



**AFMA STATEMENT: Council of Financial Regulators Consultation Paper on BBSW**

AFMA has an ongoing, mutually beneficial dialogue with the financial regulators in relation to benchmark matters and we have engaged with them on the consultation paper prior to its release. The RBA participates as an observer on the AFMA committees that deal with benchmark matters.

We agree with the Council of Financial Regulators' assessment that the market has changed and volumes are low at the time of day BBSW is set, with significantly larger volumes traded outside of this period. It is this issue, rather than the specific calculation methodology, that the Council is looking to address.

A move to a submitter panel methodology, like LIBOR or Euribor, could require some form of regulatory compulsion, which is beyond AFMA's authority as we are not a regulatory body.

AFMA has consistently sought to ensure its BBSW methodology is leading edge and reflective of the market from which the benchmark is drawn. AFMA announced an improved benchmark model in March 2013, that is currently deployed, prior to the release of the IOSCO principles in July 2013. AFMA views the consultation as a further step in this process to ensure BBSW remains a robust and reliable benchmark.

AFMA is encouraging its members to contribute to the consultation process and share their desire to ensure the market is operating in a way that supports effective price discovery.

**23 October 2015**

*Please attribute these remarks to David Lynch, CEO, AFMA.*

For further information contact:

Kristin Westlake: 0416 219 358 | [kwestlake@thecontinuumpartners.com](mailto:kwestlake@thecontinuumpartners.com)

or

Heather Gascoigne: 0410 297 111 | [hgascoigne@thecontinuumpartners.com](mailto:hgascoigne@thecontinuumpartners.com)