



MARKET NOTICE

Market Notice: 2019_5

Date: 5 November 2019

Subject: Market Convention Amendments

Market participants are advised of the following amendments made to AFMA's [Reciprocal Purchase Agreement \(Repo\) Conventions](#):

Effective 6 November 2019 *Section 3.8.1 Margining*, is amended, removing the reference to AFMA's Repo Margining Guidelines which have now been largely superseded by the margining principles as described within the [ICMA ERCC Guide to Best Practice in the European Repo Market: Section 3, Best practice in margining repo](#).

Principles specific to Australian repo operations have been recognised in the Conventions, as detailed under the following headings:

- 3.8.1.1. Calculation of Market Value
- 3.8.1.2. Transactions included in the calculation of Net Exposure
 - 3.8.1.2.1. INCLUDED Transactions / Exposures
 - 3.8.1.2.2. EXCLUDED Transactions / Exposures
- 3.8.1.3. Deadline for making a margin call
- 3.8.1.4. Deadline for delivering margin
- 3.8.1.5. Interest payments on cash margin

Queries in relation to these amendments should be directed to Murray Regan, Director – Markets and Rates mregan@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.