

Contract Intelligence LIBOR Transition Services

With the impending retirement of the London Interbank Offered Rate (LIBOR), financial institutions around the world are faced with the challenge of addressing the identification, analysis and repapering of millions of related contracts.

KEY CHALLENGES

Size and Scope

Millions of LIBOR-related contracts affected, spanning numerous systems, languages, business units and international borders

Contract Collection

Process of pulling large volumes of documents from multiple systems into a centralized repository is complex and onerous

Identifying and Analyzing Impacted Agreements

Volume of data will require the use of AI and machine learning which is best performed with expert guidance

Remediation and Timing

Counsel may need additional time and headcount to support negotiations, amendments and repapering within deadline

Market Inconsistency

LIBOR replacement standards have not been fully determined, vary between jurisdictions and are subject to change

COVID-19 Not an Excuse

FCA has stated that the transition timeline will move ahead unchanged

Contracts and Cessation of LIBOR

The long-time global basis for most agreements with a variable interest rate component, LIBOR will officially sunset at the end of 2021. An estimated \$400 trillion in financial contracts rely upon LIBOR, and the requirement to identify, analyze and repaper them will be significant. Banks and other institutions that take quick action, and allow ample time for contract renegotiation, will be in a strong position to reduce their overall risk and exposure relating to the new rate benchmarks and standards.

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To meet the LIBOR retirement in a timely manner, financial institutions will need to identify and inventory firmwide LIBOR exposure. FTI Technology's Contract Intelligence ("CI") service helps organizations quickly and efficiently do this by combining leading-edge artificial intelligence and analytics technology, advanced workflow, and attorney review teams experienced in reviewing and extracting LIBOR-relevant content. In every engagement, the team applies a consistent set of tested workflows that are customized to support LIBOR transition, including:

- Collect all LIBOR-relevant contract documents using secure and forensically-sound methodologies;
- Create a central digital inventory and searchable repository of LIBOR-related contracts and terms/clauses;
- Extract relevant contract terms and clauses automatically via artificial intelligence and machine learning customized to LIBOR-related language;
- Organize contract documents into efficient workflows and build contract hierarchies to link LIBOR-related master agreements with related ancillary documents;
- Perform cost-effective manual contract diligence in coordination with client's internal or external counsel;
- Generate structured data deliverables and analytic reports/business intelligence to inform LIBOR transition strategy and decision-making;
- Migrate readable contract documents and associated data to client systems.

Legal and Regulatory Expertise Reduces Risk

The CI team leverages deep legal and regulatory expertise to ensure a thorough and defensible process. Our global team includes contract process experts, forensic experts, corporate investigation specialists and technology professionals that have led some of the largest and most complex regulatory response, information governance, M&A, litigation and investigative engagements. In addition, the Contract Intelligence service utilizes industry expertise across a number of vertical industries, including healthcare, financial services, retail, construction, energy and real estate.

Advanced Analytics Technology Streamlines Contract Collection and Review

The Contract Intelligence Tech Stack brings together advanced analytics tools and artificial intelligence, to expedite contract processes and further reduce cost. We are able to reduce legal risk and enhance the commercial value within contracts. This enables the team to quickly define critical contractual language and structure customized data outputs, all resulting in enhanced review productivity and quality deliverables.

Enhanced Workflows Ensure Quality While Reducing Costs

Custom solutions and workflows, designed by operational and subject matter experts, are executed by legal review teams that are specifically trained per engagement. Clients receive regular updates on review findings such as legal obligations, cost opportunities, risk exposure and any additional requirements – all driven by advanced analytics.



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