

# **Bond Case Briefs**

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## **Replacement of London Interbank Offered Rate - GASB Update**

Norwalk, CT, July 17, 2023 — In April 2022, the Government Accounting Standards Board issued [Statement No. 99, Omnibus 2022](#), which stated that for purposes of applying paragraphs 35-38 of [Statement No. 53, Accounting and Financial Reporting for Derivative Instruments](#), as amended, the London Interbank Offered Rate (LIBOR) is no longer an appropriate benchmark interest rate for a derivative instrument that hedges the interest rate risk of taxable debt when LIBOR ceases to be determined by the ICE Benchmark Administration using the methodology in place as of December 31, 2021.

As of July 1, 2023, the ICE Benchmark Administration ceased publishing any LIBOR setting using the methodology in place as of December 31, 2021. As a result, as of July 1, 2023, LIBOR is no longer an appropriate benchmark interest rate for a derivative instrument that hedges the interest rate risk of taxable debt for purposes of Statement 53.

More information on LIBOR is available on the ICE Benchmark Administration's website [here](#).

Statements 53 and 99 are available on the GASB website, [www.gasb.org](http://www.gasb.org).