

# From LIBOR to SONIA and what you need to know:

## Introduction to LIBOR transition educational videos

Alieda Moore – Deputy Agent for London, Bank of  
England

July 2020

# What is LIBOR?



We expect LIBOR transition to affect most British businesses in some way, including small non-financial organisations and other businesses throughout the UK.



The LIBOR benchmark is used in a range of contracts, including mortgages, business loans and other non-financial contracts.



The LIBOR benchmark is widely acknowledged not to be sufficiently robust or sustainable. Given these weaknesses the intention is that sterling LIBOR will be discontinued after the end of 2021.

# Timelines for LIBOR transition and next steps

- Recognising the impact that Covid-19 has had on businesses and financial institutions, interim GBP LIBOR timelines have been revised but will require your engagement **now** to avoid surprises later.
- You should expect banks to begin offering alternatives to GBP LIBOR no later than the end of September this year, and to cease offering GBP LIBOR-linked loans altogether by the end of Q1 2021.