



## MARKET NOTICE

**Market Notice: 2016\_9**

**Date: 6 September 2016**

**Subject: Notice of Change to the Interest Rate Derivatives Conventions**

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Members are advised of the following changes to the Interest Rate Derivatives Conventions that the Swaps Committee has unanimously agreed to and which have been ratified by the Market Governance Committee.

1. Amendment to Section 3.6; Quotation and Dealing in respect to trading BAB/OIS Swaps:

*When trading EFPs for BAB/OIS, the futures leg should be set off the offer of the futures spread*

2. Amendment to Section 3.6; Quotation and Dealing in respect to Neutral Dates:

*Unless previously specified to the broker, and quoted to the market as such, traders should provide a minimum of 2 'neutral' dates that fall within the following 3 week period from spot for AUD 3x1s, 6x3s and BOB trades. The minimum volume applies to each neutral date, but the total volume can be only minimum volume. Neutral dates are defined as not falling on the first or last two days of the early or late bucket, and not falling on or between SFE futures roll and that 15<sup>th</sup>*

3. Amendment to Section 5.3; Other Settlement Conventions in respect to Cross Currency Basis Swaps:

*All collateral in cross currency basis swaps should be initially priced in US dollars. Collateral can be negotiated into another currency if required.*

Any queries in relation to these amendments should be directed to Mark McCarty, Director – Markets, [mmccarthy@afma.com.au](mailto:mmccarthy@afma.com.au).

**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 120 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.