

## FUND FINANCE FRIDAY

### **SEC Chair's LIBOR Comments Touch on BSBY**

June 18, 2021 | Issue No. 131

Gary Gensler, Chair of the SEC, delivered prepared comments to the Financial Stability Oversight Council on June 11, in the main reiterating that the SOFR index is based on a large number of observable transactions but also criticizing the Bloomberg Short-Term Bank Yield Index (BSBY) as a LIBOR alternative. SOFR's reliance on a broad base of observable transactions has, of course, been well-telegraphed since 2017 when a New York Fed-convened committee identified the index as its preferred replacement rate. An introduction to BSBY, including a more fulsome explanation of source transactions and supporting historical daily transaction volume, can be found [here](#). Gensler's comments can be found [here](#).