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REVERSE inquiries

Structured and market-linked product news for inquiring minds.

A Brief Reprieve on LIBOR Cessation

In This Issue

On November 30, 2020, ICE Benchmark Administration ("IBA"), the administrator of US Dollar LIBOR ("USD LIBOR") and other IBORs, relieved the pressure with respect to the upcoming cessation of USD LIBOR. IBA announced that, following a consultation in December and January, (i) it intends to cease publication of 1-week and 2-month USD LIBOR at the end of 2021 and (ii) subject to compliance with applicable regulations, including as to representativeness, it does not intend to cease publication of the remaining USD LIBOR tenors until June 30, 2023.[1] This IBA announcement followed an earlier IBA announcement on November 18, 2020, that all GBP, EUR, JPY, and CHF IBOR tenors would cease publication after December 31, 2021.

UK and U.S. regulatory authorities, in guidance that appeared to be coordinated with the IBA announcement, quickly responded with supporting statements regarding the timing of USD LIBOR cessation and the effect of the IBA announcement on the transition plans of market participants. According to the UK Financial Conduct Authority ("FCA"), clarifying the end date for USD LIBOR will "incentivize swift transition, while allowing time to address a significant proportion of legacy contracts that reference USD LIBOR."[2] The FCA's announcement was issued in tandem with a joint statement of the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency (applicable to the financial institutions that they regulate),[3] and a press release by the Board of Governors of the Federal Reserve System,[4] and is consistent with the July statement by the Federal Financial Institutions Examination Council.[5]

[1] The IBA announcement is available at: https://ir.theice.com/press/news-details/2020/ICE-Benchmark-Administration-to-Consult-on-Its-Intention-to-Cease-the-Publication-of-One-Week-and-Two-Month-USD-LIBOR-Settings-at-End-December-2021-and-the-Remaining-USD-LIBOR-Settings-at-End-June-2023/default.aspx

[2] The FCA announcement is available at: https://www.fca.org.uk/news/statements/fca-response-iba-proposed-consultation-intention-cease-us-dollar-libor

[3] The joint statement is available at: https://www.federalreserve.gov/newsevents/pressreleases/files/bcreg20201130a1.pdf

[4] The Federal Reserve Board press release is available at: https://www.federalreserve.gov/newsevents/pressreleases/bcreg20201130b.htm

[5] The FFIEC statement is available at: https://www.ffiec.gov/press/PDF/FFIEC%20Statement%20on%20Managing%20the%20LIBOR%20Transition.pdf

The statements by the U.S. regulators shared the following main points, which apply to their regulated institutions but have implications for other market participants:

- Banks are encouraged to stop entering into new USD LIBOR contracts "as soon as practicable," and by no later than December 31, 2021;
- Entry into such contracts after December 31, 2021, would create safety and soundness risks for banks;
- The USD LIBOR June 30, 2023, cessation date will allow more time for existing legacy USD LIBOR contracts to mature; and
- Banks should use this extra time to continue to prepare for the transition away from LIBOR.[6]

IBA issued the proposed consultation on December 4, 2020.[7] It is open for comment until January 25, 2021. IBA has noted that the consultation is required under its Changes and Cessation Procedure, which requires that IBA's Consultation Policy apply "[i]f cessation of some or all of the LIBOR settings were under consideration."[8] The consultation, therefore, appears to be driven by procedural requirements, rather than uncertainty about the LIBOR cessation path proposed by IBA and supported by U.K. and U.S. regulators. IBA plans to share the results of the consultation with its regulator, the FCA, "and to publish a feedback statement summarizing responses from the consultation shortly thereafter." We expect that IBA will release that feedback statement in February and reaffirm the cessation plans that it announced in November.

Effect on Floating Rate Notes

Two groups that are most likely breathing a large but temporary sigh of relief are (i) issuers of legacy USD LIBOR floating rate notes without updated fallback provisions ("Legacy FRNs") and (ii) the trustees for these Legacy FRNs. Issuers and trustees have been concerned about potential liabilities arising from Legacy FRNs and how to mitigate those liabilities. Assuming that the IBA consultation is completed favorably and in a timely fashion, there is now an additional 18 months of lead time before Legacy FRNs, if no action is taken, will default into fixed rate notes. Potential solutions that have been discussed include exchange offers, tender offers, consent solicitations, and state and federal legislative solutions.

The proposed delay in USD LIBOR cessation would allow some short-term Legacy FRNs to mature before June 30, 2023. The delay would also allow more time for back-office systems to prepare for secured overnight financing rate ("SOFR") calculations, which will be required when more recently issued USD LIBOR FRNs that include the Alternative Reference Rate Committee's ("ARRC") USD LIBOR-to-SOFR fallback provisions switch over to SOFR upon a USD LIBOR cessation.

Nonetheless, issuers of Legacy FRNs should not let their guard down. It is not certain that the IBA consultation will result in an extension of the currently anticipated date of USD LIBOR cessation for the subject tenors. While

[6] In a webcast hosted by ISDA on December 4, 2020, Edwin Schooling Latter and other speakers made clear that market participants are expected to continue active transition away from LIBOR. "[T]his does not give market participants a reason to not adhere to the ISDA IBOR Fallbacks Protocol or otherwise defer transition in relation to U.S. dollar LIBOR." The transcript of the webcast is available at: http://assets.isda.org/media/f1a442f2/80e230bf-pdf/.

[7] ICE LIBOR Consultation on Potential Cessation is available at: https://www.theice.com/publicdocs/ICE_LIBOR_Consultation_on_Potential_Cessation.pdf.

[8] IBA's Changes and Cessation Procedures, which cites and links to IBA's Consultation Policy, is available at https://www.theice.com/publicdocs/BMR_LIBOR_Change_Cessation_Procedure.pdf.

awaiting the results of the IBA consultation, issuers of Legacy FRNs should continue to consider potential solutions based on a December 31, 2021, USD LIBOR cessation. Those potential solutions will be helpful for Legacy FRNs that mature after June 30, 2023.

We note that the IBA's proposed plan to cease publication of 1-week and 2-month USD LIBOR on December 31, 2021, poses no concern for the USD LIBOR FRN market, which generally bases interest rates on 3- and 6-month USD LIBOR.

Major Indices Expel Some Chinese Companies in Response to Executive Order

Three major equity index sponsors – S&P Dow Jones Indices, FTSE Russell and MSCI – announced that they would remove ten Chinese companies from their indices. These actions were in response to the Executive Order signed by the President on November 12, 2020. The Executive Order bans investments by U.S. persons in publicly traded securities of Chinese Communist military companies (as defined in the Executive Order) ("CCMCs"), or securities that are derivative of, or designed to provide investment exposure to, such securities. There are 31 CCMCs listed in the Executive Order.

S&P Dow Jones Indices and FTSE Russell removed these constituents from their respective indices on December 21, 2020. Removals from the MSCI Indices became effective on January 5, 2021. MSCI Indices notes that the deleted issuers represent 0.04% of the MSCI ACWI Investable Market Indices and 0.28% of the MSCI EM Investable Market Indices.

Risk factors for structured products linked to emerging markets indices tend to be focused on actions by the government of the emerging market home country that might negatively affect the value of the constituent issuer's securities. Draftspersons should consider mentioning the effect of sanctions or other governmental actions by other countries that affect the value of the securities of the emerging market country issuer.[9]

Holders of Structured Notes Linked to Banned Chinese Stocks Will Have to Divest

On January 13, 2021, President Trump signed an Executive Order amending Executive Order 13959 of November 12, 2020. The original Executive Order banned transactions by United States persons in publicly traded securities, or securities derivative of, or designed to provide investment exposure to, securities of designated CCMCs, starting on January 11, 2021. A structured note linked to the performance of a CCMC security would fall within this category, as would an exchange traded fund, no matter how small a percentage

[9] The Securities and Exchange Commission has also raised concerns about risk factors relating to emerging or frontier markets issuers. See our article at: https://www.mayerbrown.com/-/media/files/perspectives-events/publications/2019/12/finalri211.pdf.

of the ETF's underlying index is represented by a CMCC constituent.[10] As discussed above, certain CCMCs are components of some emerging markets indices, and were removed from those indices by their respective sponsors. Also as a result of the original Executive Order, on January 6, 2021, the NYSE announced the delisting of the American Depositary Shares of China Telecom Corporation Limited (CHA), China Mobile Limited (CHL) and China Unicom (Hong Kong) Limited (CHU).[11] These shares were delisted on January 11, 2021.

The amendment to the original Executive Order (as amended, the "Executive Order") goes further, banning possession by United States persons12 of existing CCMC securities after November 11, 2021. If a Chinese issuer is in the future determined to be a CCMC, possession of the securities of such an issuer by a United States person would be prohibited 365 days after the date of such determination. Structured notes linked to the performance of a CCMC security are subject to these same prohibitions. Any transaction in CCMC securities or a structured note linked to a CCMC security, solely to divest, is permitted prior to the respective cut-off date for ownership.

As one might imagine, the Executive Order has created a stir among structured products issuers. Individual holders of the shares of the delisted CMCCs, who had to dump their shares in a hurry and most likely at a loss, have already been harmed.

What is permitted under the Executive Order with respect to structured notes linked to CCMC securities, and which actions are not permitted? Here is a non-exclusive list:

- Prior to November 11, 2021, structured note issuers may pay coupons, redeem or buy back from holders structured notes linked to existing CCMC securities;
- After November 11, 2021, structured note issuers that are United States persons may not redeem or buy back from holders structured notes linked to existing CCMC securities;
- Prior to 365 days after an issuer of an underlying security is determined to be a CCMC, structured note issuers may pay coupons, redeem or buy back from holders structured notes linked to such CCMC securities;
- 365 days after an issuer of an underlying security is determined to be a CCMC, structured note issuers that are United States persons may not redeem or buy back from holders structured notes linked to such CCMS securities;
- By November 11, 2021, structured notes issuers that are United States persons should cancel any structured notes linked to CCMC securities;
- By 365 days after an issuer of an underlying security is determined to be a CCMC, structured note issuers that are United States persons should cancel any structured notes linked to such CCMC security;

[10] *See* U.S. Department of the Treasury – Office of Foreign Assets Control – Sanctions Programs and Information - Frequently Asked Questions – Chinese Military Companies Sanctions, available at: https://home.treasury.gov/policy-issues/financial-sanctions/faqs/topic/5671 (the "OFAC FAQs")

[11] See the NYSE announcement at: https://s2.q4cdn.com/154085107/files/doc_news/NYSE-Announces-Suspension-Date-for-Securities-of-Three-Issuers-and-Proceeds-with-Delisting-2021.pdf

[12] A "United States person" is defined in Section 4(f) of the Executive Order to mean "any United States citizen, permanent resident alien, entity organized under the laws of the United States or any jurisdiction with in the United States (including foreign branches), or any person in the United States." "Person" is defined in Section 4(c) of the Executive Order to mean an individual or entity.

- Market intermediaries and other participants may engage in ancillary or intermediate activities that are necessary to effect divestiture of CCMC securities during the relevant wind-down period that are not otherwise prohibited under the Executive Order;[13] and
- To the extent that the following support services are not provided to United States persons in connection with prohibited transactions, clearing, execution, settlement, custody, transfer agency, back-end services as well as other support services in CCMC securities are permitted.[14]

What should structured note issuers be doing now?

- Review the delisting provisions in underlying documents governing structured notes linked to equity securities;
- Consider amplifying risk factors for structured notes linked to emerging markets equity securities, indices or ETFs, keeping in mind the reach of the Executive Order;
- Consider the effect of the Executive Order on holders of structured notes linked to CCMC securities and whether to communicate with such holders about the effect of the Executive Order and the relevant cut-off dates; and
- Consider whether buybacks, tender offers or exchange offers may be necessary to help investors who will be forced to divest from any structured notes linked to existing or future CCMC securities.

If a U.S. person does not divest from its structured note linked to a CCMC security by the respective cut-off date, could the issuer of the structured note continue to make any required payments to the holder? It would seem so, as the payment of, for example, a coupon, or the payment at maturity, would not be a "transaction," as defined in the Executive Order. [15] However, the issuer would be in the position of making a contractually required payment to a U.S. person who is in violation of the Executive Order. The OFAC FAQs do not address this point, but that is not to say that the U.S. government will remain silent on this issue. This uncertainty makes it all the more important for issuers to communicate to holders of their structured notes linked to CCMC securities the importance of divesting prior to the respective cut-off date.

It is important for structured notes issuers that are United States persons to plan for the situation where holders of structured notes linked to existing or future CCMC securities have not divested their structured notes prior to the respective cut-off date. Holders of such structured notes should be clearly warned in advance that failing to divest their structured notes prior to the respective cut-off date will result in their being in violation of the Executive Order and holding a security that will be essentially worthless.

The Department of Labor's ESG-less Final ESG Rule

On October 30, 2020, the U.S. Department of Labor ("DOL") released its final regulation ("Final Rule") relating to a fiduciary's consideration of environmental, social and governance ("ESG") factors when making investment decisions for plans subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). In response to the proposed rule (the "Proposal"), the DOL received several thousand comments, the vast majority

[13] OFAC FAQ 865.

[14] OFAC FAQ 863.

[15] The term "transaction" is defined in Section 4(e) of the Executive Order as "the purchase or sale for value, or sale, of any publicly traded security …."

of which opposed the new rule. Many plan sponsors and investment professionals voiced objection to the Proposal's antipathy towards the consideration of ESG factors. In the Final Rule, the DOL generally softened its stance toward the consideration of *economic* ESG factors, but retained its opposition to the consideration of non-pecuniary ESG or other non-pecuniary factors.

Comparing Investment Options

The Proposal modified the longstanding "investment duties" ERISA regulations describing a fiduciary's duties of prudence and loyalty under Section 404 of ERISA by adding that the fiduciary must specifically compare how the relevant investment compares to other similar investments. Some comments to the Proposal wondered whether fiduciaries would be required to "scour the market" and analyze each comparable investment option. Other comments objected on the basis that some investment opportunities may be so unique or time-sensitive that comparing the opportunity against alternatives would not be possible or practical. In response, the Final Rule requires that a fiduciary must compare an investment opportunity with the opportunity for gain associated with reasonably available investment alternatives with similar risks.

Pecuniary vs. Non-Pecuniary Considerations

Perhaps the biggest change from the Proposal is that the Final Rule removes all explicit references to ESG. The DOL explained that the term lacks a precise definition and its use in the Proposal conflated each individual "E" "S," and "G" factor. Instead, the Final Rule requires a fiduciary to base its investment decisions solely on pecuniary factors and not subordinate the interests of participants and their beneficiaries to any non-pecuniary objectives. The DOL acknowledged that ESG factors may be compatible with a purely financial analysis of an investment option or strategy. Under the Final Rule, a fiduciary can appropriately incorporate pecuniary ESG factors into its decision-making process without having to undergo additional documentation requirements, as the Proposal required in certain instances. Conversely, a fiduciary may not consider non-pecuniary factors when choosing an investment option or strategy, regardless of whether the factor relates to ESG, if the investment decision can be made based on pecuniary factors alone.

A "pecuniary factor" is defined as a factor that a fiduciary prudently determines will have a material effect on the risk or return of an investment based on appropriate investment horizons consistent with the plan's investment objectives and funding policies. Although not in the express regulatory text, the DOL notes in the preamble that it believes that it would be consistent with ERISA for a fiduciary to consider factors that present "economic risks or opportunities that qualified investment professionals would treat as material economic considerations under generally accepted investment theories."

Several comments argued that fiduciaries of multiemployer pension plans have unique concerns that they should be able to consider when making investment decisions. They argued that such plans should be able to consider investments that could lead to the benefit of plan participants, such as investments that could lead to increased employment opportunities. The DOL rejected this reasoning, stating that ERISA requires that a plan be operated for the benefit of participants and beneficiaries, in their capacity as such and not in their capacity as union members or employees. The DOL expressed its most vehement disagreement with comments which argued that plan investments should focus on society or economy-wide issues. In response, the DOL Secretary penned an op-ed stating that plan fiduciaries are not tasked "with solving the world's problems" but must focus exclusively on providing retirement benefits to plan participants.

The Final Rule continues to express skepticism towards ESG ratings systems and indexes, since a rating or inclusion on an index may be based on a variety of ESG factors, including non-pecuniary ESG considerations. The preamble to the Final Rule provides that prior to relying on any ESG ratings system, a plan fiduciary must determine the methodology, weighting, data source and assumptions used in such a system. When considering an investment in an ESG-indexed fund, the fiduciary should analyze the index's objective, maintenance, benchmarks and construction to understand whether and how the ESG factors used are pecuniary. Plan fiduciaries should also be wary of funds that contain disclosures that the fund may forego investment opportunities and accept different investment risks in order to pursue ESG objectives.

The Use of Non-Pecuniary Factors as a "Tie-Breaker"

The Proposal allowed plan fiduciaries to use non-pecuniary factors as a theoretical "tie-breaker" when deciding between multiple investment options only if they were economically indistinguishable. Some commenters thought this standard was inappropriately rigid and implied that the tie-breaker exception was unavailable unless the relevant investment options were perfectly identical with respect to each and every risk metric. The Final Rule's wording is slightly more permissive and allows a fiduciary to use non-pecuniary factors to make an investment decision when it is unable to distinguish between the options based on pecuniary factors alone.

When using non-pecuniary factors to distinguish between economically similar investment options, the fiduciary must document: (1) why pecuniary factors were an insufficient basis on which to make the investment decision; (2) a comparison of the investment options; and (3) a description of how the non-pecuniary factors used are consistent with the financial interests of participants and beneficiaries under the plan. It is important to note that even when used as a tie-breaker, the use of non-pecuniary factors is still subject to the duty of loyalty. Accordingly, the Final Rule would allow a fiduciary to break a tie between multiple investments based on the investment leading to job opportunities for plan participants or because it would respond to participant demand for ESG-based investments. However, the fiduciary would always be prohibited from choosing an investment based on personal policy preferences, even where investments are economically similar.

Individual Account Plans

The Final Rule does away with the Proposal's requirement that a fiduciary for an individual account plan (e.g., a 401(k) plan) document its compliance with appropriate standards if it selects an investment option that contains ESG parameters in the investment mandate. No documentation requirement is required as long as the selection is made based on pecuniary factors, even if an investment option also happens to support non-pecuniary goals. In addition, the Proposal did not permit the use of non-pecuniary ESG factors for individual account plans, even to distinguish between identical investment options. The DOL reasoned that such an allowance was unnecessary given that individual account plan platforms are intended to consist of a variety of investment options. The Final Rule continues to express doubt as to whether a tie-breaker is really relevant in the individual account plan context, but ultimately allows for non-pecuniary factors to be used as a tie-breaker for such plans.

However, the Final Rule prohibits the selection of any investment option as a qualified default investment alternative[16] ("QDIA") if its investment objectives, goals or principal investment strategies include, consider or indicate the use of non-pecuniary factors, even if its selection as the plan's QDIA would be based solely on pecuniary considerations. This would include funds that exclude investments from certain sectors (e.g., weapons, gaming or tobacco) in their objectives or principal strategies if the investments are excluded for non-pecuniary reasons. The DOL reasoned that a heightened standard is appropriate for QDIAs since they tend to be used by plan participants with less sophistication and investment experience. The Final Rule notes that an investment option that includes ESG factors could still be selected as a QDIA, provided that such ESG factors are based purely on financial considerations.

Effective Date

The majority of the Final Rule became effective on January 12, 2021 (60 days after its publication in the Federal Register), and applies to investment decisions made after such date. This includes new investments, but also decisions by plan fiduciaries as to whether to retain plan investments. However, fiduciaries need not divest of investments that would have been prohibited by the Final Rule when originally selected if such divestment is not prudent at the relevant time. Plans will have until April 30, 2022, to take action to remove any QDIAs that consider non-pecuniary factors in their investment objectives, goals or principal investment strategies. While a Biden administration could propose new rulemaking to blunt the effect of the Final Rule, this is not a certainty. As we saw with the Trump administration's response to the "Fiduciary Rule," overturning a final regulation that has already been subject to a notice and comment period is not quite as simple as overturning sub-regulatory guidance that the DOL issues in interpretative bulletins or field assistance bulletins. Accordingly, plan fiduciaries should ensure their investment decisions and practices comply with the Final Rule when it takes effect.

Originally published by Joseph Lifsics on Mayer Brown's blog, Funds & Investment Management Law Blog.

Refresher: Determining the Initial Level After Pricing

Investors want to know the material terms of an investment, such as a structured product, in order to make an informed investment decision. Some material terms of a structured note may not be determined on the trade date, the day on which investors commit to purchasing the notes. For example, the starting value (or "initial level" or "initial price") of an index- or stock-linked structured product is very often one of these terms. The starting value can be, as in a "look back" structured note, the lowest value of the underlying asset for a period of time after the trade date. This article briefly discusses the legal issues arising from terms that are not determined on the trade date.

When the starting value, for example, is unknown at the time of sale, the issuer's obligation to disclose material information under Rule 159 under the Securities Act of 1933 (the "Securities Act") at or prior to the time of sale would be satisfied if the issuer disclosed the methodology by which the investor can determine the starting

16 QDIAs are default investment options for participants who have not made their own investment choice. ERISA regulations provide a "safe harbor" for a fiduciary's selection of the investment option if certain conditions are met.

value in the preliminary pricing supplement or free writing prospectus for the offering. Although at the time of sale the investors do not know the starting value, investors can still rely on the methodology to determine, or to understand the calculation of, the starting value. The methodology should also be included in the final pricing supplement. When drafting the methodology, the issuer or counsel for the issuer should ensure that the methodology is explained in plain English.

Under Rule 424(b)(2) under the Securities Act, a final pricing supplement must be filed within two business days following the earlier of the date of the determination of the offering price or the date when such document is first used. If the initial level or price is determined after the trade date but before the filing date, under Rule 423, which allows a pricing supplement to be dated the "approximate date of its issuance," the date of the pricing supplement can be changed from the trade date to the pricing date (in this case, the date on which the initial level or price is determined).

An issuer who offers such notes is not legally required to deliver a new prospectus after the date of the sale, but it is common practice to convey the final terms to investors. The issuer can do this by delivering a short supplement to the final pricing supplement (referred to sometimes as a "sticker"), amend the final pricing supplement, or have the investors' broker confirm the final terms to its customers by phone or e-mail. Therefore, an issuer whose structured products offerings have one or more terms to be determined after the trade date should consider the following:

- Clearly explaining the methodology for determining the unknown terms;
- Disclosing who will make such determination and when that will happen; and
- How investors will receive the final terms.

Upcoming Events

REVERSEinquiries Workshop: ISDA 2020 IBOR Fallbacks Protocol

January 21, 2021 | *Register here*

Ed Parker and Chris Arnold will discussion the features of the ISDA 2020 IBOR Fallbacks Protocol and its underlying document template, as well as issues such as adherence to the protocol and final timing milestones.

Panelists will analyze the protocol and answer the following questions:

- What are the implications for loans and their hedges; structured products, repos, stock lending, non-standard transactions and other cash instruments?
- Who are the adherents to the protocol, and who is not adhering?
- Which agreements are in scope and out of scope under the protocol?
- What are the key issues for "tough legacy" transactions?

Additionally, they will discuss LIBOR cessation, its timeline, and understanding what's to come post-implementation, on January 25, 2021.

4th Debt Capital Markets Seminar

January 26, 2021 | *Register here*

The debt capital markets were busy in 2020 and enabled many issuers to prepare their treasury requirements for the ongoing COVID-19 pandemic on the one hand, but on the other hand, the number of defaults and restructurings are expected to rise.

In 2020, the IBOR transition process received further traction, however, the treatment of legacy issuances remains unsolved in many jurisdictions. Moreover, sustainability and digitalization of debt capital raising have been dominant and continue to be developing topics in the global debt capital markets.

During this seminar, the following topics will be discussed:

- Electronic and Crypto Securities in Germany;
- Updates on the IBOR transition, governmental actions, use of RFR in DCM products, New ISDA Euribor Fallbacks and EURIBOR Fallback consultation;
- Bonds and Schuldschein and COVID-19 restructuring; and
- Sustainability linked Bonds and EU Green Bond regulation.

IN CASE YOU MISSED IT…

Emissions-linked Trading in the US and EU

(November 2020)

Watch this webinar

REVERSEinquiries Workshop: NAIC-related Developments for the Structured Investments Community

(December 2020)

Watch this webinar

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MAYER BROWN'S IBOR TRANSITION RESOURCES

The final countdown to the LIBOR cessation date has begun. With fewer than 500 days left until December 31, 2021, rely on Mayer Brown to assist you.

With our global presence, deep knowledge of the affected markets and products, participation in trade and industry groups and considerable experience in using technology solutions (including artificial intelligence and other technology-assisted review tools), Mayer Brown is uniquely positioned to advise financial institutions and other affected market participants.

Our IBOR Transition Task Force, composed of nearly 100 partners globally, is perhaps the best reflection of our strength and depth.

Below we provide a sampling of our resources:

IBOR Transition Digest: A compendium of global regulatory and market news as well as insights on the complex issues confronting financial market participants as they transition from LIBOR and its variants to replacement benchmark interest rates.

Recent publications, include:

FINRA LIBOR Phase-Out Preparedness Survey (August 2020)

"Comparable" Alternative Reference Rates to LIBOR: The Low Bar for Official Designation, the Much Higher Hurdle of "Fit for Use" and Implementation for Market Participants (August 2020)

IBOR Transition: It's Later Than You Think! (August 2020)

IBOR Transition Webinar Series: Detailed discussions and insights—in 30 minutes or less—on a range of topics from setting and executing an effective IBOR Transition strategy to assessing the impact of IBOR issues on specific financial products.

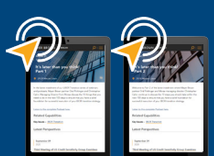
Subscribe on:

Recent webinars, include:

Part 5.1 Part 5.2

LIBOR Transition: Issues impacting Floating Rate Notes, Preferred Stock, Depositary Shares, and Capital Securities (Part 5.1 & Part 5.2) (August / September 2020)

Issues impacting Floating Rate Notes, Preferred Stock, Depositary Shares, and Capital Securities: Part 1 (August 2020)



Part 1 Part 2

It's later than you think! (Part 1 & Part 2) (August 2020)

We are collaborating with Morae Global Corporation, a leading provider of legal and compliance technology solutions, to assist clients in the transition from the IBORs to alternative risk-free reference rates. To more effectively serve our client, Mayer Brown has teamed up with Morae, to offer clients data analytics and remediation, technology enablement, repapering and program management capabilities.

Our firm and our partners are ranked as leaders for capital markets, structured finance and securitization, derivatives, structured products, financial services and bank regulatory, litigation, and tax by:

"Esteemed firm with excellent securitisation, structured finance and derivatives capital markets practices. Regularly sought after for advice on cross-border and transatlantic securitisation and structured finance transactions"

"A strong global reach allows the team to handle cross-border cases with ease, while the presence of several former regulatory officials provides insight into the most cutting-edge matters."

"The firm routinely leads on cross-border offerings from the US but it can also draw on its extensive network of offices for support on complex, multi-jurisdictional transactions... Among its industry sweet spots, the group is most prominent in the financial services…"

"Mayer Brown has leading structured finance, project development and project finance practices, as well as additional strengths in debt and equity capital markets."

Question? Please contact Marlon Paz, mpaz@mayerbrown.com, or see our Global IBOR Transition Task Force contacts.

Mayer Brown is pleased to have been named the European Law Firm of the Year – Transactions for *GlobalCapital*'s Global Derivatives Awards 2020.

This follows our win as US Law Firm of the Year – Transactions for *GlobalCapital*'s Americas Derivatives Awards 2020. We would like to thank *GlobalCapital* for its continued recognition and thank our friends and our colleagues for their trust in our work.

ANNOUNCEMENTS

Capital Markets Tax Quarterly. Mayer Brown's Capital Markets Tax Quarterly provides capital markets-related US federal tax news and insights. In our latest issue, we cover an update on US Tax Relief for COVID-19; Proposal to Reactivate the New York Stock Transfer Tax; IRS Delays Certain QI Certifications Due in 2020; *US v. Bittner*; and IRS Releases Final and Proposed Anti-Hybrid Tax Regulations.

LinkedIn Group. Stay up to date on structured and market-linked products news by joining our LinkedIn group.

Suggestions? *REVERSEinquiries* is committed to meeting the needs of the structured and market-linked products community, so you ask and we answer. Send us questions that we will answer on our LinkedIn anonymously or topics for future issues.

To request to join the LinkedIn group or send us suggestions/comments, please scan the QR code, which will notify us via email at REVERSEinquiries@mayerbrown.com.

The Free Writings & Perspectives, or FW&Ps, blog provides news and views on securities regulation and capital formation. The blog provides up to the minute information regarding securities law developments, particularly those related to capital formation. FW&Ps also offers commentary regarding developments affecting private placements, mezzanine or "late stage" private placements, PIPE transactions, IPOs and the IPO market, new financial products and any other securities related topics that pique our and our readers' interest. Our blog is available at: www.freewritings.law.

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