



Australian Business Day Conventions

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1. Good Business Day

A distinction needs to be drawn between what is generally accepted as a good business day in the Australian wholesale OTC markets and other Australian business days, which vary between the various States and Territories of the Commonwealth of Australia.

A good business day is defined as a day on which banks in the State of New South Wales (NSW) are generally open for business, or a day other than one on which banks in NSW are obliged or permitted to close, excluding Saturday and Sunday.

Essentially, good business days are weekdays (Monday to Friday) excluding NSW public holidays.

Public holidays in NSW are gazetted under the NSW State Government's Banks and Bank Holidays Act 1912 and this Act requires that banks are closed on NSW public holidays. Australian OTC markets generally tend to operate in a reduced capacity on NSW public holidays that are not similarly gazetted in Victoria.

In general, AFMA recommends that transactions should not be negotiated for settlement or price fixing (rollover) on a non business day. Other conventions can be utilised if agreed upon at the time of dealing. Transactions may be entered into on a good or non business day for settlement on that the same day (ESA funding deals).

Certain Australian wholesale OTC markets operate under different definitions of good business day:

- *Cash Markets*
A good business day is defined as any day on which the RBA's Information and Transfer System (RITS) is open. RITS is open unless it is a bank or public holiday in both Sydney and Melbourne.
- *Electricity*
A good business day means a day on which the banks are open in the capital city of the State in which the regional reference node is located.
- *Foreign Exchange*
A good business day is defined as a day that is a good business day in each of the centres applicable to the currencies being transacted. For example, for an AUD/USD trade a business day is only good if the payment systems and banks are open in Sydney and New York. Thus it is not a good value date for Australian dollar foreign exchange transactions if it is a public or bank holiday in Sydney.

2. Non Business Day

A non business day is defined as a day on which banks in NSW are generally closed for business, including Saturday and Sunday.

Essentially, non business days are weekends, and weekdays (Monday to Friday) that are NSW public holidays.

As stated previously, transactions should not generally be negotiated for settlement or price fixing (rollover) on a non business day.

Non business days in NSW (Sydney) are:

- Every Saturday and Sunday
- New Years Day
- Australia Day
- Good Friday
- Easter Monday
- ANZAC Day
- Queen's Birthday
- Bank Holiday
- Labour Day
- Christmas Day
- Boxing Day

Should any of New Years Day, Australia Day, Christmas Day or Boxing Day fall on a Saturday or Sunday, then it will be assumed that a day in lieu will be taken on the next available week day. For example, in the case of Christmas Day falling on a Saturday and Boxing Day on a Sunday, then the days in lieu will be the following Monday and Tuesday respectively, unless otherwise proclaimed by the NSW Government.

3. Useful Links

A schedule of NSW public holidays.

<http://www.industrialrelations.nsw.gov.au/holidays/index.html#Public%20holidays>

The NSW Banks and Bank Holidays Act 1912.

http://www.austlii.edu.au/au/legis/nsw/consol_act/babha1912188/