



# BANKERS ASSOCIATION OF THE PHILIPPINES

## PHIREF Transition FAQ

### 1. Why is PHIREF being discontinued?

PHIREF is derived using FX Swap rate and USD LIBOR. With the upcoming demise of USD LIBOR, PHIREF will have to be similarly discontinued.

### 2. What is the timeline for the discontinuation of PHIREF?

PHIREF will cease to be published when USD LIBOR ceases. This is expected to occur by June 2023. Certain PHIREF tenors will also be discontinued earlier. The following is the timetable for PHIREF discontinuation based on the announcement made by BAP on October 29, 2021:

Publication Time Tenors		Fallback Provided	Last Day of Publication*
11:30 AM	<b>O/N</b>	<b>Yes</b>	<b>30-Jun-23</b>
	1Week	No	31-Dec-21
	<b>1Month</b>	<b>Yes</b>	<b>30-Jun-23</b>
	2Months	No	31-Dec-21
	<b>3Months</b>	<b>Yes</b>	<b>30-Jun-23</b>
	<b>6Months</b>	<b>Yes</b>	<b>30-Jun-23</b>
	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
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

### 3. What will happen to legacy PHIREF contracts?

The BAP will provide fallback rates for selected PHIREF tenors to support the settlement of legacy contracts.

### 4. Where can we find the methodology for PHIREF Fallback?

PHIREF Fallback methodology can be found on <https://bap.org.ph/markets/#dr>

### 5. Will PHIREF fallback be published ahead of PHIREF demise?

The PHIREF Fallback rates are now published on the BAP website (<https://bap.org.ph>) and the Bloomberg Terminal at 10:30 AM EST on the same day as the corresponding SOFR is available.

Please refer to the following publication pages in Bloomberg:

#### Page/Screen

PHRF<GO>	Latest available PHIREF Fallback
HP<GO>	PHIREF Fallback for a specific Original PHIREF Rate Record Day for the specific tenor

#### Tickers and pricing sources

Tenors	USD/PHP Spot Rates	USD/PHP Forward Points
Overnight	PHP PHOA Curncy HP<GO>	PPOON PHRA Curncy HP<GO>
1 Months	PHP PH1A Curncy HP<GO>	PPO1M PHRA Curncy HP<GO>
3 Months	PHP PH3A Curncy HP<GO>	PPO3M PHRA Curncy HP<GO>
6 Months	PHP PH6A Curncy HP<GO>	PPO6M PHRA Curncy HP<GO>

### 6. Can PHIREF fallback be used for new contracts?

PHIREF fallback rates are intended to support the settlement of legacy PHIREF contracts. They are not meant to be used for new contracts.

### 7. Will the use of PHIREF be discouraged/prohibited ahead of its cessation date?

There is currently no plan to stop the trades of PHIREF referencing contracts ahead of its cessation date. Market participants should be aware, however, of its cessation date and should take steps to allow settlement of legacy contracts.

## **8. What will happen to the Peso IRS Market?**

PHIREF-referencing IRS is expected to continue to trade until the cessation of PHIREF. In the meantime, the BAP is in discussion with relevant stakeholders for an alternative floating benchmark rate. Announcements will be made as soon as more information is available.

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