



MARKET NOTICE

Market Notice: 2019_3

Date: 2 October 2019

Subject: Market Convention Amendments

Market participants are advised of the following amendments recently made to AFMA's Market Conventions:

[Electricity Market Conventions](#)

Effective 5 July 2019:

- Various amendments to cater for the introduction of five minute settlement (including)
 - Removal of references to half hour pricing in the product section (caps, floors, collars);
 - Removal of references to half hour pricing in quotation conventions section; and
 - Various amendments to cash settlement conventions for swaps, caps and floors to provide clarification and convert references from “notional quantity per half hour” to “notional quantity per calculation period”.
- Removal of references to artificial markets and market manipulation. These are covered by regulation and Codes of Conduct.

[Environmental Product Conventions](#)

Effective 5 July 2019:

- Additional wording and clarity provided in the firmness conventions; and
- Removal of artificial markets, market manipulation and applicable legislation sections: These are covered by regulation and Codes of Conduct.

Effective 20 September 2019:

- Minor amendments clarifying timing of confirmations in section 4.1

[Interest Rate Derivative Conventions](#)

Effective 5 July 2019 (following a member consultation process):

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- Change to notionals in market parcel sizes to reflect greater interest rate risk consistency across the curve in various products
- Minor clarifying amendment to Notes section in standard market parcel section
- Inclusion of convention regarding base currency for OIS discounting

Effective 20 September 2019:

- Minor clarifying amendments to Notes section in standard market parcel section regarding the minimum fly interest rate risk

Queries in relation to these amendments should be directed to Michael Chadwick, Director – Markets
mchadwick@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.