

LIBOR has been used as the benchmark rate for most floating rate financial instruments, contracts and agreements for decades. It is expected to be phased out by the end of 2021.

LIBOR exposure is found in loans, bonds, derivatives and other financial instruments with dealers and banks. However, LIBOR provisions also exist in customer agreements, procurement contracts and other arrangements (which may not include dealers or banks). In these cases, companies must take the initiative to vigilantly identify and remediate LIBOR exposure as many contractual provisions do not contain a viable fallback to an alternative benchmark rate.

It is important for companies to have a transition strategy to address contract uncertainty and diminish the potential for disputes.

LIBOR TRANSITION CHECKLIST

What you should do now:

How Orrick can help:

»»» Identify the scope of LIBOR exposure

Using AI and the capabilities of our Orrick Analytics team, we can help identify the universe of existing contracts that might need to be remediated.

»»» Devise a strategy for amending impacted contracts

We work with your Legal, Treasury, Sales and IT teams to develop a strategy to amend the impacted contracts.

»»» Notify customers

We prepare forms of amendment for each primary contract type and draft template emails to customers and others regarding the purpose of the amendments.

»»» Negotiate amendments and track progress

We negotiate amendments with third parties, developing a playbook as issues arise, and track progress in real time in a 24/7-access database.

Our dedicated finance lawyers and Orrick Analytics teams provide an integrated and cost-effective solution for comprehensive LIBOR remediation:

LIBOR REMEDIATION STEPS

Iterative Project Planning, Technology Integration and Contract Remediation



THE ORRICK DIFFERENCE

Deep Knowledge of LIBOR Transition Issues

Advice to clients and thought leadership, including developing a repository of resources for the market.

Finance and Derivatives Documentation

Our team of skilled banking and finance, structured finance and derivatives attorneys have years of experience advising on, drafting and negotiating sophisticated financial contracts.

Pragmatic Dispute Resolution Team

Orrick's highly-regarded litigation team advises on all contract interpretation and other legal issues relevant to the LIBOR transition for legacy instruments.

Efficiency and Project Management through Orrick Analytics

Orrick Analytics is a team of Orrick lawyers, technologists, project managers, statisticians and other professionals who use state-of-the-art technology and probability modeling in data and document-heavy engagements, such as massive document reviews in litigation, large-scale contract reviews and other due diligence.



RESOURCES

www.orrick.com/LIBOR

[LIBOR Transition and Contract Remediation](#)

[The Conversation@Orrick](#)



Consulting on machine learning technology, document automation and legal operations



Assisting with training and validating machine learning technology



Setting up data models for machine learning technology and document segmentation



Consulting on playbook development



Negotiating and revising contracts based on playbook



Setting up and executing project management function

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