



## MARKET NOTICE

**Market Notice: 2016\_2**

**Date: 15 April 2016**

**Subject: Notice of change to the Cash Market Conventions**

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[Market Notice 2016\\_1](#), which issued 23 March 2016, outlined conventions changes proposed by the Reserve Bank of Australia with regard to the calculation of the interbank overnight cash rate (IBOC), and specifically changes proposed to facilitate the transition from a calculation methodology relying on data submissions by banks to one using data extracted from RITS.

All feedback received has been supportive of this endeavour, and the Cash Committee has now unanimously agreed to the promulgation within the conventions of the required changes. Specifically, the Committee has agreed to the addition of Section 2.3.1 which prescribes the practice and procedures required to be followed by ESA holder banks when undertaking interbank cash rate transactions.

The Reserve Bank has separately advised all ESA holder banks of details that the effective date of its transition to the new calculation methodology will be 9 May 2016, however as a precursor to this, and with effect 18 April 2016, AFMA is introducing the changes to the [Cash Conventions](#) effective as of 18 April 2016 in order to support the transition.

Contact details for further information:

[Murray Regan](#)

Director Markets and Rates.

#### **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.