Press release

**AFME and Simmons & Simmons publish white paper on managing conduct risk during LIBOR transition**

17 December 2019

Today, the Association for Financial Markets in Europe (AFME), together with international law firm Simmons & Simmons, have published the first in a series of papers, entitled *‘LIBOR Transition: Managing the Conduct and Compliance Risks’*. The paper provides practical guidance to Senior Managers and Legal and Compliance teams on managing conduct risks posed to firms engaged in the transition away from the London Interbank Offered Rate to Risk Free Reference Rates.

This first paper in this series identifies ways in which firms can seek to mitigate the key conduct risks posed by LIBOR transition when establishing their governance structure. The publication of this guide follows the release of the FCA and PRA’s Dear CEO letter on Libor transition, subsequent FCA Feedback document, and the recent release of the FCA’s Questions and Answers on some of the conduct and compliance expectations during the transition period, which is scheduled to conclude by the end of 2021.

The paper analyses qualitative responses from AFME’s Compliance Committee member firms, to understand the challenges in implementing risk management measures, and duly responds with suggested steps to establish a robust governance structure to mitigate conduct risk.

Rather than offering a prescriptive checklist that may only apply to a handful of firms, the paper takes a broader view, basing the guidance on the fundamental understanding that different firms will be impacted by the LIBOR transition in different ways.

**Richard Middleton, Managing Director, Head of Policy at AFME**, said: “It is vital that banks consider an effective governance framework for their LIBOR transition process. The FCA and PRA have highlighted the need for firms to identify and manage conduct risks, building mitigating actions into their planning for the transition.”

**LIBOR Leads Penny Miller and Elizabeth Williams** **at Simmons & Simmons,** commented: “We are delighted to have co-authored with AFME the first in this series of market-leading papers, offering AFME members and the wider industry much-needed guidance for their Compliance teams when navigating the challenging landscape of LIBOR transition. We hope that it will serve as a helpful platform for wider industry and regulatory dialogue on how to manage the complexities associated with LIBOR transition and we look forward to working with the AFME Compliance Committee on the second part to this series.”

-ENDS-

AFME Contact

Rebecca Hansford
Head of Media Relations
rebecca.hansford@afme.eu
+44 (0)20 3828 2693

**Simmons & Simmons contact**

Charlotte Smith

Senior PR Executive

Simmons & Simmons

Charlotte.e.smith@simmons-simmons.com

07809846086

**About AFME:**

AFME (Association for Financial Markets in Europe) advocates for deep and integrated European capital markets which serve the needs of companies and investors, supporting economic growth and benefiting society. AFME is the voice of all Europe’s wholesale financial markets, providing expertise across a broad range of regulatory and capital markets issues. AFME aims to act as a bridge between market participants and policy makers across Europe, drawing on its strong and long-standing relationships, its technical knowledge and fact-based work. Its members comprise pan-EU and global banks as well as key regional banks, brokers, law firms, investors and other financial market participants. AFME participates in a global alliance with the Securities Industry and Financial Markets Association (SIFMA) in the US, and the Asia Securities Industry and Financial Markets Association (ASIFMA) through the GFMA (Global Financial Markets Association). For more information please visit the AFME website: [www.afme.eu](http://www.afme.eu).

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