

March 17, 2021

ARRC Announces Refinitiv as Publisher of its Spread Adjustment Rates for Cash Products

The Alternative Reference Rates Committee (ARRC) announced today that it has selected Refinitiv, an LSEG (London Stock Exchange Group) business, to publish its recommended spread adjustments and spread-adjusted rates for cash products, following a robust [request for proposals \(RFP\) process](#). Refinitiv will publish [ARRC-recommended spread adjustments](#) to Secured Overnight Financing Rate (SOFR)-based rates and spread-adjusted SOFR-based rates for cash products that transition away from U.S. dollar (USD) LIBOR.

“We’re pleased to welcome Refinitiv as the ARRC’s preferred spread adjustment vendor, which will ensure that the ARRC’s recommended spread adjusted rates for cash products can be effectively accessed and implemented by all relevant market participants,” said Tom Wipf, ARRC Chairman and Vice Chairman of Institutional Securities at Morgan Stanley.

The recommended spread-adjusted fallback rates that Refinitiv will publish are for use in cash product contracts that contain ARRC-recommended fallback provisions to address instances where USD LIBOR ceases or is non-representative. In those instances, contracts that contain ARRC-recommended fallback provisions will switch to a spread-adjusted “fallback rate,” the rate that a contract indicates should be used if its base rate is not available. These are analogous to the fallback rates included in International Swaps and Derivatives Association’s IBOR protocol for derivative contracts. The recommended fallbacks for both derivatives and cash products referencing USD Libor will fall back to forms of SOFR plus the relevant fixed spread adjustment.

Refinitiv will provide the recommended fixed spreads and spread-adjusted rates for cash products that transition away from USD LIBOR to SOFR through the ARRC’s fallback provisions. Refinitiv will make the spreads and spread-adjusted rates readily accessible on a daily basis to the general public without cost.

“I am delighted Refinitiv is making this important contribution to the market's transition from USD LIBOR,” said David Craig, Group Head, Data & Analytics, CEO Refinitiv, LSEG. “The ARRC’s decision to choose Refinitiv builds upon our strong track-record in this area.”

Through this RFP process, the ARRC sought a provider that would publish the ARRC-recommended spreads and spread-adjusted rates for both consumer and commercial products as identified by the ARRC. A total of five firms submitted proposals in response to the RFP, each of which were evaluated against four key criteria areas:

- **Technical:** such as the technical capacity to provide spreads and rates reliably;
- **Firm:** such as the firm’s managerial capacity and organizational robustness;
- **Public policy:** such as how well the firm’s proposal aligned with public policy goals; and
- **Communications:** such as how the firm would plan to communicate around its launch of the spreads and rates and efforts to support adoption of the spreads and the rates.

A steering group comprised of ARRC members evaluated each proposal. All five proposals demonstrated that the submitting firms have a good understanding of the issues involved, the resources needed to deliver

the product and an appreciation of the demands placed on a reference rate provider. Refinitiv's proposal received the highest marks on the criteria above and was deemed the strongest overall.

About the ARRC

The ARRC is a group of private-market participants convened by the Federal Reserve Board and Federal Reserve Bank of New York in cooperation with the Consumer Financial Protection Bureau, the Federal Deposit Insurance Corporation, the Federal Housing Finance Agency, the Office of Financial Research, the Office of the Comptroller of the Currency, the Commodity Futures Trading Commission, the Securities and Exchange Commission and the U.S. Treasury Department. It was initially convened in 2014 to identify risk-free alternative reference rates for USD LIBOR, identify best practices for contract robustness, and create an implementation plan with metrics of success and a timeline to support an orderly adoption. The ARRC accomplished its first set of objectives and identified SOFR as the rate that represents best practice for use in certain new USD derivatives and other financial contracts. It also published its [Paced Transition Plan](#), with specific steps and timelines designed to encourage adoption of SOFR. The ARRC was reconstituted in 2018 with an expanded membership to help to ensure the successful implementation of the Paced Transition Plan, address the increased risk that LIBOR may not exist beyond 2021, and serve as a forum to coordinate and track planning across cash and derivatives products and market participants currently using USD LIBOR.

About Refinitiv

Refinitiv, an LSEG (London Stock Exchange Group) business, is one of the world's largest providers of financial markets data and infrastructure. With \$6.25 billion in revenue, over 40,000 customers and 400,000 end users across 190 countries, Refinitiv is powering participants across the global financial marketplace. It provides information, insights, and technology that enable customers to execute critical investing, trading, and risk decisions with confidence. By combining a unique open platform with data and expertise, it connects people with choice and opportunity – driving performance, innovation and growth. For more information visit: www.refinitiv.com.

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