



## MEDIA RELEASE

### New Benchmark Administrator for BBSW

1 December 2016

The Australian Financial Markets Association (AFMA) has today announced that it will transfer administration of the BBSW benchmark rate to ASX. It is the intention of both parties that ASX will administer BBSW from 1 January 2017.

ASX was selected following a highly competitive process, which began in July 2016 with a public invitation for interested parties to register their interest as a potential alternate benchmark administrator for BBSW.

Ernst & Young provided financial advisory services to AFMA for the externalisation process, while Mills Oakley acted as AFMA's legal adviser.

"AFMA is delighted to have found in the ASX an organisation with strong credentials to take responsibility as administrator for BBSW," said AFMA's CEO, David Lynch. "ASX has the appropriate attributes as a benchmark administrator and it has a strong and unique capability to continue the work underway to transition the BBSW methodology to a VWAP process." For further details on the methodology transition process, please refer to [AFMA Market Notice 2016 5](#).

AFMA will support the future evolution of BBSW by working with ASX, market participants and the Council of Financial Regulators to promote the market infrastructure and practices required to support widespread trading at outright prices in the underlying market. AFMA will also operate as the calculation agent for ASX until the systems required to support the new methodology go live in 2017.

Today's announcement will allow AFMA to focus on its core activities in policy advocacy, market development and industry education and ensure that it supports its members and Australia's financial markets in an optimal way. In May 2016, AFMA had announced its intention to step away from the function of being a benchmark administrator for this purpose – see [AFMA Market Notice 2016 3](#).

#### Notes for Editors:

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 110 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.

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