

**ARRC's Request for Information Regarding LIBOR Transition
Readiness among Nonfinancial Corporate Systems Vendors**

May 10, 2021

The Alternative Reference Rates Committee ("ARRC") and its member firms of the ARRC's Nonfinancial Corporate Working Group are writing to request your voluntary participation in a [vendor survey](#) regarding your preparedness to transition from USD LIBOR to the ARRC's recommended alternative reference rate, the Secured Overnight Financing Rate ("SOFR").

The intended purpose of the survey is two-fold. First, by participating in the survey, vendors have an opportunity to contribute information to the ARRC about transition readiness and challenges and, in turn, raise awareness about operational changes that are required to enable a smooth transition. Second, vendors may find it useful to use the survey as a self-assessment tool and as information to share with clients.

You are receiving this survey because one or more ARRC Nonfinancial Corporate Working Group members have identified you as a potential vendor whose products and/or services are used by nonfinancial corporations and might be impacted by USD LIBOR transition. The ARRC would greatly appreciate your responses to Section I of the questionnaire as it would help inform market participants of their vendors' transition status and key obstacles. Section II is provided for vendors' use as an additional self-assessment tool and as information that it may be useful to share with individual or groups of clients.

I. 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.¹ 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.

The ARRC is supported by a number of working groups tasked with specific objectives to help enable a smooth transition from USD LIBOR. In particular, the ARRC's Nonfinancial Corporate Working Group focuses on readiness of non-financial corporations for the LIBOR transition. It coordinates actively with institutions on issues relevant to non-financial corporations such as vendor readiness, intercompany and customer loans, back-office systems, and structures and conventions for non-financial corporates. The Nonfinancial Corporate Working Group developed this survey in furtherance of this mandate.

¹ To learn more about the ARRC and its work, see its website: <https://www.newyorkfed.org/arrc/about>.

II. About the Request

Section I of the vendor questionnaire focuses on foundational questions about the transition, such as vendors' overall readiness, communications with clients, and the frameworks in which new capabilities necessary for the transition will be offered. Section II focuses on information about applications only and covers more detailed questions on the capabilities that are to be offered to clients. The ARRC's vendor survey is limited to Section I only; Section II is provided for vendors' use as an additional self-assessment tool and as information to share with individual or groups of clients.

It is important to note:

- The survey is being conducted by the ARRC, and the survey questions were developed by the ARRC's Nonfinancial Corporate Working Group. The survey is not a regulatory information request from either the Federal Reserve Board or the New York Fed and should not be interpreted as such.
- Responses to Section I of the survey should be submitted directly to the Federal Reserve Bank of New York, in its role as the ARRC's secretariat, at the email address listed below.
- Individual firm responses to Section I will be maintained as confidential by the ARRC's secretariat and none of the Federal Reserve Board, the ARRC members, or the public will have access to the individual firm survey responses.
- The ARRC secretariat will aggregate and anonymize individual firm responses to preserve their confidentiality. The aggregated summary of responses to Section I will be shared with the ARRC and made public to inform other market participants. The summary will not contain any firm-specific attribution.
- You should not share with any other survey respondent any of your individual firm responses that may reflect confidential, proprietary or competitively sensitive information.
- Vendors should not deem the completion of this survey and submission to the ARRC as having provided information to their clients. We encourage all vendors to also reach out and coordinate with their client firms directly regarding USD LIBOR transition. In that spirit, the survey includes a second section, Section II, which is not meant to be returned to the ARRC but which may be completed by vendors and shared with individual or groups of clients.

The ARRC asks vendors to input responses to Section I in the [spreadsheet](#), and submit the spreadsheet by email to the ARRC Secretariat (arcc@ny.frb.org) by May 30, 2020. Please do not submit any responses to Section II. Indicate "Vendor Survey" in the subject line of your email, and provide only one response per institution. Questions can be submitted to the ARRC Secretariat (arcc@ny.frb.org).