



BANKERS ASSOCIATION OF THE PHILIPPINES

IMPORTANT NOTICE

The Bankers Association of the Philippines (BAP) wishes to make the following announcement in relation to the Philippine Interbank Reference Rate (“PHIREF”):

PHIREF is calculated by obtaining the implied Peso interest rate from the FX Swap transaction in the interbank market using USD LIBOR as the USD interest rate. In light of the USD LIBOR cessation by June 2023 or earlier, the BAP, as benchmark administrator for PHIREF is taking the following actions:

1. PHIREF rates (“PHIREF Benchmarks”) will cease to be published (“PHIREF Cessation”) upon cessation of the publication of all USD LIBOR Rates (“USD LIBOR Cessation”). This is currently estimated to occur by the end of June 2023. In preparation for this BAP will publish rates to be used to settle legacy contracts that reference PHIREF Benchmarks after PHIREF Cessation. **BAP shall provide fallback rates (“PHIREF Fallback”) for the following benchmarks:**

11:30 AM	O/N PHIREF
11:30 AM	1M PHIREF
11:30 AM	3M PHIREF
11:30 AM	6M PHIREF

PHIREF rates without any fallbacks provided will cease to be published ahead of PHIREF Cessation (see Paragraph 2). Details and methodology for PHIREF Fallback can be found on <https://bap.org.ph/markets/#dr>

2. Certain USD LIBOR tenors shall also cease to be published by January 1, 2022 ahead of other USD LIBOR tenors. In line with this, the BAP shall also cease to publish PHIREF Benchmarks to which PHIREF Fallback does not apply. These include the following:

11:30 AM	1W PHIREF
11:30 AM	2M PHIREF
11:30 AM	1Y PHIREF
4:00 PM	All PHIREF tenors
Whole day	All PHIREF tenors

The above PHIREF rates shall cease to be published by January 1, 2022.

3. In selecting which benchmarks will apply PHIREF, the BAP took into consideration outstanding contracts that utilize such benchmarks. It was determined that almost all outstanding contracts that reference PHIREF use one of the 4 benchmarks that have a PHIREF Fallback provided. Contracts that reference Benchmarks without a PHIREF Fallback, if any, may rely on the relevant provisions included in the transaction documents to determine the rate or be terminated by mutual consent of the parties.
4. Please direct any questions or concerns to the BAP OMC Benchmark Committee thru Ms. Pinky S. Padronia, Senior Associate Director at pinky.padronia@bap.org.ph no later than **October 22, 2021**. For the avoidance of doubt, the announcement is not intended to trigger an index cessation event or any similar contractual provisions regarding application of fallbacks. BAP will publish its final decision in October after reviewing feedback from market participants, if any, on this announcement.

SUMMARY OF CHANGES AND TIMELINE

Publication Time	Tenors	Fallback Provided	Last Day of Publication*
11:30 AM	O/N	Yes	30-Jun-23
	1Week	No	31-Dec-21
	1Month	Yes	30-Jun-23
	2Months	No	31-Dec-21
	3Months	Yes	30-Jun-23
	6Months	Yes	30-Jun-23
	1Year	No	31-Dec-21
4:00 PM	O/N	No	31-Dec-21
	1Week	No	31-Dec-21
	1Month	No	31-Dec-21
	2Months	No	31-Dec-21
	3Months	No	31-Dec-21
	6Months	No	31-Dec-21
	1Year	No	31-Dec-21
Whole Day	O/N	No	31-Dec-21
	1Week	No	31-Dec-21
	1Month	No	31-Dec-21
	2Months	No	31-Dec-21
	3Months	No	31-Dec-21
	6Months	No	31-Dec-21
	1Year	No	31-Dec-21

** Subject to changes, if any, of USD LIBOR Cessation schedule*

This important notice is issued on September 22, 2021 and updated on September 27, 2021.