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Diese Unterlage wurde von einem Mitarbeiter des DRSC für die FA-Sitzung erstellt.

HGB-FA – öffentliche SITZUNGSUNTERLAGE

Sitzung:	41. HGB-FA / 31.01.2019 / 13:30 – 14:30 Uhr
TOP:	03 – IBOR Reform
Thema:	Bilanzielle Auswirkungen alternativer Zinsbenchmarks
Unterlage:	41_03a_HGB-FA_IBOR

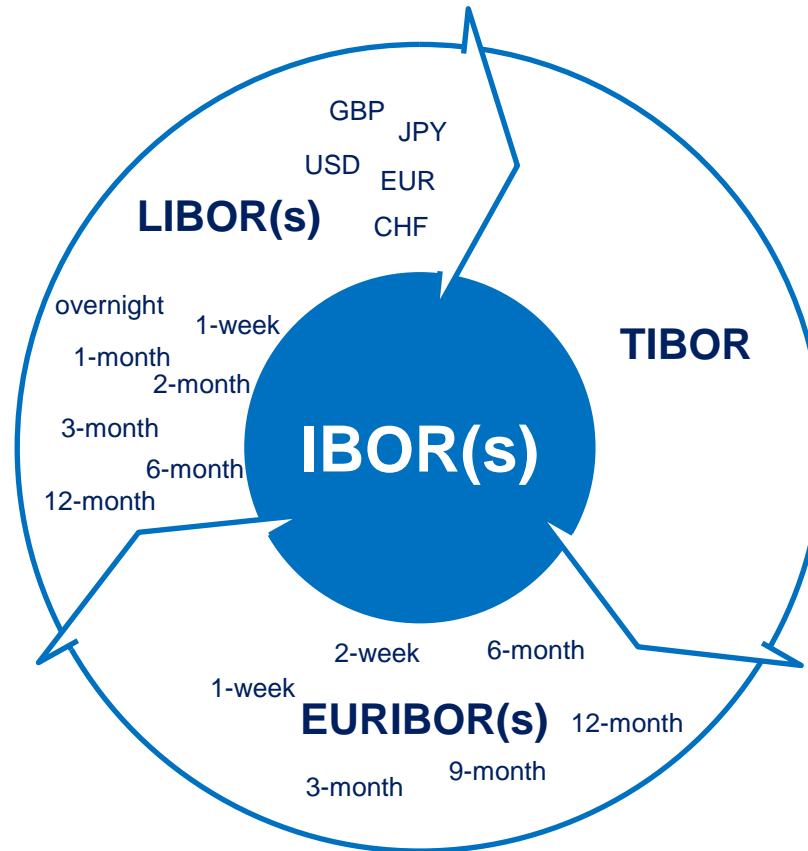
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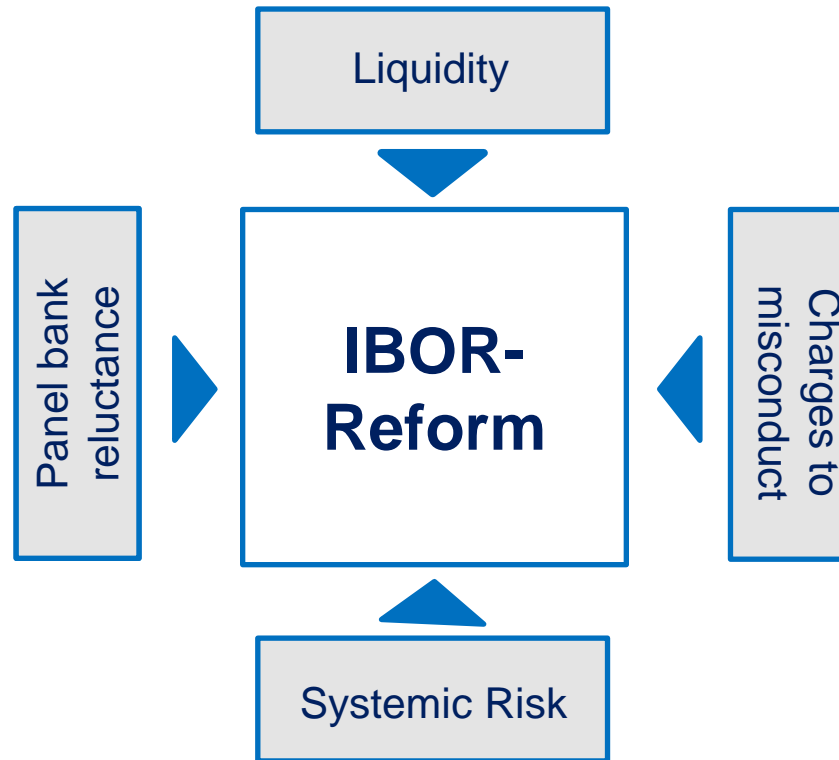
Part I	Background – Transition from IBOR to alternative RFRs <ul style="list-style-type: none">• IBOR definition• Reform driver• Roadmap and key players• Alternative RFRs
Part II	Impact – IBOR uses and market footprint <ul style="list-style-type: none">• IBOR uses• Selected derivatives linked to reference rates• Selected credit products linked to reference rates• Market footprint
Part III	Transition Challenge(s) – Accounting <ul style="list-style-type: none">• Overview of transition challenges• Contract amendments – Differences between IBOR and RFRs• IASB (research) project• Accounting issues leading up to IBOR reform• Accounting issues on transition to RFRs• Other impacts
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I. Background – Transition from IBOR to alternative RFRs

IBOR definition

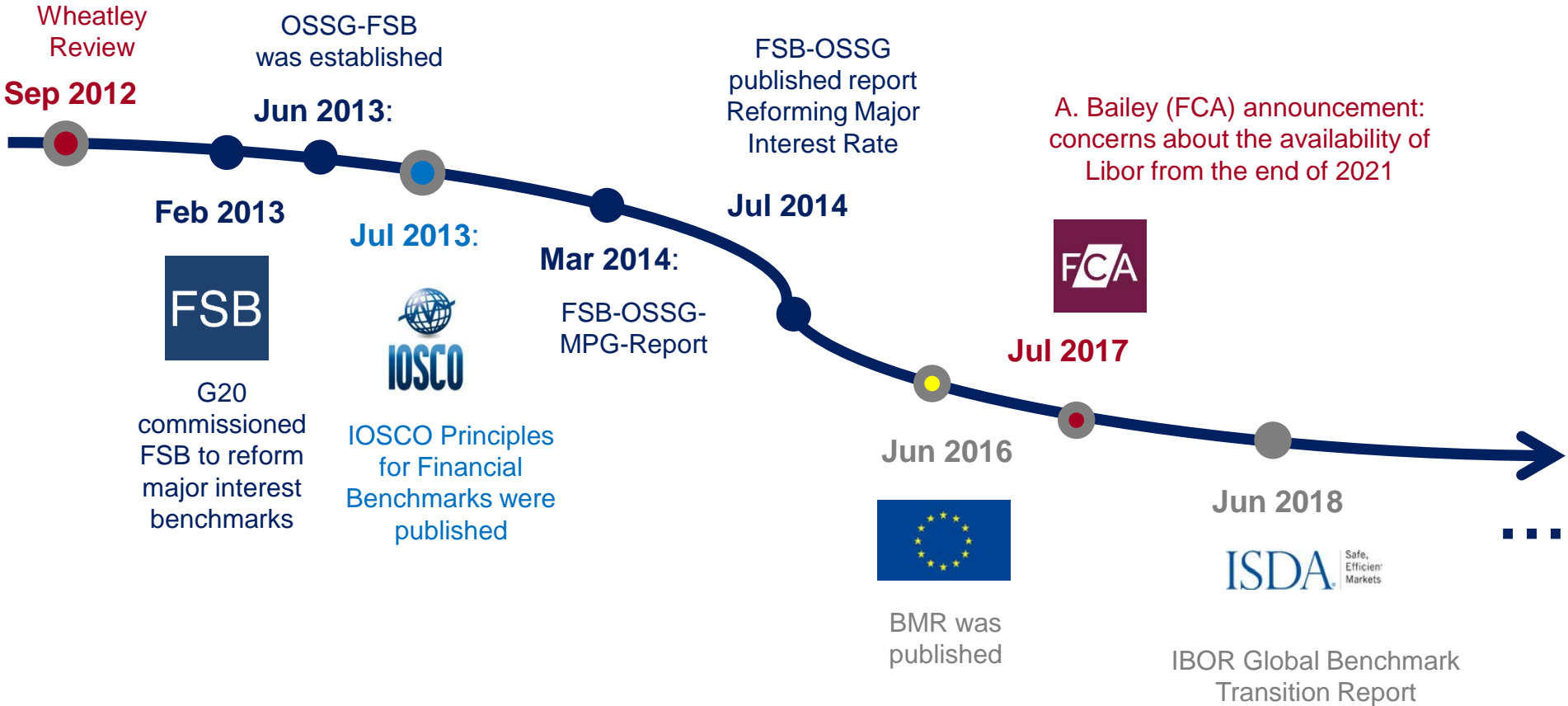


Reform driver



Source: ISDA et al., IBOR Global Benchmark Survey – 2018 Transition Roadmap, February 2018

Roadmap and key players



Alternative RFRs



SONIA (Reformed Sterling Overnight Index Average): Rate type: unsecured, Rate Administrator: Bank of England, Go live date: 23/04/2018



SOFR (Secured Overnight Financing Rate): Rate type: secured, Rate Administrator: Federal Reserve Bank of New York, Go live date: 03/04/2018



ESTER (Euro Short Term Rate): Rate type: unsecured, Rate Administrator: European Central Bank, Go live date: by October 2019



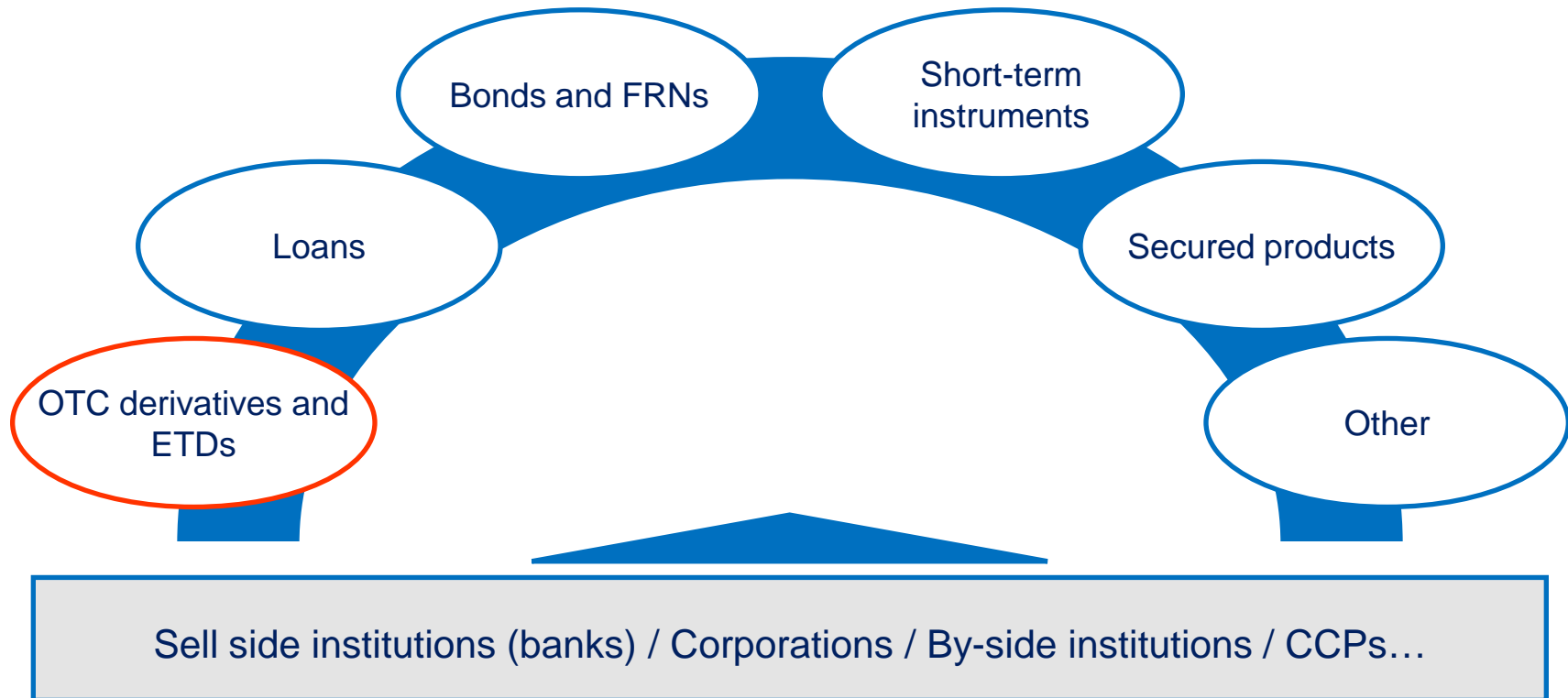
SARON (Swiss Average Rate Overnight): Rate type: secured, Rate Administrator: Swiss National Bank and SIX Swiss Exchange, Go live date: 25/08/2009



TONA (Tokyo Overnight Average Rate): Rate type: unsecured, Rate Administrator: Bank of Japan, Go live date: 01/11/1997

II. Impact – IBOR uses and market footprint

IBOR uses



Source: ISDA et al., IBOR Global Benchmark Survey – 2018 Transition Roadmap, February 2018

Selected derivatives linked to reference rates



	Notional outstanding volume of OTC¹	Volume linked to IBOR	Notional outstanding volume of ETD²	Volume linked to IBOR
USD	\$171 TN	65%	\$32.9TN	92%
EUR	\$186TN	High ³	\$9.8TN	100%
GBP	\$46TN	62%	\$3.5TN	98.5%
CHF	\$6.1TN	98–100%	\$0.2TN	100%
JPY	\$24.3TN	58.3%	\$0.4TN	100%

Source: MPG Final Report currency Market Footprint overviews.

¹ OTC category consists of Interest Rate (IR) swaps, FRA's, IR options and cross currency swaps products.

² ETD category consists of both IR options and IR futures products. ³ no percentage breakdown available in source data.

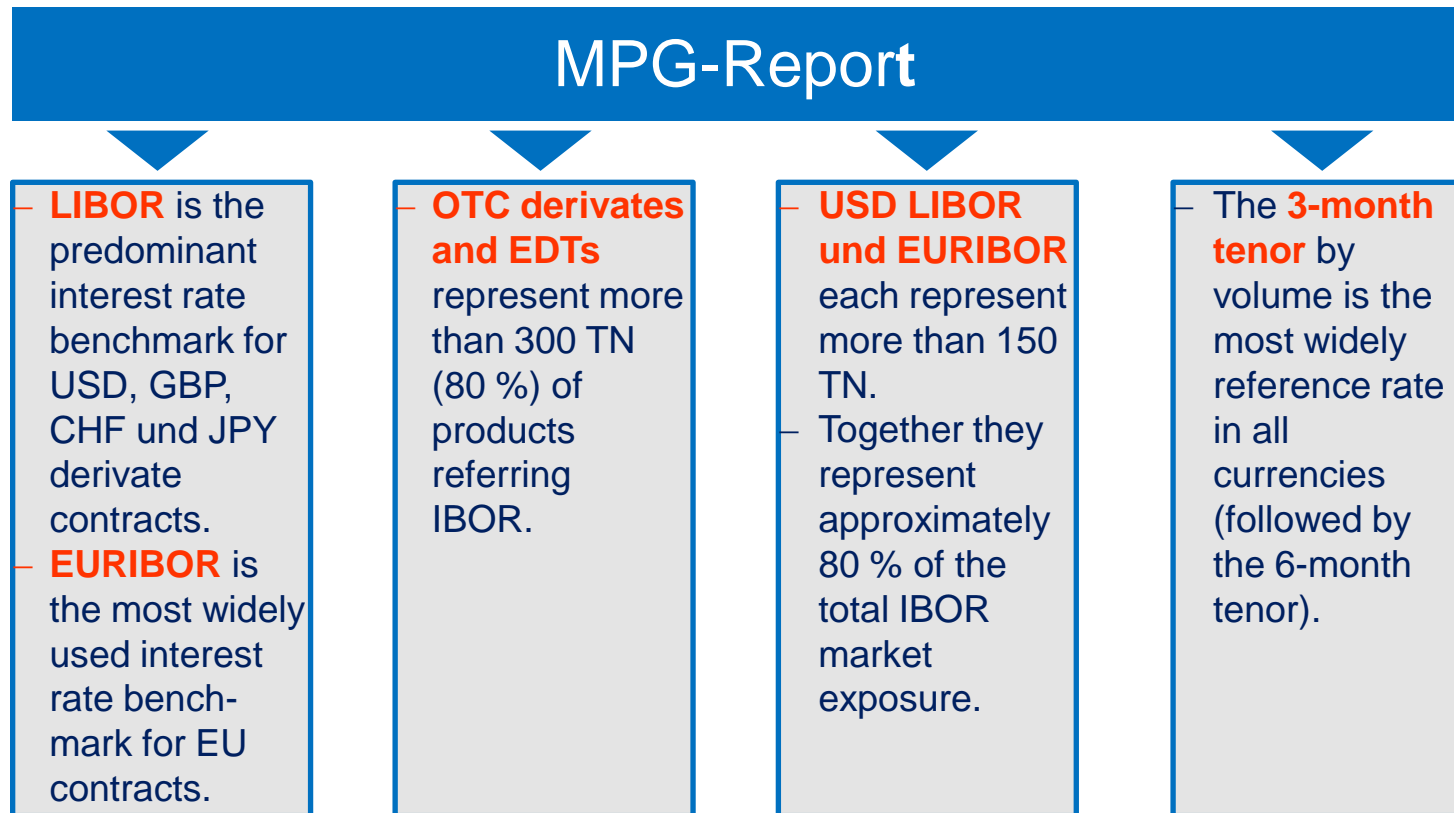
Selected credit products linked to reference rates



PRODUCT TYPE	USD	% of LI-BOR	EUR	% of EURI BOR	GBP	% of LI-BOR	CHF	% of LI-BOR	JPY	% of LI-BOR
Syndicated Loans	\$3.4 TN	97%	\$0.5 TN	90%	\$0.1 TN	100%	\$0.1 TN	50-70%	<\$0.1 TN	high ¹
Business Loans	\$2.9 TN	30-50%	\$5.8 TN	60%	\$3.3 TN	68%	\$0.2 TN	40-60%	\$0.3 TN	20%
Commercial Mortgages	\$3.6 TN	30-50%	–	60%	\$0.3 TN	low ¹	\$0.2 TN	15-25%	–	–
Retail Mortgages	\$9.6 TN	15%	\$5.1 TN	28%	\$1.7 TN	1-2%	\$0.7 TN	10-20%	–	–
Consumer Loans	\$2.9 TN	low ¹	\$1.9 TN	low ¹	\$0.3 TN	low ¹	–	–	–	–

Source: MPG Final Report currency Market Footprint overviews.

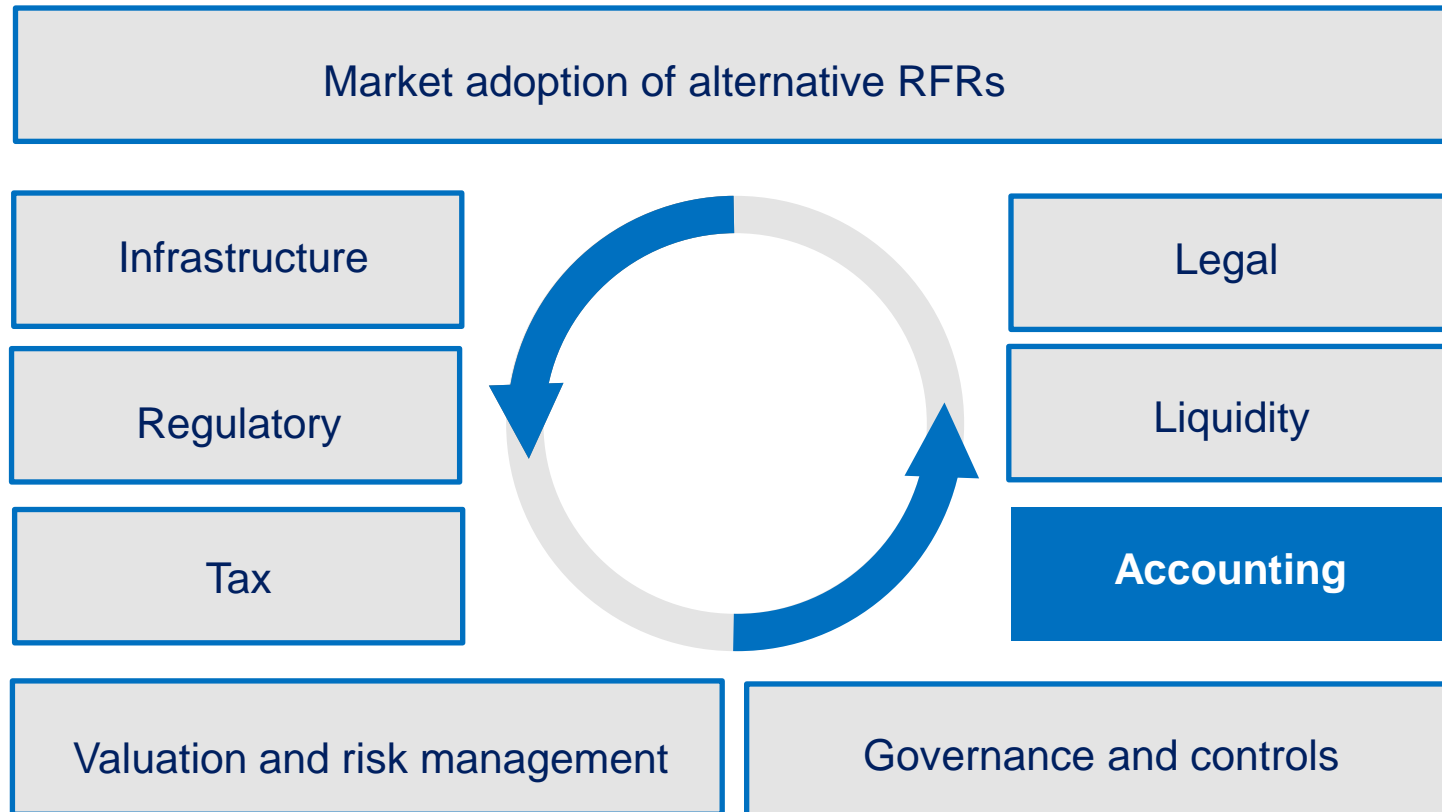
¹ no breakdown available within the source data.



Source: MPG on Reforming Interest Rate Benchmarks, Final Report, March 2014

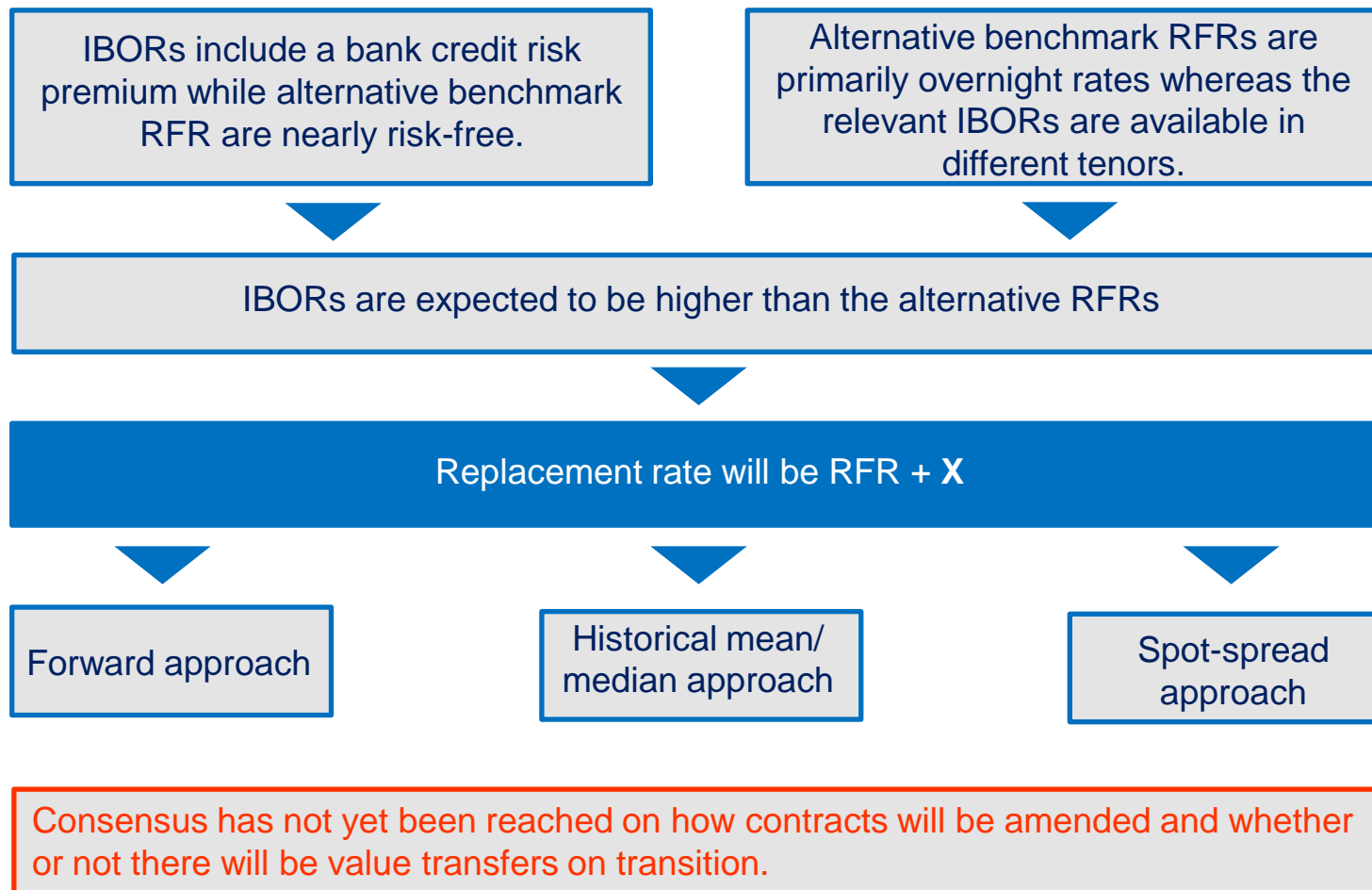
III. Transition Challenge(s) – Accounting

Overview of transition challenges



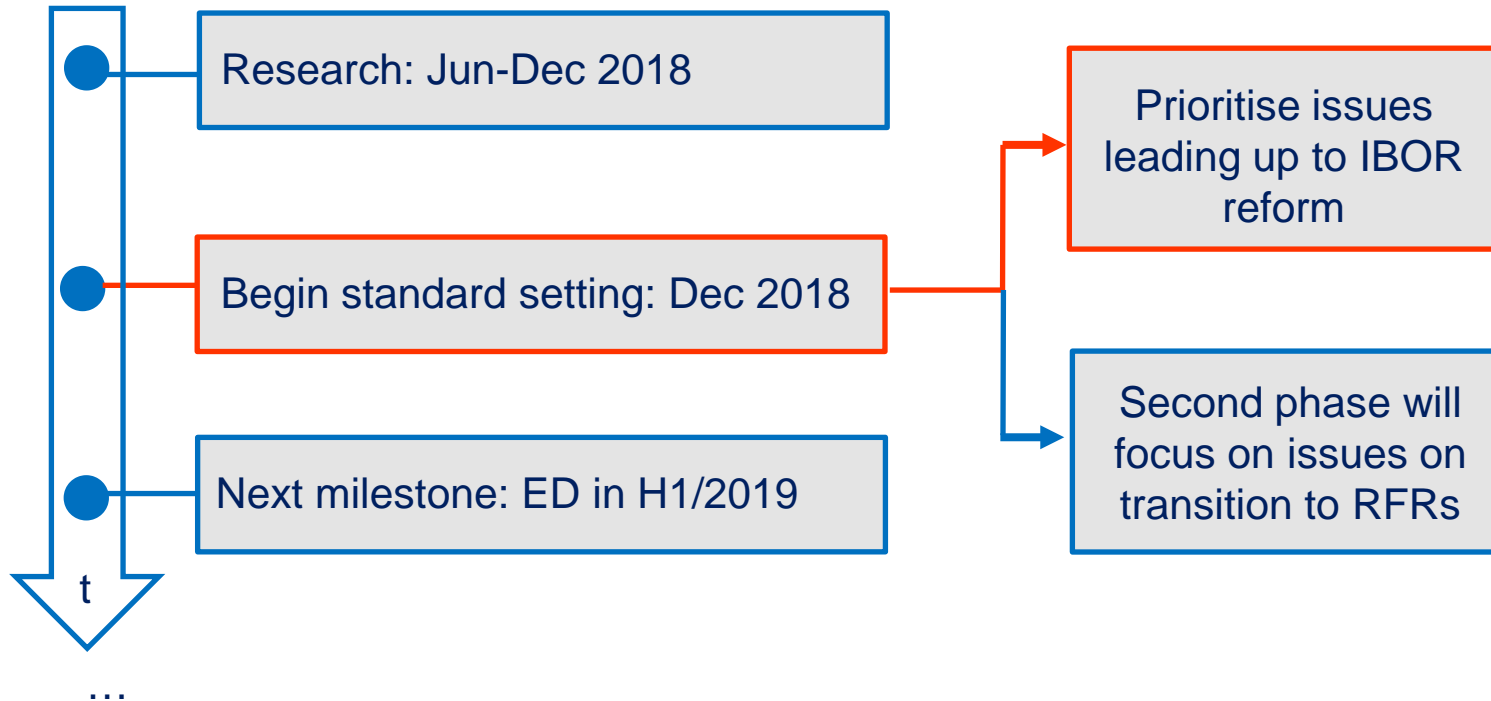
Source: ISDA et al., IBOR Global Benchmark Survey – 2018 Transition Roadmap, February 2018

Contract amendments – Differences between IBOR and RFRs

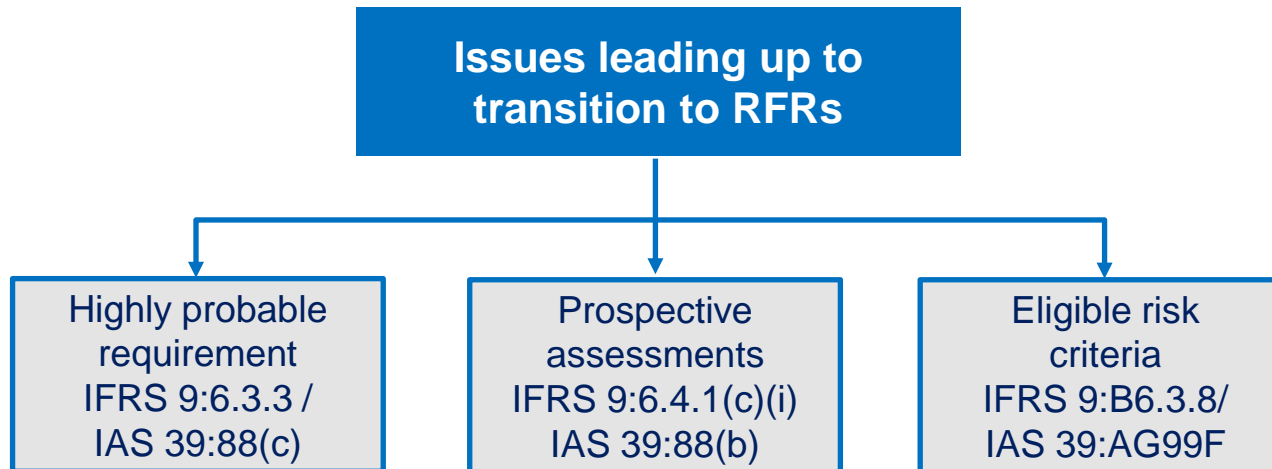


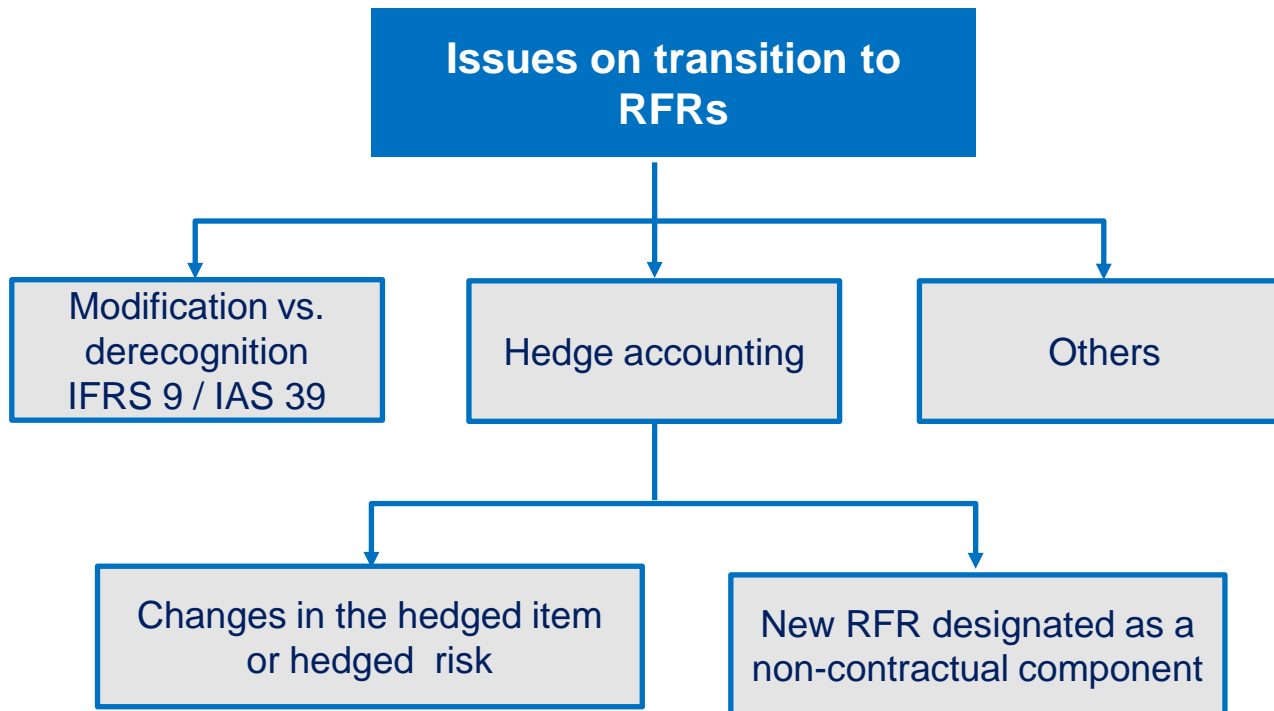
Source: IASB, Agenda-Paper – IBOR Reform and the Effects on Financial Reporting, December 2018

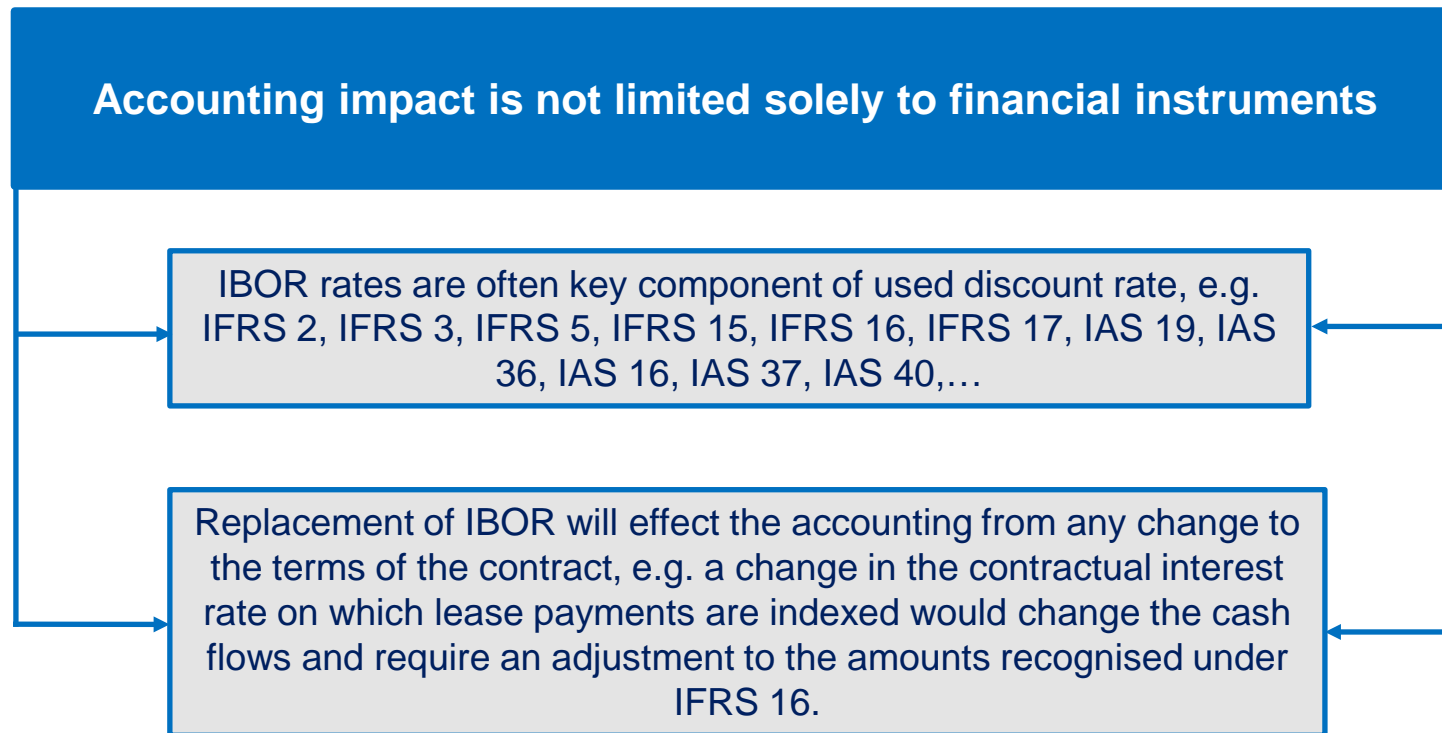
IASB (research) project



Accounting issues leading up to IBOR reform







Source: IASB, Agenda-Paper – IBOR Reform and the Effects on Financial Reporting, December 2018 and Deloitte, Thinking Allowed – IBOR replacement, December 2018

IV. Discussion