



MARKET NOTICE

Market Notice: 2025_02

Date: 24/06/2025

Subject: Changes to AFMA's Interest Rate Options Conventions

AFMA Members and market participants are advised that AFMA has made amendments to and introduced new Interest Rate Options Conventions.

Members of AFMA's Interest Rate Options Committee have agreed to the following conventions:

- An amendment to Customary Market Parcels to reflect DV01 (Vega sizing) instead of notional amounts which would be consistent with the market parcel sizing in the Swaps market.
- A new convention to define "Fallback Exercise" for automatic exercise of swaptions.

The new Interest Rate Options Conventions document has been posted to the AFMA website and [can be found here](#).

Please contact [Mark McCarthy](#) if you have any questions regarding this notice.

About AFMA

The Australian Financial Markets Association (AFMA) is the leading industry association promoting efficiency, integrity and professionalism in Australia's financial markets and provides leadership in advancing the interests of all market participants. These markets are an integral feature of the economy and perform the vital function of facilitating the efficient use of capital and management of risk. Market participants perform a range of important roles within these markets, including financial intermediation and market making. AFMA represents over 120 members, including Australian and international banks, leading brokers, securities companies, state government treasury corporations, fund managers, traders in electricity and other specialised markets and industry service providers.