

# NewsRelease

For Immediate Release:

## NY State Legislature Approves LIBOR Statute Drafted by Cadwalader

**New York, NY, March 25, 2021**, The New York State Legislature yesterday approved new LIBOR legislation developed by Cadwalader's LIBOR Preparedness Team on behalf of the Alternative Reference Rates Committee (ARRC).

Senate Bill 297B/Assembly Bill 164B addresses those legacy contracts that mature after the mid-2023 cessation date of LIBOR that lacked effective fallbacks. Because New York law governs many of the financial products and agreements referencing LIBOR, the new legislation will provide legal clarity for these contracts and will lessen the burden on New York courts, as legal uncertainty surrounding the transition likely would have prompted disputes.

"We are very pleased to see the passage of this important legislation by the NY State Legislature and proud of our key role in drafting it," said Cadwalader partner Lary Stromfeld, who leads the firm's LIBOR Preparedness Team and the firm's ARRC work. "The new legislation will provide much-needed clarity and represents another critical milestone in the coming transition away from LIBOR."

The ARRC expressed eagerness in working with New York Governor Cuomo to see the bill signed into law.

"The ARRC applauds the passage of its proposed legislation, which marks a major milestone in the transition away from LIBOR," said Tom Wipf, ARRC Chairman and Vice Chairman of Institutional Securities at Morgan Stanley. "Especially as we enter the home stretch for USD LIBOR, this legislation will address a key risk in the transition by providing a targeted solution for market participants who hold legacy contracts that have no effective fallbacks when LIBOR is discontinued."

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. 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.

Cadwalader's LIBOR Preparedness Team has been at the forefront of the LIBOR transition, acting as counsel to the ARRC and advising leading financial institutions and regional banks on their LIBOR transition.

### **About Cadwalader, Wickersham & Taft LLP**

Cadwalader, established in 1792, serves a diverse client base, including many of the world's leading financial institutions, funds and corporations. With offices in New York, London, Charlotte and Washington, Cadwalader offers legal representation in antitrust, banking, capital markets, corporate finance, corporate governance, executive compensation, financial restructuring, intellectual property, litigation, mergers and acquisitions, private equity, private wealth, real estate, regulation, securitization, structured finance, tax and white collar defense. For more information, visit [www.cadwalader.com](http://www.cadwalader.com).