



MARKET NOTICE

Market Notice: 2022_05

Date: 25/10/2022

Subject: Reciprocal Purchase Agreements Conventions

AFMA Members and market participants are advised of the addition of guidance to AFMA's Reciprocal Purchase Agreements Conventions (Repo) Conventions, this designed to communicate best practice for dealers when considering procedural aspects of client relationships and steps which may serve to reduce settlement risks. This guidance is presented as a new sub-section under Section 5 *Settlements*, as follows:

"5.4.2. Managing the Dealer / Client relationship

A client's unfamiliarity with the procedural aspects of the Australian Repo market has the potential to increase settlement risk. Dealers are encouraged to inform clients of settlement risk in order to reduce this risk, particularly in circumstances where the dealer becomes aware of an impending settlement failure of its client. "

Please contact [Murray Regan, Director Policy and Markets](#) if you have any questions regarding this notice.