



MARKET NOTICE

Market Notice: 2026_01

Date: 15/01/2026

Subject: New AFMA Repo Conventions

AFMA Members and market participants are advised that the members of AFMA's Repo Committee have voted to adopt the following changes to the Repo conventions:

- **Section 2.6. Floating Rate Repo**

A Floating Rate Repo is a transaction where the interest rate is established by reference to an appropriate benchmark/reference interest rate. The RBA introduced Floating Rate Repos for the Bank's open market operations (OMO), with a pricing rate that is linked to the cash rate target that prevails over the term of the repo. The floating rate is based on the average cash rate target prevailing over the term of the repo. When instructing floating rate repo trades using the dedicated repo module in Austraclear (see Addendum 2). The customary market practice is for Participants to instruct the initial Cash Rate as the appropriate benchmark/reference interest rate plus spread, which is consistent with how the RBA instruct their OMO's.

- **Section 2.9. Rate Renegotiations (re-rates)**

The customary market practice is to notify the counterparty of the intent to renegotiate the rate (re-rate) of an Open repo trade not later than 9:30am AEST/AEDT on the Business Day preceding the effective date of the renegotiated rate, except in the case of an announcement by the RBA of a change in the Target Cash Rate, which generally occur at 2.30pm AEST/AEDT on the Business Day preceding the effective date of the renegotiated rate. Market standard is for both instances to be done as 'straight re-rates' where the rate change is done without needing to close and reopen the trade. If a Market participant needs to process these re-rates with a close and reopen this should be communicated at the beginning of the trade.

The new conventions take effect from 16 January 2026. The Repo Conventions document [can be found here](#).

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.

Australian Financial Markets Association

Level 18, 45 Clarence Street, Sydney NSW 2000

Tel: +61 2 9776 7907 Fax: +61 2 9776 4488

Email: secretariat@afma.com.au Web: www.afma.com.au