



MARKET NOTICE

Market Notice: 2023_06

Date: 21/11/2023

Subject: New Convention and Amendments to Interest Rate Derivatives Conventions

AFMA Members and market participants are advised that AFMA's Swaps Committee voted unanimously to adopt the following changes to the AFMA Interest Rate Derivatives Conventions.

The amendments to existing conventions and implementation of new conventions will take effect from Tuesday, 21 November 2023.

1. Section 3.4. Customary Transaction Size

In *Section 3.4. Customary Transaction Size – Overnight Index Swaps* provide a definition for customary dealing parcels to be consistent with other interest rate derivatives.

- *The following customary dealing parcels are indicative only. The intent of the below is to reflect a customary interest rate risk of \$25,000 per basis point to the nearest million in face value. Dealers must agree the actual notional principal at the time of deal. The dealing volume must be specified when a quote is given. Unless specified otherwise, the following customary dealing parcels will apply.*

2. Section 3.18 Other Dealing Conventions

Change to *section 3.18 Other Dealing Conventions* to add a definition of "RBA Dates".

- *If a counterparty requests a quote for "RBA Dates", the start date will be the first business day following an RBA Board meeting and the reset dates will be the first business days following future RBA Board meetings for the respective tenor.*

Please contact [Mark McCarthy](#), Director for Markets Policy 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.

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