



STATEMENT

Council of Financial Regulators' Discussion Paper on BBSW

9 February 2016

AFMA considers today's release of the Council of Financial Regulators' Discussion Paper on BBSW methodology a useful progression in the industry's dialogue in relation to benchmark design.

AFMA seeks to ensure the BBSW methodology is leading edge and reflective of the market from which the benchmark is drawn.

The proposal in the Discussion Paper for the further evolution of the BBSW methodology supports the work of AFMA as the Administrator in maintaining BBSW as a trusted, reliable and robust financial benchmark.

AFMA will discuss and consider the alternative methods in the Council's proposal for adopting a volume-weighted average price (VWAP) calculation mechanism through its committee structure.

In doing this, AFMA's consideration of the BBSW methodology will be guided by the Council's key objectives for BBSW:

- BBSW is anchored to transactions in an active underlying market.
- The BBSW calculation mechanism is robust to changing market conditions.
- The fundamental properties of BBSW are maintained to ensure a seamless transition.

AFMA will continue to engage with the Council and industry participants on this initiative and will promote further development of the market, if required to support these objectives.

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

For further information:

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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. A [list of AFMA members](#) is available on the AFMA website.