

## FSC TO WORK ON REFORMING BENCHMARK INTEREST RATES

FSC Vice Chairman Sohn Byungdoo presided over a task force meeting on reforming benchmark interest rates on January 20, 2020.

In the wake of the rate-rigging scandal of the London Interbank Offered Rate (LIBOR) in June 2012, the international society has been working on reforms aimed at improving the accountability and transparency of benchmark interest rates.

The FSC and the Bank of Korea (BOK) along with other public and private sector participants launched a joint task force in June 2019 to develop a new benchmark interest rate and risk free rate.

During the meeting, Vice Chairman Sohn stated that the government and the financial industry should prepare for the expiration of LIBOR in 2022. Vice Chairman Sohn also said that the FSC will develop a new benchmark interest rate considering its effects on the financial markets and that it will also conduct an equivalence test with EU standards.

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