



## Documentation Alert

---

### **LMA publishes further RFR documentation to assist the market with LIBOR transition**

---

The LMA is pleased to have published a further suite of documentation to facilitate the syndicated loan market in transitioning away from the use of LIBOR to compounded risk-free rates ("RFRs").

#### **Existing RFR documentation updated**

In addition to the new documentation below, the existing RFR documentation has been updated to reflect changes to the post-Brexit bail-in provisions and to take account of the recommendations of the euro risk free rate working group on EURIBOR fallback trigger events and €STR based EURIBOR fallback rates. The new documentation referred to below reflects these changes.

#### **Investment grade documentation suite**

The LMA has published versions of the existing suite of

### **Contact**

---

#### **Kam Mahil**

kam.mahil@lma.eu.com

+44 (0)20 7006 6629

### **General/Admin Queries**

---

lma@lma.eu.com

investment grade facility agreements, including those incorporating letters of credit and swingline facilities, based on compounded RFRs from the outset. Each facility agreement provides the option for users to select observation shift or not (rather than two versions being produced of each agreement).

In relation to swingline facilities, market practice following the transition away from IBORs has yet to develop. As a result, the drafting in respect of swingline facilities has not been updated in relation to dollars and has been updated in respect of swingline facilities in euro to follow the approach set out in the existing LMA guidance note titled "€STR publication and changes to EONIA". Users should consider the appropriate rate and fallbacks for swingline facilities on a case by case basis.

The existing investment grade facility agreements, published in February 2020, will remain available on the LMA website. Members should note that these February 2020 agreements have not been updated in respect of Brexit or bail-in language. If members wish to incorporate such language into their agreements, the relevant changes can be found in the new RFR based-documentation (and mark-ups are available between the investment grade agreements based on RFRs and LIBOR to assist members).

In addition to the [RFR facility agreements](#), the LMA has published forms of the [designated entity clause and users guide to finance party default clauses](#) to reference the RFR facility agreements. The LMA has also published [updated versions](#) of the investment grade: mandate letters; confidentiality and front running letter for primary syndication; front running letter of undertaking; and confidentiality undertaking for disclosure by potential initial lenders to credit protection providers, to reflect bail-in provisions.

### **Developing markets documentation**

The LMA has published a version of the secured single currency term facility for developing markets transactions to be based on compounded RFRs from the outset. It is understood that certain developing markets transactions could potentially use compounded RFRs with longer lookback periods (for example, between 10 to 20 banking days) and this recommended form is intended to assist those transactions. Users should carefully consider the use of compounded RFRs in the context of the developing markets and should

refer to the LMA Developing Markets LIBOR Transition Note for additional guidance on this.

### [Drafting guide for wider documentation suite](#)

For other LMA documentation, a drafting guide has been produced to assist users in drafting documentation based on the LMA's recommended forms of documentation which do not yet incorporate specific provisions contemplating the use of compounded RFRs. The drafting guide may also be useful in facilitating the transition away from the use of LIBOR for legacy transactions.

The above documentation has been made available on the LMA website under the relevant categories of the [Documentation index](#).

### Need to tailor your email subscription?

Please [login](#) to the LMA website and access your [Personal Profile](#) where you can amend your [email preferences](#).

If you do not wish to receive **any further communications from the LMA**, please [click here to unsubscribe](#).

Registered in England and Wales as a company limited by guarantee with registered number 3284544.

Registered office c/o TMF Group, 20 Farringdon Street, London, EC4A 4EN.