

## AUTHORITIES TO ENSURE SEAMLESS TRANSITION FROM LIBOR AND PROMOTE KOFR MARKET

With the London interbank offered rate (LIBOR) expected to be no longer available in major markets starting with non-USD LIBOR from 2022, the FSC announced that the authorities along with the financial industry have taken appropriate steps to ensure a seamless transition to alternative rates.

The transition away from LIBOR-based contracts to alternative rates has been taking place at financial institutions and the authorities have already announced the introduction of the Korea overnight financing repo rate (KOFRR)<sup>1</sup> as a new risk-free reference rate (RFR) which began to be published from November 25 this year.<sup>2</sup>

Major economies including the US, the UK, Japan and EU have also been taking steps in preparation for the discontinuation of LIBOR by developing and promoting their own RFRs according to the recommendations made by the Financial Stability Board.

The FSC and the FSS along with the Korea Federation of Banks have been operating a taskforce in this regard to closely monitor and supervise the transition by financial institutions according to the schedule.

The authorities will continue to properly respond to the cessation of LIBOR and shifting trends in global reference rates while working to actively promote the KOFRR market.

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For press inquiry, please contact Foreign Media Relations at [fsc\\_media@korea.kr](mailto:fsc_media@korea.kr).

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<sup>1</sup> Please click [here](#) to see the press release dated February 26, 2021.

<sup>2</sup> KOFRR is published every day at 11:00 am (KST) at [www.kofr.kr](http://www.kofr.kr).