

# Private debt roundtable part 1: LIBOR changes and transition

**In part one of our roundtable podcast episode focused on private debt, we explore recent changes to LIBOR and the wider impact of these changes on the private debt markets.**

LIBOR (and equivalents) was a benchmark interest rate, set by a panel of banks to represent the cost of funding between banks and financial institutions, and was used to price the vast majority of global loans and derivatives. Following a series of scandals involving manipulation of LIBOR rates, a decision was made to alter the basis of calculation to repair trust in the markets, and has involved a significant amount of transition work for financial institutions over the last two years.

With the new GBP SONIA rates starting to be used in January 2022, we are getting an early view on their impact on the debt markets. There is also work still to be done to land on a common approach for new USD rates starting in June 2023, with two different standards being considered.

## **Roundtable participants:**

- Host: Peter Brown, Group Head of Private Debt - Aztec Group
- Mat James - RBS International
- Jamie Macpherson - Macfarlanes
- Robin Kennedy - Ernst and Young
- Richard Phillips - Aztec Group

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