

## Cabinet News and Views

Informed analysis for the financial services industry



### Cadwalader Corner Q&A: Morgan Stanley's Thomas Wipf, Chairman of the Federal Reserve's Alternative Reference Rates Committee



*Tom Wipf is the Vice Chairman of Institutional Securities at Morgan Stanley. He also serves as Chair of the Federal Reserve's [Alternative Reference Rates Committee \(ARRC\)](#), a group of private-market participants convened to help ensure a successful transition from USD LIBOR to a more robust reference rate. In his Morgan Stanley role, Tom manages the company's transition efforts to alternative reference rates to replace LIBOR through the firm's Global LIBOR Transition Steering Committee.*

***Earlier this week the President signed Federal legislation addressing LIBOR transition for legacy contracts. As Chair of the Alternative Reference Rates Committee, what does that mean for the financial markets?***

First of all, this is an incredible accomplishment. To take this from start to finish – the conception of the idea, designing how it will work, getting it on the docket, collaborating between Cadwalader, the trade associations, the ARRC legal working group, the consumers and so on – few will appreciate just how much work went into this. And it wasn't without a lot of plot twists.

Secondly, the potential for uncertainty and overall disruption to the financial system stemming from the transition away from LIBOR was so staggeringly high.

This legislation provides a huge piece of the puzzle for tough legacy contracts.

***The legislation has been described as a safety net, not a transition strategy, for market participants with legacy LIBOR exposure. What do they need to know going forward?***

Whether you're a large or small institution, you still need to know what's in your portfolio. You need to determine whether legacy contracts have workable fallback language – whether that be standard ARRC fallbacks, ISDA protocols, etc. If not, you need to know how this legislation impacts it. All of that requires a number of people across your organization to sit down and operationalize the transition. They need to do now what they have control over – we shouldn't yet go pencils down on that.

***When you are not saving the world from LIBOR transition, what do you like to do?***

If there's one thing I'm passionate about outside of work, it's music. I'm a huge fan of the Grateful Dead and have probably attended well over 100 shows over the years. I even play in a band that covers a lot of the Grateful Dead's catalog. We call ourselves Hell or High Water.

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