



MARKET NOTICE

Market Notice: 2021_07

Date: 26 /11/2021

**Subject: Australian Interest Rate Swaps Market -
Trading BBSW/SOFR Cross Currency Basis Swaps**

Members of AFMA's Swaps Committee have agreed that the Australian swaps market will begin trading BBSW/SOFR cross currency basis swaps as the primary basis swap in AUD/USD cross currency swap transactions from Monday, 29 November 2021.

The IBOR Transformation Australian Working Group (ITAWG) has noted that United States financial markets authorities have provided clear supervisory guidance, endorsed by regulators in many other jurisdictions including Australia, that banks should cease entering into new contracts that use USD LIBOR as a reference rate as soon as practicable and in any event by 31 December 2021.

AFMA has taken into account the views of ITWAG that given Australia's integration in global cross-currency markets it is important to adjust in a timely way to the reality that trades should be referenced to SOFR, in line with supervisory expectations.

More information including Proposed Conventions for BBSW/SOFR Cross Currency Basis Swaps and Proposed Term Sheet for BBSW/SOFR Cross Currency Basis Swaps are available on the AFMA website in the section dealing with [IBOR Transition here](#).

Queries in relation to these amendments should be directed to Mark McCarthy, Director – Markets mmccarthy@afma.com.au