



## MARKET NOTICE

**Market Notice: 2026\_04**

**Date: 15/01/2026**

**Subject: New AFMA Debt Primary Market Convention**

AFMA Members and market participants are advised that the members of AFMA's Debt Capital Markets Committee have voted to adopt the following convention for floating rate corporate hybrids in the Debt Primary Market Conventions.

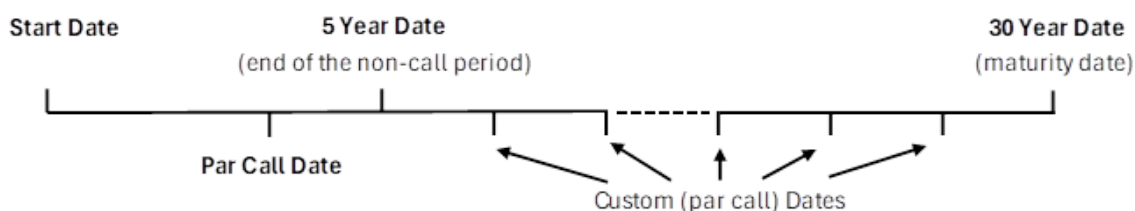
**Proposed convention for Floating Rate Corporate Hybrids.**

A floating rate corporate hybrid is a form of subordinated debt that sits below senior bonds in the capital structure. In primary issuance, the customary market practice to price floating rate corporate hybrids is to price to the "end of the non-call period". The end of the non-call period is, generally, the anniversary of the start date in years. E.g. a floating rate corporate hybrid has a 30NC5 structure (30 years maturity with a non-call period of 5 years). The end of the non-call period for this note is the 5-year anniversary of the start date. The final maturity date is the 30-year anniversary of the start date.

In secondary trading, before the end of the non-call period, the customary market practice to price floating rate corporate hybrids is for participants to agree to price either to the par call date or to the end of the non-call period. Market participants should agree the pricing date before transacting. The "par call date" is a date which occurs some time before the end of the non-call period and gives the issuer the right to redeem the bond at its face value before the maturity date.

In secondary trading, if the security has not been called by the end of the non-call period, the customary market practice is for market participants to negotiate whether to price the security to either a custom date or to the final maturity date. Custom dates are also par call dates and occur periodically until the maturity date, giving the issuer the right to redeem the bond at its face value before the maturity date. Market participants should agree the pricing date before transacting.

Example: Significant dates for a floating rate corporate hybrid with 30NC5 structure.



The convention takes effect from 16 January 2025. The Debt Primary Market Conventions document can be found [here](#).

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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 130 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.