

**Alternative Reference Rates Committee (ARRC)**  
**Minutes for the October 31, 2017 Meeting**  
**via conference call**

1. The ARRC discussed the agenda for its upcoming roundtable, scheduled for November 2, 2017. The roundtable agenda, presentations, and webcast were subsequently published on the ARRC's [website](#).
2. The ARRC discussed the target timeline for implementing its paced transition plan, based on the results of the implementation timeline survey that ARRC members completed prior to the ARRC's September meeting. The survey asked ARRC firms to provide estimates for the dates by which they could feasibly implement each step of the paced transition plan. After discussing target dates for accomplishing each step, the ARRC agreed to a consensus target timeline, which was presented at the ARRC's roundtable on November 2, 2017, and is included as an attachment to these minutes.
3. The ARRC discussed the work accomplished by its working groups since the last ARRC meeting.
  - The Business Loans, Consumer Loans, and Floating Rate Notes working groups have each limited their initial scope of work to understanding the range of fallback rate language contained in the documentation of existing contracts and in variants of that language being considered by industry participants, and it was noted that the groups had made considerable progress in researching these issues.
  - The Regulatory Issues working group noted that they have identified a preliminary list of potential regulatory issues related to the adoption of SOFR as a new reference rate.
  - The Market Structures working group outlined the contract specification details it believed would need to be determined in establishing many of the standard types of derivatives contracts that would reference SOFR. The working group noted that while individual market participants would be free to set these details to fit their own needs, creating recommendations for certain standardized contract specification details could help market participants in building their own internal infrastructures in preparing to trade SOFR derivatives. The working group discussed the possibility of SIFMA and ISDA jointly conducting public outreach to determine market participants' preferences regarding these potential standardized contract specifications. The ARRC discussed the idea, and agreed to formally ask SIFMA and ISDA to conduct public outreach asking for market participants' preferences regarding certain potential standardized contract specification details related to OIS referencing SOFR and for SOFR-LIBOR and SOFR-EFFR basis swaps and report their findings to the ARRC.

- The ARRC also discussed and approved the establishment of a new Tax and Accounting working group to serve as a resource to its other workgroups.
4. Federal Reserve staff discussed the formation of a reconstituted ARRC that would directly include bank, dealer, central counterparty, buy side, and end user representation. The expanded ARRC would convene following the publication of the current ARRC's final report.

# Attachment

## Timeline for the Paced Transition Plan adopted by the ARRC on October 31, 2017

1. Infrastructure for futures and/or OIS trading in the new rate is put in place by ARRC members.
  - Anticipated completion: 2018 H2
2. Trading begins in futures and/or bilateral, uncleared, OIS that reference SOFR.
  - Anticipated completion: by end 2018
3. Trading begins in cleared OIS that reference SOFR in the current (EFFR) PAI and discounting environment.
  - Anticipated completion: 2019 Q1
4. CCPs begin allowing market participants a choice between clearing new or modified swap contracts (swaps paying floating legs benchmarked to EFFR, LIBOR, and SOFR) into the current PAI/discounting environment or one that uses SOFR for PAI and discounting.
  - Anticipated completion: 2020 Q1
5. CCPs no longer accept new swap contracts for clearing with EFFR as PAI and discounting except for the purpose of closing out or reducing outstanding risk in legacy contracts that use EFFR as PAI and discount rate. Existing contracts using EFFR as PAI and the discount rate continue to exist in the same pool, but would roll off over time as they mature or are closed out.
  - Anticipated completion: 2021 Q2
6. Creation of a term reference rate based on SOFR-derivatives markets once liquidity has developed sufficiently to produce a robust rate.
  - Anticipated completion: by end of 2021

## Attendance for the October 31, 2017 Meeting

### ARRC Member Attendees

Bank of America	Paul Scurfield
Barclays	Brian Rozen
Barclays	Matthew Besgen
BNP Paribas	Sarvesh Mehta
BNP Paribas	Simon Winn
Citi	Heraclio Rojas
CME	Agha Mirza
CME	Fred Sturm
Credit Suisse	Shane O'Cuinn
Deutsche Bank	Adam Eames
Deutsche Bank	Vishal Mahadkar
DTCC	Dan Thieke
Goldman Sachs	Scott Rofey
HSBC	Pieter van Vredenburg
HSBC	Shirley Hapangama
ISDA	Katherine Darras
JP Morgan	Emilio Jimenez
JP Morgan	Sandra O'Connor
JP Morgan	Vickie Alvo
LCH	Philip Whitehurst
Morgan Lewis	Jon Roellke
Morgan Stanley	Maria Douvas
Morgan Stanley	Thomas Wipf
Nomura	Jennifer Schiffman
Nomura	Steve Licini
RBS	David Wagner
SocGen	Subadra Rajappa
SocGen	Sylvain Cartier
UBS	Christian Rasmussen
UBS	Giuseppe Nuti
Wells Fargo	Ben Bonner
Wells Fargo	Cronin McTigue

### Ex Officio Member Attendees

CFTC	Sayee Srinivasan
Federal Reserve Bank of New York	Josh Frost
Federal Reserve Bank of New York	David Bowman
Federal Reserve Bank of New York	William Riordan
Federal Reserve Bank of New York	Raymond Check
Federal Reserve Board	Chris Clubb
Federal Reserve Board	David Bowman
Federal Reserve Board	Josh Louria
Office of Financial Research	Matthew McCormick