

# Insights



## Danielle Rose, Steven Perlstein and Zachary Rosenbaum on Contractual Disputes Triggered by the End of LIBOR

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With the end of the London Interbank Offered Rate (LIBOR) looming, contractual counterparties should prepare for disputes regarding “fallback” interest rates.

Many contracts were drafted before LIBOR’s discontinuation was contemplated. Various such legacy contracts contain a fallback rate when LIBOR is not available. That rate is often hundreds of basis points higher than historical LIBOR and, if applied, could alter the economic terms applicable during the LIBOR era. Presently proposed legislative solutions do not address these contracts. Counterparties will thus dispute whether such fallback rates apply when LIBOR is permanently unavailable or solely when temporary events render LIBOR unavailable.

Kobre & Kim’s Danielle Rose, Steven Perlstein and Zachary Rosenbaum unpack the problem in a special report for *Financier Worldwide*. The authors discuss the clashes on the horizon and the implications for contractual counter-parties.

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