
ARTICLE 23B BENCHMARKS REGULATION – NOTICE SPECIFYING THE EFFECTIVE DATE OF THE PROHIBITION ON USE OF ARTICLE 23A BENCHMARK

1. ACTION

- 1.1. On 29 September 2021, the Authority published a Notice under Article 23A(10)(b) of the Benchmarks Regulation setting out its decisions to designate the following benchmarks as Article 23A Benchmarks, effective from 00:01 on 1 January 2022:
- A. 1-month Sterling LIBOR, 3-month Sterling LIBOR and 6-month Sterling LIBOR;
and
 - B. 1-month Yen LIBOR, 3-month Yen LIBOR and 6-month Yen LIBOR,
- together the “**Article 23A LIBOR Versions**”.
- 1.2. Under Article 23B(1) of the Benchmarks Regulation supervised entities must not use an Article 23A benchmark except where permitted to do so under Article 23B(2) or Article 23C.
- 1.3. Under Article 23B(2), the Authority may by notice provide that the prohibition on use does not take effect until a date specified in the notice.
- 1.4. The Authority expects to publish a notice under Article 23C(2) of the Benchmark Regulation on 1 January 2022, which will permit some legacy use of the Article 23A LIBOR Versions by supervised entities.
- 1.5. For the reasons given in this Notice and pursuant to Article 23B(2) of the Benchmarks Regulation, the FCA provides that the prohibition on use of the Article 23A LIBOR Versions does not take effect until the time and date when the Article 23C Notice is published.
- 1.6. The use of this provision is to synchronise the commencement of (i) the prohibition of use described in paragraph 1.2 of this Notice and (ii) our permission of some legacy use under Article 23C. This action has no impact on either the compulsion of ICE Benchmark Administration Limited pursuant to Article 21(3) of the Benchmarks Regulation, which shall start on the date and time set out in the notice of first decision dated 10 September 2021 (i.e. immediately after the final publication of the relevant LIBOR versions set out in that notice on 31 December 2021 and before such LIBOR versions would otherwise cease), or the designation of the Article 23A LIBOR Versions as Article 23A Benchmarks, which shall take effect on the date and time set out in the notice of designation dated 29 September 2021 (i.e. 00:01 on 1 January 2022).

2. DEFINITIONS

2.1. The definitions below are used in this Notice:

“the Authority” means the Financial Conduct Authority

“the Article 23C Notice” means the notice published by the FCA under Article 23C(2) of the Benchmarks Regulation on 1 January 2022

“the Benchmarks Regulation” means the UK version of Regulation (EU) No. 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018

2.2. Words and expressions used in the Benchmarks Regulation have the same meanings where used in this Notice unless the contrary intention appears.

3. REASONS

The Authority is providing that the prohibition on use does not take effect until the time and date referred to in this Notice so that the permission of legacy use of the Article 23A LIBOR Versions is available from the same time that the prohibition on use takes effect.

4. PROCEDURAL MATTERS

4.1. This Notice is published in accordance with Article 23B(4) of the Benchmarks Regulation.

FCA contacts

4.2. For more information concerning this matter generally, contact benchmarkspolicy@fca.org.uk at the FCA.

Edwin Schooling-Latter

Director of Markets and Wholesale Policy and Wholesale Supervision, for and on behalf of the FCA