

## Cabinet News and Views

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### FCA Announcement on Synthetic Sterling LIBOR



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On April 25, 2022, the UK Financial Conduct Authority (“FCA”) provided an important update relating to the future of the London Inter-Bank Offered Rate (“LIBOR”) benchmark. On its updated [Benchmarks Regulation: our powers, policy and decision-making](#) webpage, the FCA has set out the steps it intends to take regarding synthetic sterling LIBOR.

The FCA will, via a public consultation by early Q3 2022, seek views on retiring both 1-month and 6-month synthetic sterling LIBOR at the end of 2022. The FCA will also seek views on when to retire the 3-month rate.

We consider it likely that the 3-month rate will continue, at least in the medium term as it is the most widely used synthetic sterling LIBOR rate. It is interesting, however, to note the proactive approach the FCA appears to be taking to retire the synthetic rates as soon as possible.

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