Protokol ve Ek'te yer alan fallback hükümleri mi uygulanmaya başlayacak?

Protokol ve Ek'te yer alan fallback hükümlerinin uygulanması için ilgili belgelerde belirtilen «tetikleyici olay»ın meydana gelmesi gerekmektedir.

• Tetikleyici olay nedir?

- LIBOR oranları için «pre-cessation event» olarak adlandırılan ön sona erme
- IBOR oranları için «permenant cessation event» olarak adlandırılan nihai sona erme

Geçen Haftanın Özeti – Yürürlük ve Uygulama

- **Tetikleyici olay meydana geldikten sonra fallback hükümleri nasıl uygulanacak?**
 - Fallback uyarınca uygulanacak faiz= ilgili alternatif faiz oranı + spread
 - Fallback hükümlerinin uygulanması için «Index cessation event» yani endeksin kesilmesi/açıklanmasının durdurulması gerekmektedir. Bu IBOR için ilgili kamu otoritesinin kamuya yapacağı IBOR oranlarının kesin olarak durdurulduğunu/durdurulacağını içeren açıklaması
 - LIBOR oranları için de ilgili kurumun yapacağı LIBOR'un artık piyasayı temsil etmeyeceğine ilişkin açıklaması
 - Fallback hükümleri bu açıklama tarihi itibarıyla devreye girebilir yahut açıklamalarda oranların yürürlükten kalkacağı ileri bir tarih verilmişse bu ileri tarih itibarıyla yürürlüğe girebilir («Index cessation effective date»)
 - Açıklama tarihi (index cessation event) itibarı ile spread Bloomberg Index Services Limited tarafından açıklanan oran olarak sabitlenir.
 - Ek ile getirilen yeni fallback yapısı uyarınca bir şelale («waterfall») sistemi benimsenmiştir. Yani yeni fallback faiz oranının yayınlanmasının durması halleri için de çeşitli senaryolar öngörülerek önlem alınmaya çalışılmıştır.

2. ISDA workshop update

ISDA Protocol: Process for Adherence

ISDA Process for Adherence



1. Each market participant that intends to adhere to the IBOR Fallbacks Protocol should **access the "Protocols" section of the ISDA website** at www.isda.org to enter the information that is required to **generate its form of Adherence Letter**.



2. Either by directly downloading the populated Adherence Letter from the Protocol system or upon receipt via e-mail of the populated Adherence Letter, each **Adhering Party should sign the populated Adherence Letter** (a "wet-ink" signature is not required) and **upload it as a PDF** (portable document format) attachment into the Protocol system.



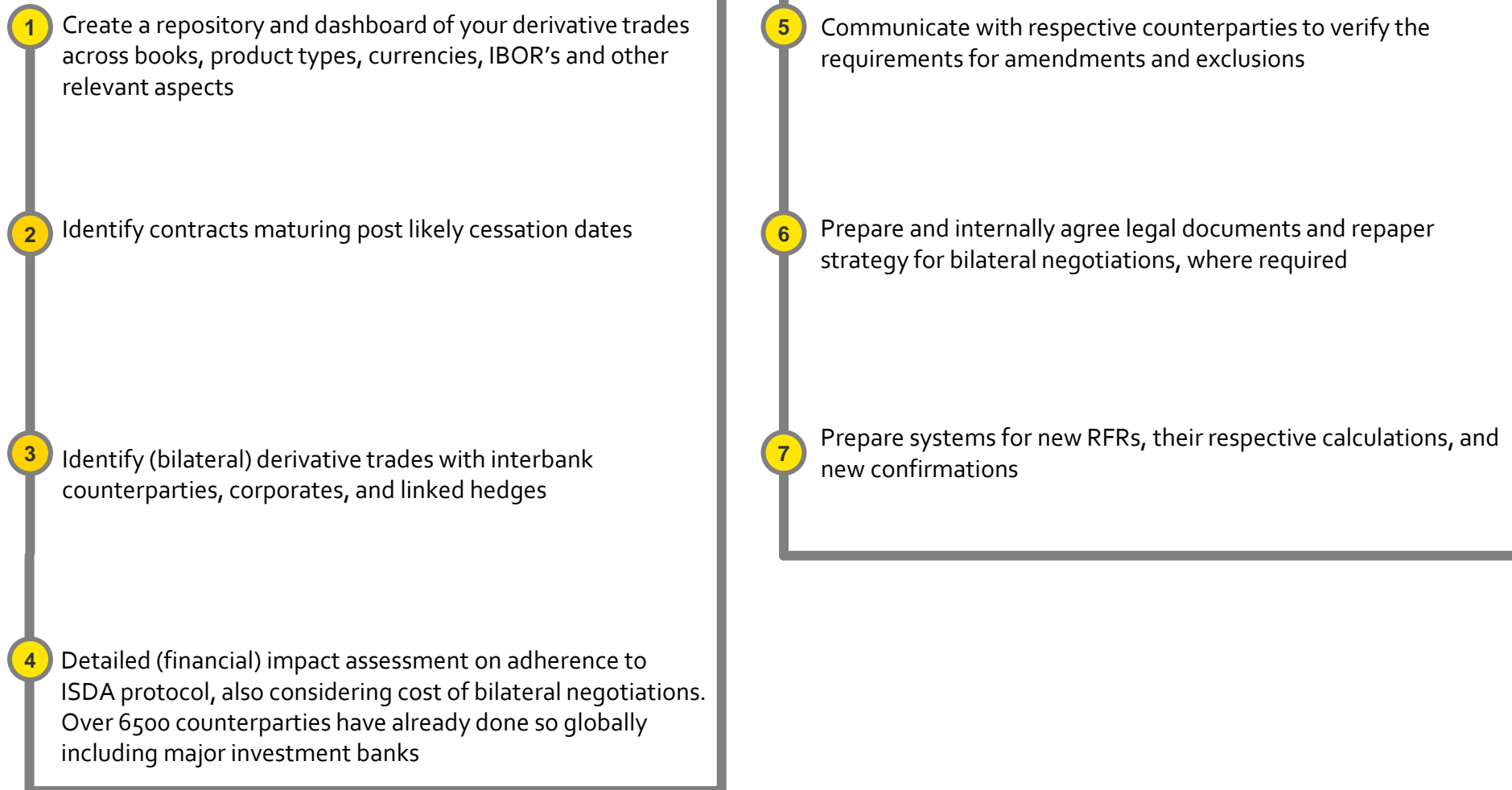
3. Once the signed Adherence Letter has been approved and accepted by ISDA, such Adhering Party will **receive an e-mail confirmation of adherence to the IBOR Fallbacks Protocol**.



Adherence is free to non-ISDA Primary Members until January 25, 2021.. For a step-by-step guide to adherence, please see the following guide:assets.isda.org/media/3062e7b4/562d1a52-pdf/

What have international banks been initiating in 2020?

23 October 2020 marked the beginning of a three-month period during which firms can adhere to the protocol, although regulators encourage and expect firms to do so early. Firms will need to monitor ISDA's website to determine whether the counterparties they trade with have also decided to sign up. We also encourage firms to check with their key counterparties bilaterally as soon as possible to get certainty early on, and start negotiations with non-signatories where applicable.



Q&A

Questions

Answers

For transactions made prior to the Fallback Protocol's signature date, how will the interest rates be affected? Will we have to adapt the existing transactions immediately within the scope of the regulations accepted in the Fallback Protocol? Or as long as the IBOR continues to be published, existing transactions will continue in the same way, without any interest rate conversion?

The transactions will continue as is until the IBOR continues to be published and is representative of the underlying market. However, in the case of the pre-cessation trigger, the spread will be locked even if the IBOR continues to be published until its cessation date.

How will interest rates be determined for transactions to be made after the Fallback Protocol's signature date? Do we have to determine RFR as the floating interest rate of these transactions? Or can we continue with IBOR as long as it continues to be published?

ISDA will amend the 2006 ISDA Definitions by publishing a 'Supplement' to the 2006 ISDA Definitions on January 25, 2021. Upon publication of the Supplement for the relevant IBOR, transactions incorporating the 2006 ISDA Definitions that are entered into on or after the date of the Supplement (i.e., January 25, 2021) will include the amended floating rate option (i.e., the floating rate option with the fallback). The fallback kicks in at the permanent cessation event, however, there is guidance from regulators to cease issuance of new GBP LIBOR linear derivatives by start of Q2 2021 and non-linear derivatives by start of Q3 2021. For USD LIBOR, FED has recommended all new issuances to cease by end-2021.

If both banks (counterparties) have recently signed the ISDA protocol. Do you then call each other that for this particular derivative you do not want to use the protocol but agree bilaterally?

Yes, parties can bilaterally agree to preserve bespoke provisions. Parties should carefully consider whether the IBOR Fallbacks Protocol will override or otherwise amend bespoke provisions in their Protocol Covered Documents and seek advice from professional advisors as required. ISDA has published template language that Adhering Parties may use to exclude and/or amend one or more aspects of the IBOR Fallbacks Protocol.

What if one of the parties rejects a bespoke proposal and wants to stick to the ISDA protocol?

In principle the IBOR Fallbacks Protocol provides that the terms and conditions of each Protocol Covered Document, that apply to that Protocol Covered Document immediately before it is amended by the IBOR Fallbacks Protocol will continue to apply. Bespoke provisions can only be maintained if bilaterally agreed to.

ISDA Fallbacks Protocol and Supplement documentation

Relevant documents on the ISDA Fallbacks Protocol [link](#)

- ▶ View adhering parties [link](#)
- ▶ ISDA 2020 IBOR Fallbacks Protocol [link](#)
- ▶ IBOR Fallback Supplement [link](#)
- ▶ FAQs to ISDA IBOR Fallbacks Protocol [link](#)
- ▶ Bilateral Documents related to IBOR Fallbacks [link](#)
- ▶ Outline of Bilateral Documents with Descriptions [link](#)
- ▶ How to Adhere to 2020 IBOR Fallbacks Protocol [link](#)
- ▶ List of Counsel/Trade Associations for Non-ISDA Documents [link](#)

Webinars

- ▶ IBOR Fallbacks Supplement and IBOR Fallbacks Protocol webinar [link](#) (& slides [link](#))
- ▶ Methodology and Bloomberg Publication webinar [link](#) (& slides [link](#))
- ▶ Bilateral Templates, ISDA Create and HIS Markit Outreach360 webinar slides [link](#) (& slides [link](#))

3. USD LIBOR – SOFR transition update

The ISDA IBOR Fallbacks Protocol has come into effect

Publication details		Summary	Indicative relevance	Applicability to Turkish FS sector				
				Likely impact areas		Likely implications / follow-up actions for TBB		
				Frontbook	Backbook			Function
1	ISDA	<p>New fallbacks for derivatives linked to IBORs have come into effect on Monday 25 January 2021. More than 12000 entities across nearly 80 jurisdictions have adhered to the protocol.</p> <p>Link</p>	M	FB	Yes	Legal & Compliance	Yes	<p>An assessment of jurisdictions / counterparties in contracts where the ISDA protocol has not been signed up to.</p>
	IT & Operations					No		
	25/1/2021			New IBOR fallback take effect for Derivatives	BB	Yes	Risk	
Communications	Yes							
				Treasury	No			
2	ARRC	<ul style="list-style-type: none"> - It is theoretically possible that a bank could commit on a voluntary basis to continue submitting and then change its mind - ARRC is continuing to try to move forward on the term rate and they are interviewing the respondents to the term rate RFP currently - It is not likely that the ARRC will be able to make its goal of having a term rate up and running for commercial use by June of this year - Vendors are continuing to work on a credit sensitive rate, though the ARRCs working group does not think a credit sensitive rate is needed and they would not wish to borrow at it - The NY state legislative proposal was included in the 2022 budget proposals 	M	FB	Yes	Legal & Compliance	Yes	
	22/1/2021					IT & Operations	Yes	
	ARRC Office hours					Risk	Yes	
						Communications	Yes	
				BB	Yes	Treasury	Yes	
3	Bloomberg	<ul style="list-style-type: none"> - Bloomberg Short Term Bank Yield Index (BSBY) launched, to meet market demand for a credit sensitive index - Available in 5 tenors: overnight, 1-month, 3-months, 6-months, and 12 months - BSBY includes a systemic credit spread and term structure - The rate can be used as a supplement to SOFR in the lending market <p>Link</p>	L	FB	Yes	Legal & Compliance	Yes	<p>Turkish banks to monitor new developments. Since its initial launch in the last quarter of 2020 BSBY has received a significant amount of market attention. Currently seen by major banks as a potentially easy option for adoption.</p>
	20/1/2021					IT & Operations	Yes	
	Bloomberg Launches Short Term Credit Sensitive Index to Support IBOR Transition					Risk	Yes	
						Communications	Yes	
				BB	Yes	Treasury	Yes	

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Bloomberg Short Term Bank Yield Index (BSBY) launched

Publication details		Summary	Indicative relevance	Applicability to Turkish FS sector				
				Likely impact areas		Likely implications / follow-up actions for TBB		
				Frontbook	Backbook			Function
4	Risk.net	<ul style="list-style-type: none"> - Multiple market participants are or will be publishing SOFR credit spread add-ons - New entrants, Bloomberg and IHS Markit have methodologies resembling ICE Bank Yield Index (primary bank funding data at core) Link	M	FB	Yes	Legal & Compliance	Yes	Turkish banks to monitor new developments, currently the rates face stiff competition, therefore good to follow market practice. BSBY is seen as the most easy option
	IT & Operations					Yes		
	20/1/2021			Bloomberg, IHS Markit join race for SOFR credit add-on	BB	Yes	Risk	
	Communications	Yes						
				Treasury	Yes			
5	LSTA	Last week, the NY State budget 2022 was presented and it included the ARRCs proposed LIBOR transition legislation. applies to contracts that do not have fallback language or that fall back to a rate based on LIBOR (such as last quoted LIBOR). Under the legislation, these contracts would instead fall back to the "recommended benchmark replacement", which is a "benchmark replacement based on SOFR" Link	S	FB	Yes	Legal & Compliance	Yes	
	IT & Operations					Yes		
	26/1/2021			NY State: legislating LIBOR (fallbacks)	BB	Yes	Risk	Yes
	Communications	Yes						
				Treasury	Yes			
6	AFME	Key take aways: <ul style="list-style-type: none"> • AFME calls on all market participants to join in actively transitioning as many transactions as possible to identify and reduce the stock of "tough legacy" securitisations to this "irreducible core" well in advance of the end of 2021. Link 	S	FB	Yes	Legal & Compliance	Yes	Monitor new developments, prioritize industry-wide plans, Turkish banks to incorporate appropriate fallback language in existing & new LIBOR contracts and Turkish banks cease entering into new USD LIBOR contracts ultimately by 31 December 2021.
	IT & Operations					Yes		
	6/1/2021			"call to action" for active transition of LIBOR linked securitisations	BB	Yes	Risk	
	Communications	Yes						
				Treasury	Yes			

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Change of timeline for USD LIBOR, no reason to delay

Publication details		Summary	Indicative relevance	Applicability to Turkish FS sector					
				Likely impact areas		Likely implications / follow-up actions for TBB			
				Frontbook	Backbook			Function	
7	LSTA	Key take away: : • Article is referring to the announcement regarding change of timeline for the cease of USD LIBOR. The announcements do not give a reason to delay the work that has been undertaken or to postpone well-considered timelines. Link	S	FB	Yes	Legal & Compliance	Yes	The announcements made by ARRC, FCA & IBA do not give a reason to delay the work that has been undertaken or to postpone well-considered timelines.	
	4/1/2021					IT & Operations	Yes		
LIBOR's end: are ARRC recommendations aligned with FCA & IBA announcements?		Key take aways: • US Regulators still encourages banks to cease entering into new contracts that use USD LIBOR as a reference rate as soon as practicable and in any event by December 31, 2021. • The ARRC recommended that new LIBOR loan originations should end by June 30, 2021. - Second, the ARRC also recommended that loans start using hardwired fallbacks by September 30, 2020. Link	S	BB	Yes	Risk	Yes		
	Communications					No			
8	ARRC			FB	Yes	Legal & Compliance	Yes		Monitor new developments, prioritize industry-wide plans, Turkish banks to incorporate appropriate fallback language in existing & new LIBOR contracts and Turkish banks cease entering into new USD LIBOR contracts ultimately by 31 December 2021.
	18/12/2020					IT & Operations	Yes		
	Updated FAQ					Risk	Yes		
				BB	Yes	Communications	Yes		
						Treasury	Yes		

FED says no new USD LIBOR after 2021



Publication details		Summary	Indicative relevance	Applicability to Turkish FS sector				
				Likely impact areas				Likely implications / follow-up actions for TBB
				Frontbook Backbook		Function		
9	LSTA	Blackline against LSTA's IG Term Loan Form. This document is an illustrative example of a SOFR credit agreement. It has been developed solely for educational purposes and does not purport to reflect any established market practice. link	S	FB	Yes	Legal & Compliance	Yes	Follow discussion on the concept of SOFR credit agreements.
	15/12/2020					IT & Operations	Yes	
	Blackline of the daily compounded SOFR Concept					Risk	Yes	
BB		Yes	Communications	Yes				
	Treasury		Yes					
10	FED	Key take aways: 1. All firms should stop writing new LIBOR contracts as soon as practicable and in any event no later than end-2021. 2. Firms should be accelerating plans to transact in SOFR-based cash and derivatives products if they aren't prepared already. 3. Firms should identify contracts that extend past mid-2023 and remediate them. link	S	FB	Yes	Legal & Compliance	Yes	The collective industry framework that supports the transition should support no new use of LIBOR and subject to consultation outcomes, that would allow most USD LIBOR-linked legacy contracts to mature before USD LIBOR ends
	10/12/2020					IT & Operations	Yes	
	A resolution for 2021: no new LIBOR					Risk	Yes	
BB		Yes	Communications	Yes				
	Treasury		Yes					

4. GBP LIBOR – SONIA transition update

SONIA term became available as of 11 January 2021

Publication details		Summary	Indicative relevance	Applicability to Turkish FS sector							
				Likely impact areas				Likely implications / follow-up actions for TBB			
				Frontbook Backbook		Function					
1	Refinitive	<p>On January 5th Refinitiv announced that its Term SONIA will be available as of 11/01/2021. The benchmark is seen as regulatory compliant and is available in 1-month, 3-month, 6-month and 12-month tenors. The availability of these benchmarks is in line with the FCA's instruction that regulated institutions cease sterling LIBOR-referenced loan originations by the end of the first quarter of 2021. Link</p>	L	FB	Yes	Legal & Compliance	Yes	<p>Align the use of the SONIA term rate in internal milestone planning.</p>			
	IT & Operations					Yes					
	Risk					Yes					
05/01/2021	Refinitiv to launch production Term SONIA benchmark on January 11, 2021	L	BB	No	Communications	Yes					
					Treasury	Yes					
2	FCA / Bank of England	<p>The FCA and BoE issued a joint press release urging active transition away from LIBOR.</p>	M	FB	Yes	Legal & Compliance	Yes		<p>Align the following with internal planning:</p> <ul style="list-style-type: none"> All businesses with existing loans in sterling should already have heard from their lenders about the transition, and those seeking a new or refinanced loan today should be offered a non-LIBOR alternative. Existing contracts linked to sterling LIBOR should be actively transitioned where possible 		
	11/01/2021					IT & Operations	Yes				
	The final countdown: Completing sterling LIBOR transition by end-2021	<p>In the future, it's anticipated that the large majority of sterling markets will be based on SONIA compounded in arrears, with TSSRs being used in specific parts of the market.</p> <p>The letter states that the WG has closely engaged with FICC Markets Standard Board to support development of a market standard for appropriately limited use of term rates. This standard is currently under review and is expected to be released for public comment in February. Link</p>				M	BB	Yes		Risk	Yes
										Communications	Yes
Treasury	Yes										

Sterling WG published detailed roadmap to the Q1 2021 milestone

Publication details		Summary	Indicative relevance	Applicability to Turkish FS sector				
				Likely impact areas		Likely implications / follow-up actions for TBB		
				Frontbook	Backbook			Function
3	IBA	On January 11th ICE Benchmark Administration launched their Term SONIA benchmark, which is administered by their regulated entities meaning they are seen as regulatory compliant and are available in 1-month, 3-month, 6-month and 12-month tenors. The availability of this benchmarks is in line with the FCA's instruction that regulated institutions cease sterling LIBOR-referenced loan originations by the end of the first quarter of 2021. Link	M	FB	Yes	Legal & Compliance	Yes	Align the use of the SONIA term rate in internal milestone planning.
	IT & Operations					Yes		
	Risk					Yes		
11/01/2021 ICE Benchmark Administration Launches ICE Term SONIA Reference Rates as a Benchmark for Use in Financial Instruments	The Sterling WG has published a detailed roadmap to the Q1 2021 milestone. The roadmap contains 9 steps and all of these are applicable to lenders. The considerations include, conventions assessment, tech & model impact assessments, product strategy, product design and development, infrastructure readiness, BAU product governance, tech scalability, market readiness and risk appetite. link	M	BB	No	Communications	Yes	Align internal planning with the recommended guidance and timelines from the sterling working group.	
Treasury					Yes			
Legal & Compliance					Yes			
4	Sterling RFRWG	The Sterling WG has published a detailed roadmap to the Q1 2021 milestone. The roadmap contains 9 steps and all of these are applicable to lenders. The considerations include, conventions assessment, tech & model impact assessments, product strategy, product design and development, infrastructure readiness, BAU product governance, tech scalability, market readiness and risk appetite. link	M	FB	Yes	Legal & Compliance	Yes	Align internal planning with the recommended guidance and timelines from the sterling working group.
	IT & Operations					Yes		
	Risk					Yes		
December 2020 Path to discontinuation of new GBP LIBOR lending by end-Q1 2021	The Sterling WG has published a detailed roadmap to the Q1 2021 milestone. The roadmap contains 9 steps and all of these are applicable to lenders. The considerations include, conventions assessment, tech & model impact assessments, product strategy, product design and development, infrastructure readiness, BAU product governance, tech scalability, market readiness and risk appetite. link	M	BB	No	Communications	Yes	The roadmap includes a disclaimer that the suggested milestones are not legal advice from BoE, FCA or PRA and do not intend to impose legal or regulatory obligations on market participants.	
Treasury					Yes			
Legal & Compliance					Yes			

NA XS S M L XL XXL Relevance indicator

Sterling RFRWG publishes paper on differences between GBP LIBOR and SONIA

Publication details		Summary	Indicative relevance	Applicability to Turkish FS sector				
				Likely impact areas		Likely implications / follow-up actions for TBB		
				Frontbook	Backbook			Function
5	Sterling RFRWG	<p>This paper is addressed to lenders, borrowers and investors who are considering how to approach the differences between GBP LIBOR and SONIA when considering active transition mechanisms in, or actively amending, GBP LIBOR referencing loans (including multi-currency loans containing a GBP LIBOR option). As the FCA has noted, the best and smoothest transition from LIBOR will be one in which contracts that reference LIBOR are replaced or amended before fallback provisions are triggered.</p> <p>This paper is designed to facilitate consideration of the key methodologies emerging in the loan market, and how these compare to the approaches taken in the bond and derivatives markets. Link</p>	M	FB	No	Legal & Compliance	Yes	<p>Market participants are encouraged to review the options available and decide on an appropriate approach.</p> <p>In order to help drive momentum, the Working Group encourages loan market participants going through the process of transition, where practicable and appropriate, to publicly disclose the fact of execution of transactions referencing SONIA (together with any disclosable information around the transition mechanisms, to the extent that it is not considered confidential or competitively sensitive).</p>
	Risk					Yes		
December 2020	<p>Credit adjustment spread methods for active transition of GBP LIBOR referencing loans – December 2020</p>	BB	Yes	Treasury	No			
Communications				Yes				

Users of LIBOR should press ahead with transition plans, says FCA

Publication details		Summary	Indicative relevance	Applicability to Turkish FS sector				
				Likely impact areas		Likely implications / follow-up actions for TBB		
				Frontbook	Backbook			Function
6	FCA	<p>Edwin Schooling Latter, Director of Markets and Wholesale Policy at FCA delivered a speech at City & Financial's Managing LIBOR transition event yesterday. Highlights of his speech include:</p> <ul style="list-style-type: none"> 85% of uncleared UK derivatives market ready for the end of LIBOR as 12,500 firms sign the ISDA protocol IBA consultation on proposed end-dates for LIBOR has now closed, opening the way to determining and announcing the future path for all 5 LIBOR currencies simultaneously users of LIBOR should press ahead with transition plans – in their new business and their legacy LIBOR books link 	S	FB	Yes	Legal & Compliance	Yes	No direct implications.
	IT & Operations					Yes		
	Risk					Yes		
26/01/2021	LIBOR – are you ready for life without LIBOR from end-2021?	S	BB	No	Communications	Yes		
Treasury					Yes			
7	LMA	<p>Previously updated on 27th November, LMA has published an updated list setting out RFR referencing loans announced to date. The list covers the below transaction types:</p> <ul style="list-style-type: none"> Syndicated / club loans referencing RFRs directly in LIBOR currencies; Syndicated / club loans which reference LIBOR but contain an in-built switch mechanism to reference RFRs; New bilateral loans referencing RFRs directly in LIBOR currencies; Bilateral loans which reference LIBOR but contain an in-built switch mechanism to reference RFRs; Legacy LIBOR referencing bilateral loans amended to reference RFRs RFR-referencing loans in non-LIBOR currencies. link 	S	FB	Yes	Legal & Compliance	Yes	<p>The list is ordered with the most recent transactions first in each section. The list is not fully comprehensive of all market transactions referencing RFRs. In order to assist with the transition from LIBOR to RFRs, the LMA are encouraging lenders and borrowers going through the process of transition from LIBOR to disclose the transactions referencing RFRs and the conventions they use in order to help drive momentum and transparency.</p>
	20/01/2021					IT & Operations	Yes	
	List of RFR referencing loans					Risk	Yes	
						Communications	Yes	
BB	No	Treasury	No					

NA XS S M L XL XXL Relevance indicator

Sterling RFRWG publishes letter urging to release suitable software

Publication details		Summary	Indicative relevance	Applicability to Turkish FS sector				Likely implications / follow-up actions for TBB
				Likely impact areas				
				Frontbook Backbook		Function		
8	Sterling RFRWG	<p>The Sterling WG has published an open letter to loan system providers and treasury management system vendors urging them to finalize and release suitable software packages so that market participants can take the necessary steps to meet the Q1 2021 target to cease issuance of new GBP LIBOR loans.</p> <p>The letter also states the results of a recent UK Finance survey, which identifies the sequencing of software changes and material reliance on on the readiness of TMS providers as critical concerns for many lenders. link</p>	S	FB	Yes	Legal & Compliance	Yes	No direct implications from this publication.
	IT & Operations					Yes		
					Risk	Yes		
					Communications	Yes		
	Open letter to loan system vendors and treasury management system providers			BB	No	Treasury	Yes	

NA XS S M L XL XXL
Relevance indicator

5. EONIA & EURIBOR – €STR transition update

Eurex to implement Single-step Conversion with Cash Compensation to €STR¹

Publication details		Summary	Indicative relevance	Applicability to Turkish FS sector				
				Likely impact areas				Likely implications / follow-up actions for TBB
				Frontbook Backbook		Function		
1	Eurex Clearing	As results of market-wide consultation, Eurex Clearing will implement the suggested method: Single-step Conversion with Cash Compensation to €STR flat. The consulted conversion date was 19 November 2021. A substantial portion of the submitted answers expressed preference for a n earlier timeline. Thus, Eurex is intended to implement and execute the conversion starting on 15 October 2021 and lasting through the following weekend.	S	FB	No	Legal & Compliance	Yes	Overall, the transition from EONIA to ESTR might have an impact on clearing participants' internal processes and positions. Therefore, it might be necessary for clearing participants to update their internal processes and technical interfaces to take these proposed changes into account.
	IT & Operations					Yes		
	Risk					Yes		
Communications	Yes							
BB	Yes	Treasury	Yes					

NA XS S M L XL XXL Relevance indicator

6. Transition update Swiss & Asian IBORs

Information on loan conventions for TONA released



Publication details		Summary	Indicative relevance	Applicability to Turkish FS sector					
				Likely impact areas		Likely implications / follow-up actions for TBB			
				Frontbook	Backbook			Function	
1	Cross-Industry committee on Japanese Yen Interest Rate Benchmarks	This publication by the Sub-Group on Loans of the CICJY is a document which was discussed during the monthly meeting of the committee. It includes more information on the loan conventions for TONA and an example of the calculation methodology. Link	M	FB	Yes	Legal & Compliance	Yes	No direct implications from this publication for Turkish banks or regulators, but the information in this publication will be relevant, especially for Wholesale Lending with JPY LIBOR exposure	
	IT & Operations					Yes			
25/12/2020	TONA (Fixing in Arrears) Conventions to Use in Loans	S	BB	Yes	Risk	Yes			
Communications					Yes				
2	Cross-Industry committee on Japanese Yen Interest Rate Benchmarks	This publication by the Sub-Group on Loans of the CICJY is a document which was discussed during the monthly meeting of the committee. It includes more information on the loan conventions for TONA and an example of the calculation methodology. Link	S	FB	Yes	Legal & Compliance	Yes		Turkish banks with JPY LIBOR exposure should take the publication regarding TONA into account
	IT & Operations					Yes			
	25/12/2020			BB	Yes	Risk	Yes		
	TONA (Fixing in Arrears) Conventions to Use in Loans					Communications	Yes		
Treasury	Yes								

NA XS S M L XL XXL Relevance indicator

6-month SIBOR will be discontinued three months after 6-month SOR is discontinued



Publication details		Summary	Indicative relevance	Applicability to Turkish FS sector					
				Likely impact areas				Likely implications / follow-up actions for TBB	
				Frontbook Backbook		Function			
3	Association of Banks Singapore	<p>The ABS, SFEMC and SC-STS published a report in July 2020 on the 'SIBOR Reform and the Future Landscape for SGD Interest Rate Benchmarks'. This publication includes the feedback received on the report and the decisions made based on this feedback:</p> <p>6-month SIBOR will be discontinued three months after 6-month SOR is discontinued;</p> <p>1-month and 3-month SIBOR will be discontinued by end-2024; the transition of legacy 1-month and 3-month SIBOR contracts will take place after the key SOR-to-SORA initiatives have been substantially completed.</p> <p>SC-STS plans to provide market guidance in 1H 2021 on an appropriate timeline to cease usage of SIBOR in new contracts.</p> <p>Link Link</p>	S	FB	Yes	Legal & Compliance	Yes	Turkish banks with SIBOR exposure should take the publication regarding SGD into account	
	11/12/2020					IT & Operations	Yes		
SIBOR reform and the future landscape for SGD interest rate benchmarks – Response to feedback			BB	Yes	Risk	Yes	Treasury		Yes
					Communications	Yes			

7. Open public consultations

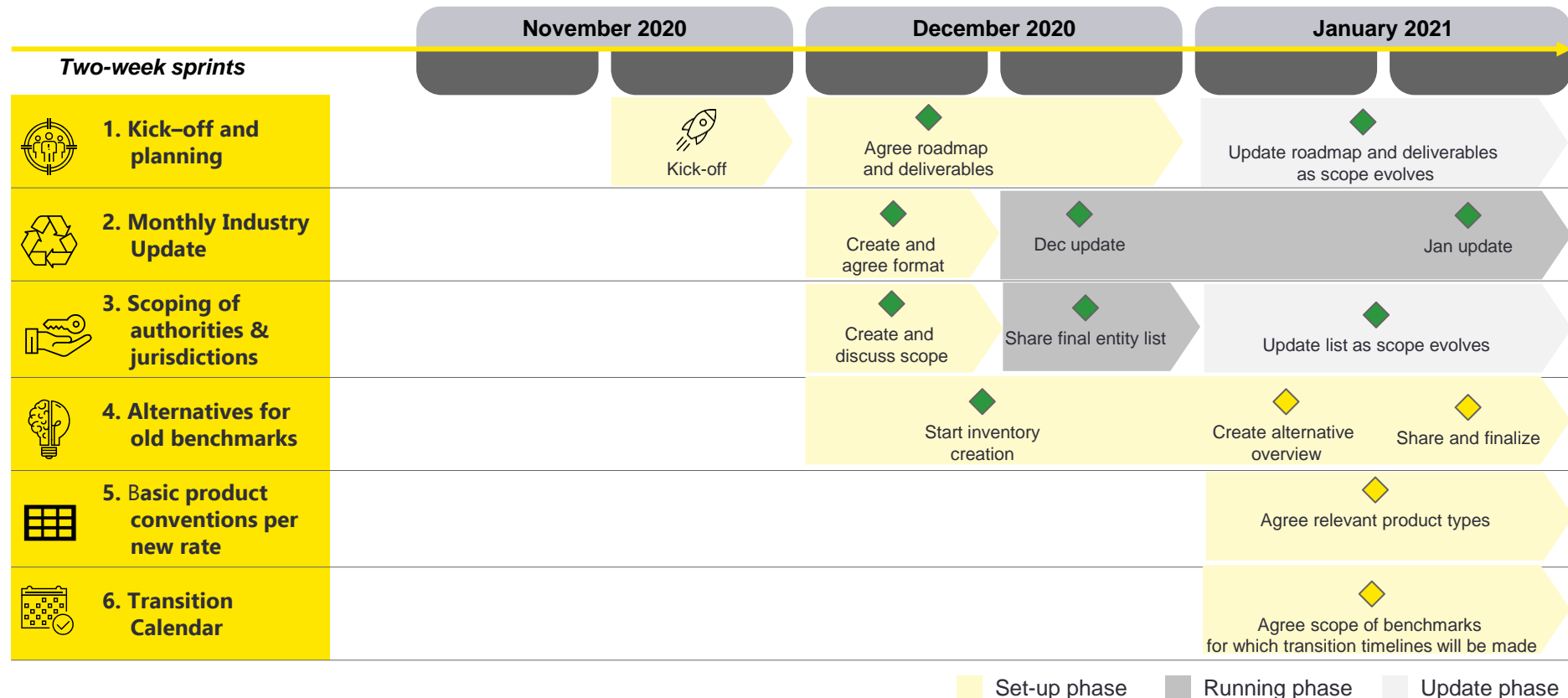
LCH is consulting on a conversion approach for derivatives ahead of cessation

Consultation details		Summary	Applicability to Turkish FS sector				
			Functions likely affected		Implications / follow-up actions for TBB		
			Vertical	Horizontal			
1	LCH	LCH seeks feedback on their proposed conversion approach for LIBOR contracts to RFR contracts. The ISDA IBOR fallbacks are a safety measure, however triggering this fallback may not be the best outcome for all products. Therefore LCH has designed a conversion process for LIBOR contracts, which is more tailored towards the swaps it clears in order to try to secure a more satisfactory outcome for their users.	FB	Yes	Legal & Compliance	Yes	An opportunity for the Turkish banks to respond to the consultation by January 29 2021 if they have a strong stance on the articles being consulted on. Initial responses drafted based on accounting considerations.
	IT & Operations				Yes		
15/12/2020	LIBOR Cessation	BB	Yes	Risk	Yes		
Communications				Yes			
				Treasury	Yes		

8. Reflecting on workstream roadmap

Summary of project roadmap and deliverables

Status report

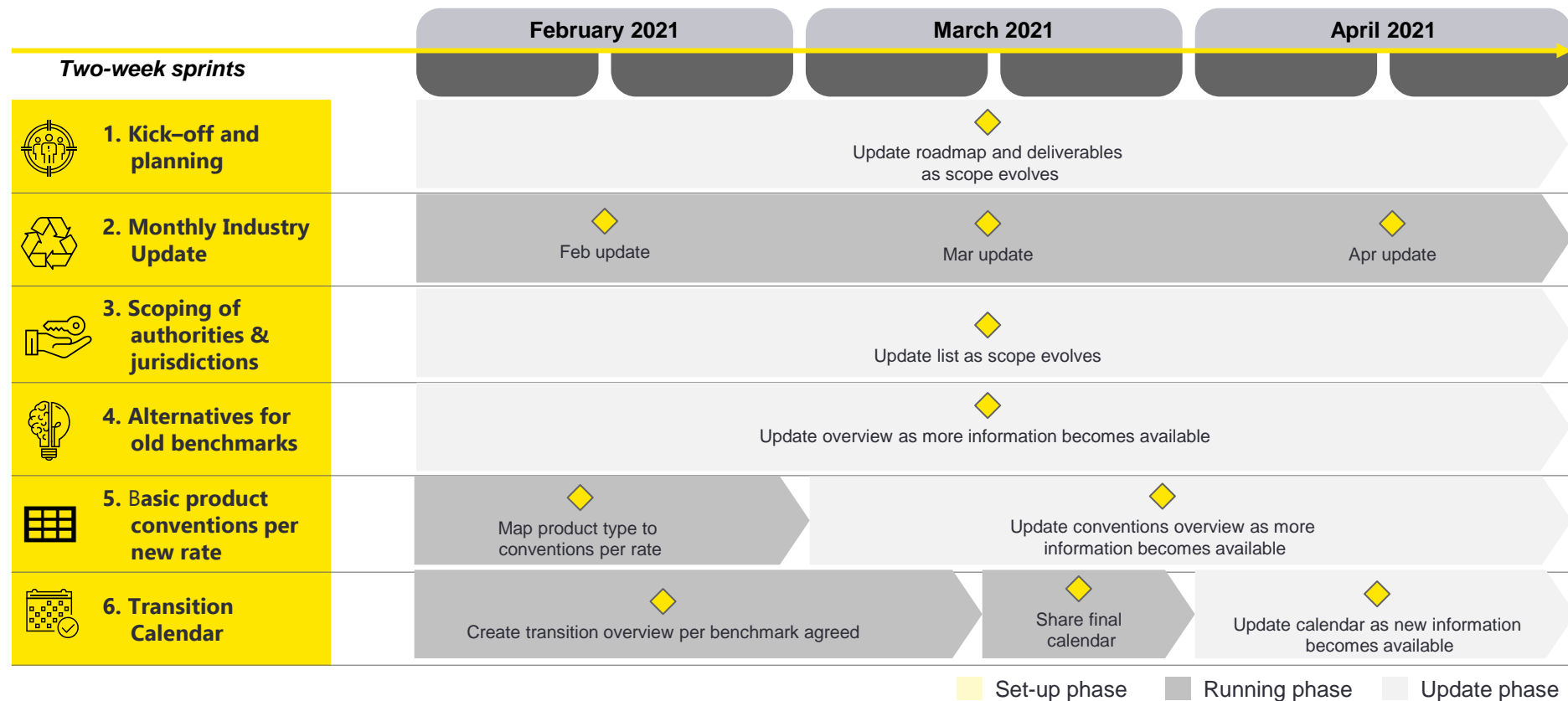


Description for deliverables

1. Kick-off and planning includes agreeing scope, roadmap, monthly update format and deliverables during the course of the project
2. Monthly update will consist of relevant industry, regulatory and market news applicable to IBOR transition
3. Scoping of entities comprises a list of relevant international authorities that the sub-working group will monitor to stay updated on industry insights and best practices
4. An overview containing old benchmarks in most popular currencies (USD, GBP, EUR) that are changing together with new rates that have been identified and endorsed
5. Overview of conventions identified for new rates in popular currencies (USD, GBP, EUR) per basic product type, including any implementation timelines where available
6. A transition calendar that is in place for each critical benchmark in popular currencies (USD, GBP, EUR) that is expected to end

Summary of project roadmap and deliverables

Status report



Description for deliverables

1. Kick-off and planning includes agreeing scope, roadmap, monthly update templates and deliverables during the course of the project
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4. An overview containing old benchmarks in most popular currencies that are changing together with new rates that have been identified and endorsed
5. Overview of conventions identified for new rates per basic product type, including any implementation timelines where available
6. A transition calendar that is in place for each agreed benchmark that is expected to end

Yasal Uyarı

Resmi mercilerin yönlendirme ve talimatlarıyla oluşturulan TBB Ulusal Çalışma Grubu (“UÇG”) ve alt çalışma gruplarının toplantıları sonucunda, TBB’ye ve UÇG’na danışmanlık hizmeti veren bağımsız firma tarafından, herhangi bir yönlendirme, öneri ve taahhüt içermeksizin, sadece üye bankalarımıza ve kamuoyuna, UÇG’nun konu hakkındaki faaliyetlerine ilişkin genel nitelikte bilgiler verilmesi ve bunların gerektiğinde resmi mercilerle paylaşılması amacıyla hazırlanmış olan sunumlardaki bilgi ve açıklamalar, konunun tamamını içermediği gibi, içerdikleri konularla ilgili danışmanlık veya tavsiye amacı da taşımamaktadır. Sunumlar sadece bilgilendirme amaçlı olarak yayınlanmakta olup, içeriklerine dair Birliğimizin ve danışmanlık hizmeti veren firmanın hiçbir sorumluluğu bulunmamaktadır. Birliğimizce, sunumlar içeriğindeki konulara ilişkin genel ya da özel nitelikte herhangi bir görüş beyan edilmemektedir. Sunumlarda yer alan bilgi ve açıklamalar Birliğimizin resmi görüşünü veya bu konularda alınmış ya da alınabilecek bir kararını yansıtmamaktadır. Yürürlükte olan rekabet hukuku kuralları çerçevesinde bütün teşebbüslerin ticari strateji ve kararlarını bağımsız bir şekilde belirlemeleri gerekmektedir. Sunumlarda yer alan hiçbir husus, bahse konu düzenlemelere aykırı şekilde yorumlanamaz. Birliğimizin bu metinlerde yer alan bilgileri güncelleme veya düzeltme yükümlülüğü bulunmamaktadır.