

ASX Bank Bill Swap (BBSW) Conventions

EFFECTIVE DATE

31 JULY 2017



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THE BBSW CONVENTIONS

1. Overview of BBSW

1. The ASX Bank Bill Swap (BBSW) Benchmark Rates represent the midpoint of the nationally observed best bid and best offer (NBBO) for ASX -Prime Bank Eligible Securities.
2. Consistent with other unsecured short term money market benchmarks used globally, BBSW is characterised as an interest rate which includes a credit premium. In the case of BBSW, this represents the market assessment of the premium payable by the ASX Prime Banks relative to a comparable risk-free interest rate curve.

1.1 Governance

3. ASX in consultation with the ASX BBSW Advisory Committee (the “Committee”) has primary oversight of the governance of the BBSW process, this oversight includes the review of the determination and dissemination methodology applied in the construction of BBSW. The Committee is responsible for providing advice concerning the ongoing review and maintenance of the Conventions set out in this document.
4. ASX was appointed as BBSW Administrator by AFMA in late 2016 following a competitive bid process. ASX took over as BBSW Administrator on 1st January 2017 with AFMA continuing as calculation agent until 31st July 2017 as part of the transitional arrangement.

2. Core Elements of the traded market underpinning the calculation of BBSW

5. BBSW benchmark rates represent the midpoint of the nationally observed and executable best bid and best offer for ASX Prime Bank Eligible Securities of all specified tenors, as calculated in accordance with the approved Calculation Mechanisms as prescribed within these Conventions. The observations sourced from Approved Trading Venues are the executable prices at which the current Maturity Pool of Prime Bank Eligible Securities trade. The Prime Banks are required to support the market by providing live executable prices to the Approved Trading Venues.

2.1 Approved Trading Venues (Approved Venues)

6. To participate in the BBSW benchmark rate set process, an Approved Venue for ASX Prime Bank Eligible Securities must be ratified for this purpose by ASX in consultation with the Committee.



7. An Approved Venue must satisfy the operational requirements determined by ASX and meet the conditions specified in Appendix A.
8. ASX will provide notice to the market, through its website, of a newly Approved Venue, with this notice being given at least two weeks in advance of the venue's prices being accepted as inputs for the BBSW benchmark rate set. Notification of other changes will be provided in a timely manner.
9. Approved Venues may apply for conditional approval with final approval being granted on the achievement of the trading requirement. The two weeks' notice will commence from notification from ASX to the market that the venue has met all relevant criteria. The current list of Approved Venues is provided in Appendix A.

2.2 ASX Prime Banks

10. ASX Prime Banks are a designated sub-set of the banks operating in Australia, whose short term securities trade as a homogeneous asset class in the interbank markets and are recognised as being of the highest quality with regard to liquidity, credit and consistency of relative yield. This homogeneity promotes market liquidity and provides the basis for discovery of Australia's wholesale short term interest rates and in particular BBSW.

2.3 Prime Bank Eligible Securities

11. Prime Bank Eligible Securities are comprised of BABs and NCDs accepted or issued by the ASX Prime Banks, where the remaining maturity of the securities is six months or less, after consideration is given to the early-month and late-month pooling convention which provides flexibility in deliverability and issuance of securities within each tenor. A key attribute of these securities is that all trade homogeneously.
12. The [ASX Prime Bank Conventions](#) describe the protocols which govern the selection of ASX Prime Banks, the ongoing requirements that Prime Banks must adhere to in order to maintain Prime Bank status, Prime Bank reporting requirements and the contingency plan should a major bank or banks lose Prime Bank status.

2.4 The Straight Run Maturity Pool (Maturity Pool)

13. To promote liquidity in Prime Bank Eligible Securities, maturities are concentrated and trading occurs in half-month periods. 'Early' instruments mature from the 1st to the 15th day of a month, with maturities from the 16th to the last day of a month designated 'Late'.



2.5 Prime Bank Market Making

14. There are benefits in funding that accrue to banks that agree to participate in the markets as a Prime Bank and continue to meet the associated obligations. As an ongoing condition of accepting Prime Bank status, Prime Banks agree to price support the Approved Venues used as the input for identifying the NBBO for BBSW by issuing two-way markets around the rate set.
15. Prime Banks are expected to, and have agreed to, post bids and offers across all the BBSW tenors at spreads of 3 basis points in normal markets for the 1, 3 and 6 months and 4 points for the 2, 4 and 5 months.
16. The Prime Banks have agreed to endeavour to maintain these markets for the period around the BBSW benchmark rate set – defined as between 9:58:00 and 10:02:00. For clarity it is only required that a two-way market is provided in each tenor across the consolidated view of all Approved Venues, i.e.: it is not necessary for a Prime Bank to provide two-way markets to each Approved Venue in each tenor.
17. Each Prime Bank may determine when markets are normal or dislocated. Prime Banks must advise ASX if they determine that a market is dislocated. During dislocated markets Prime Banks should maintain two-way pricing where possible but at wider spreads.
18. If ASX or AFMA's NTI Committee become aware of any material issue in Prime Bank Market Making they will report it to both the Committee and ASX.

2.6 BBSY

19. 'Bid' and 'Ask' values for each BBSW tenor are published on Thomson Reuters page 'BBSY' and on Bloomberg LLP page 'ASX29' using a set difference respectively of five basis points above and below the BBSW rate.
20. The Bid and Ask values of BBSW as published on these pages are used, amongst other things, by market participants to price floating rate loans. Being directly derived from BBSW and where the only difference is the predetermined and non-variable bid / ask spread to BBSW, rates published on BBSY and ASX29 are a familial derivative of BBSW and not a separate benchmark.
21. The ten (10) basis point spread between the Bid and Ask values may not be changed without the express consent of ASX, and consideration of any change to this spread must be subject to prior consultation with the Committee and market participants.



3. BBSW Operational Aspects and Calculation Rules

22. The BBSW benchmark rate setting calculation mechanism is determined by ASX in consultation with the Committee. ASX's Market Data Processing System operates in accordance with the following rules:

3.1 Prior Business Days BBSW Rate

23. ASX's system will store the prior good business day's BBSW rates for use in the event that interpolation of any or all of the 2, 4 and 5 month tenors is required.

3.2 Removal of Stale Data

24. ASX's system will ignore all Approved Venue prices from previous days. Approved Venue screens are required to be cleared of all prices by the venues at 8:30am each good business day.

3.3 Approved Venue System Readiness

25. Prices will be taken only from Approved Venues that are operating satisfactorily as described within the service level agreements between ASX and the Approved Venue, and with a working live connection to ASX systems.

3.4 Minimum number of Approved Venue feeds

26. While ASX will review any feed related issues, in general the prices received for input into ASX's system for the calculation of BBSW will be deemed correct for calculation purposes, provided at least one Approved Venue feed is operating satisfactorily and with a working live connection to ASX.

3.5 Price and Volume Audit Log

27. ASX will maintain an audit log of any and all price and volume inputs received from the Approved Venues, such log to be chronologically displayed and all change orders time-stamped in at least one centi-second precision.

3.6 Maturity Pool Selection

28. ASX's system will automatically select the "early" or "late" Maturity Pool for input to the rate set based on the "modified following" rule as applied to a half-month.



3.7 BBSW Specified Tenors

29. BBSW will be calculated in 1, 2, 3, 4, 5 and 6 month tenors. Any changes to the approved tenors must occur following consultation and notice periods with stakeholders, except in exceptional circumstances as determined by the Benchmarks Committee. Tenor changes are also subject to prior approval by ASX in consultation with the Committee.

3.8 NBBO Sample Collection Protocols

30. ASX will endeavour to collect three samples at specified times of the prevailing bids and offers for all BBSW specified tenors from all Approved Venues.
31. The times¹ for the samples are specified as:
 - Sample 1: 9:59:00 ± 5 seconds
 - Sample 2: 10:00:00 ± 5 seconds
 - Sample 3: 10:01:00 ± 5 seconds
32. For each tenor the following process will apply to determine the NBBO for each sample:
 - An order must be a visible order on an Approved Venue screen and must be for a minimum amount as specified in the [AFMA Negotiable/Transferrable Instruments Conventions](#) Section 3.4 Standard Transaction Size (Market Parcel) to be eligible for inclusion in the rate set calculation. Orders displayed on screen without an adjacent volume will be taken as being for at least the Market Parcel.
 - The best bid from the range of bids collected from the Approved Venues will be determined as the National Best Bid for that sample.
 - The best offer from the range of offers collected from the Approved Venues will be determined as the National Best Offer for that sample.
 - The National Best Bid and the National Best Offer for each sample are averaged to determine a mid-point which is deemed the NBBO for that sample. If there is no National Best Bid and/or there is no National Best Offer, then a NBBO will not exist for that sample.

¹ In instances where ± 5 seconds is quoted actual system randomness may marginally vary due to system and feed delays or timing differences. However, is not expected to exceed +/-10 seconds. All times are as per the ASX's relevant system clocks. ASX has the final determination as to sample times.

33. For a sample's NBBO to be deemed to be a good primary calculation methodology NBBO sample and, thus, qualify for inclusion in the calculation of the BBSW benchmark rate, it must satisfy the following conditions:
- The sample's National Best Bid must be equal to or higher in yield than the National Best Offer, the exception being as prescribed by the Stage 3 Primary Calculation Mechanism.
 - The spread (if any) between the National Best Bid and the National Best Offer for the sample must be less than or equal to that deemed acceptable as prescribed by the Primary Calculation Mechanisms.
34. A sample for a particular tenor will be rejected if:
- There is no National Best Bid; or
 - There is no National Best Offer; or
 - The National Best Offer is two or more basis points higher than the National Best Bid.
35. A rejected NBBO sample for a tenor will be deemed unacceptable, and will not be used as an input for NBBO calculation for BBSW.
36. If a tenor has at least one good NBBO sample by the end of the last sample period then:
- If only one good NBBO sample is produced for a tenor then that NBBO sample will be used to produce BBSW
 - If two or more good NBBO samples are produced for a tenor then the samples for that tenor are averaged to produce an average NBBO which will be used to calculate BBSW.

3.9 BBSW Publication

37. The average of all good NBBO midpoint samples for each tenor will be rounded to four decimal places and will be published at approximately 10:15:00am² on Thomson Reuters page BBSW, and on Bloomberg LLP page 'ASX29' as the BBSW benchmark rate, for each tenor and as described in Appendix B.
38. BBSW for all tenors will be assumed as having been calculated using the Stage 1 (normal markets) Automated Calculation Methodology. Usage of a methodology other than Stage 1 will be communicated via a message placed on the vendor pages indicating the tenors for which and the alternative methodology used in the calculation.
39. BBSW will not publish in any circumstance where either the Calculation Mechanisms or Fall-back calculation methodologies, each as respectively described in sections 4 and 7, are unable to form all BBSW tenor rates. Refer Section 8.

² AEST, or as applicable, EADT

3.10 Published Tenor Value Dates

40. The tenor value dates published on Reuters pages 'BBSW' (and 'BBSY') and on Bloomberg LLP page 'ASX @342849' will reflect the "modified following" rule as applied to a half-month. Under this rule the value date as published represents the straight run date if it is a good business day³, or the following good business day unless the straight run date day crosses the mid-month (15th day) or end of month, in which case the value date is the preceding good business day.

3.11 Publication of Market Activity

41. [Daily volume data](#) is made public on a 1 month delayed basis to provide additional transparency to the broader market. This represents the aggregate daily volume in Prime Bank paper executed through the Approved Venues between 9:55:00am - 10:05:00am inclusive.

4. Calculation Mechanisms

4.1 Primary Calculation Mechanism – Maximum Acceptable Spread

42. The primary calculation mechanism is the mechanism ordinarily used to determine the NBBO and therefore the BBSW benchmark rates, and is comprised of three stages. The use of a subsequent stage is dependent upon the failure of the preceding stage to calculate NBBO.
- **Stage 1 (normal markets) Automated Calculation Methodology**
For all tenors, the maximum acceptable spread is 10 basis points, provided the sample National Best Bid is higher in yield than the sample National Best Offer.
 - **Stage 2 (Dislocated markets) Automated Calculation Methodology**
In any circumstance where the Stage 1 calculation methodology fails, then for all failed tenors, the spread observed without limitation, provided the sample National Best Bid is higher in yield than the sample National Best Offer.
 - **Stage 3 (Inverted NBBO Samples) Automated or Manual Calculation Methodology**
The Stage 3 calculation methodology will only be used should the Stage 2 calculation methodologies fail to produce a good sample. For any tenor, and provided Stage 1 and Stage 2 have failed to produce a rate due to all sample's National Best Bid being lower in yield than the National Best Offer of the respective sample, then samples where the National Best Bid is 1 basis point lower in yield than the National Best Offer will be deemed to be good samples.

³ A good business day is defined in the AFMA NTI conventions – refer Section 3.3.1. *Good Business Day*

4.2 Secondary Calculation Mechanism

43. The secondary mechanism applies only to the two, four and five month tenors.
44. In the event that the Primary Calculation Mechanism fails for any of these tenors (including for any system outage reasons) and the particular tenor that has failed has tenors no more than two months to either side of it with good samples, then that tenor will be calculated by interpolation as prescribed below:
- Interpolation of the 2 month tenor requires good NBBO samples in each of the 1 and 3 month tenors;
 - Interpolation of the 4 month tenor requires good NBBO samples in the 3 month tenor and either of the 5 month or 6 month tenor, the 6 month tenor being used in the event that no good 5 month tenor sample exists;
 - Interpolation of the 5 month tenor requires good NBBO samples in the 6 month tenor and either of the 3 month or 4 month tenor, the 3 month tenor being used in the event that no good 4 month tenor sample exists.
45. The algorithm will use the closest bordering months to the tenor to interpolate, as follows:

$$BBSW_x^{T_0} = BBSW_x^{T-1} + (BBSW_{avg}^{T_0} - BBSW_{avg}^{T-1})$$

where $BBSW_{avg}$ represents the simple average of the nearest formed tenors bordering the unformed tenor. For example; if 2 month BBSW is unformed and the 1 month BBSW and 3 month BBSW are formed, then $BBSW_{avg} = \frac{(BBSW_{1m} + BBSW_{3m})}{2}$.

4.3 Manual Calculation Mechanism Backup

46. A technical problem with the Approved Venue feeds, or ASX system issue could prevent the automatic calculation of the NBBO for BBSW. This could occur for a number of reasons, but might be for example by:
- a failure of one or more data feeds;
 - inaccurate data feed;
 - failure of ASX system(s);
 - a one basis point inverted Best Bid and Best Offer condition existing in any tenor, which precludes calculation of that tenor;
 - any other event that within ASX's discretion warrants a manual calculation of BBSW
47. ASX monitors the data system performance, and the Approved Venue data feeds within the data system and compares the input data with the Approved Venue vendor screens as viewed by market participants.



In the event that a system or data error is detected ASX will follow its operational procedures to produce the NBBO for BBSW manually.

48. ASX will use the Approved Venue snaps (screen shots of their vendor page as at 9:59:00am, 10:00:00am and 10:01:00am) as emailed to the ASX at approximately 10:03am as the input to perform a manual calculation of the NBBO for BBSW, without the application of the randomization of the snaps.
49. In the event of a manual calculation being performed the inputs used and output calculated will be reviewed and approved by ASX's pricing department prior to the publication of BBSW. Subsequent to a manual calculation a report will be recorded in the BBSW Incident Register.
50. If due to technical issues the Approved Venue snaps are not transmitted to ASX by email then the Approved Venue prices, if available, will be obtained from the Approved Venues by telephone for manual entry into ASX's system or for manual calculation of the NBBO for BBSW. In the first instance ASX will endeavour to obtain and use prices in all tenors, however should the 2, 4 or 5 month data be unavailable then ASX may use data in 1, 3 and 6 month tenors and interpolation as per the Secondary Calculation mechanism will be used to determine the 2, 4 and 5 month tenors.
51. In the event that the manual backup does not produce an acceptable sample under the primary and secondary mechanisms then an Event of Non-calculation is deemed to have occurred: Refer Section 6.

4.4 Calculation Mechanism Reporting

52. ASX will monitor the Calculation Mechanisms and promptly report to ASX and its Committee any instance where calculation of BBSW was occasioned by the use of a methodology other than the Stage 1 (normal markets) primary calculation mechanism.

5. Post Publication Amendment of BBSW

53. In the event that ASX identifies a system generated or other error in the calculation post publication of BBSW benchmark rates, ASX will immediately remove the published rate(s) from the vendor screen ASX will publish a notice of a suspected error and ASX investigation of such an error. Thereafter:
 - Should it be confirmed that the rates initially published are not materially incorrect then the ASX will reinstate the published rates to the vendor screen;
 - Should it be determined by ASX that the rates published are materially incorrect then ASX will publish an amended set of BBSW rates, subject to the following criteria being met:
 - ASX is able to determine the correct BBSW rates for publication
 - ASX's Pricing team make a recommendation that the published BBSW rates should be amended
 - The republication will occur as soon as possible and with best endeavours to be within one hour of the original publication.



54. ASX will communicate an amendment to previously published BBSW rates by:
- Posting a consistent message on the information vendor pages that display BBSW rates to advise users of the BBSW that that the rates have been amended;
 - Sending an email notification to all BBSW ASX authorised subscribers that the BBSW rates have been amended.

6. Event of Non-calculation under Section 4. *Calculation Mechanisms*

55. In a circumstance where any or all BBSW tenors fail to form under the methodologies prescribed under Section 4, the fall-back mechanisms as prescribed in Section 7 to derive unformed BBSW tenors will be used.
56. ASX will publish an asterisk in lieu of any unformed rate at approximately 10:15am and a footnote on the Reuters and Bloomberg pages giving effect to the invocation of the fall-back mechanisms, and the attendant delayed publication of tenors derived under the fall-back mechanisms.
57. ASX will notify the market of an Event of Non-Calculation by 11.30am on the day.

7. Fall-Back calculation methodology to derive BBSW

58. In the event that the mechanisms described in Section 4 are unsuccessful in forming a rate for any or all tenors in circumstances where:
- the system performs a calculation but is unsuccessful in determining a rate; or
 - ASX has not intervened manually or overridden the automated calculation procedure as permitted under *4.3 Manual Calculation Mechanism Backup*,

An algorithmic fall-back calculation methodology will then be applied in order to derive rates for any unformed BBSW tenor. The fall-back is hierarchical, having primary, secondary and tertiary elements, each of which is subordinate to the former and its use dependent upon the former's failure to derive the unformed BBSW tenors. When used hereunder T_0 represents the current day, and T_{-1} represents the prior business day for which BBSW was published.

7.1 Primary Fall-back – use of tenors formed under the NBBO protocol

59. The Primary fall-back methodology directly applies when deriving 1, 3 and 6 month tenors which did not form under Section 4. A precondition of its use is that at least one tenor was formed under the NBBO protocol, and which includes the formation of any of the 2, 4 or 5 month tenors.
60. In circumstances where either or both the 1 or 6 month tenors have not formed under the NBBO protocol as described in *4. Calculation Mechanisms*, then:



- 1 and 6 month BBSW will be extrapolated from the daily absolute directional movement (T_0, T_{-1}) in the nearest tenor formed under the NBBO protocol. The formula to extrapolate the unformed BBSW tenor is as follows;

$$BBSW_x^{T_0} = BBSW_x^{T_{-1}} + (BBSW_n^{T_0} - BBSW_n^{T_{-1}})$$

Where x denotes either 1 or 6 representing the 1 month or 6 month BBSW respectively. n denotes the nearest formed tenor to the unformed tenor.

61. In circumstances where the 3 month tenor has not formed under the NBBO protocol as described in 4. *Calculation Mechanisms*, then:

- 3 month BBSW will be interpolated (to four decimal places) from the daily average absolute directional movement of the two nearest bordering tenors formed either (a) under the NBBO protocol or (b) under the fall-back algorithm for 1 and 6 month tenors. The formula to interpolate the unformed BBSW tenor(s) is as follows;

$$BBSW_x^{T_0} = BBSW_x^{T_{-1}} + (BBSW_{avg}^{T_0} - BBSW_{avg}^{T_{-1}})$$

where $BBSW_{avg}$ represents the simple average of the nearest formed tenors bordering the unformed tenor. For example; if 3 month BBSW is unformed and the 1 month BBSW and 6 month BBSW are formed, then $BBSW_{avg} = \frac{(BBSW_{1m} + BBSW_{6m})}{2}$.

62. Having now formed or derived 1, 3 or 6 month tenors, any unformed 2, 4 or 5 month tenor will be calculated as described in Section 4.2.

7.2 Secondary Fall-back – use of the ASX 90 Day Bank Bill Futures contract

63. In any instance where the Primary Fall-back fails to derive BBSW, then:

- a. 1, 3 and 6 month BBSW tenors will be extrapolated from the absolute movement in the Time Weighted Average Mid-Price⁴ of bids and offers in the front ASX 90 Day Bank Bill Futures contract, expressed as the implied yield, for the period 9.40am to 10:00am; T_0 as compared to T_{-1} . The unformed BBSW tenors would be calculated as follows:

$$BBSW_x^{T_0} = BBSW_x^{T_{-1}} + ((100 - IR_1^{T_0}) - (100 - IR_1^{T_{-1}}))$$

Where IR_1 refers to the price of the front ASX 90 Day Bank Bill Futures contract.

- b. The use of the front ASX 90 Day Bank Bill Futures contract is subject to and provided that:

- i. On the Monday prior to the expiry day of the futures contract, the reference instrument reverts to the second contract. If the Monday is not a good business day, then the change of futures reference month will occur on the previous business day. The unformed BBSW tenors would be calculated in the following way;

$$BBSW_x^{T_0} = BBSW_x^{T_{-1}} + ((100 - IR_2^{T_0}) - (100 - IR_2^{T_{-1}}))$$

Where IR_2 refers to the price of the second ASX 90 Day Bank Bill Futures contract.

- ii. On the day following the futures expiry date, the reference change is based on the first contract (T_0) less the second contract for (T_{-1}) i.e.; using the same underlying contract. The unformed BBSW tenors would be calculated as follows:

$$BBSW_x^{T_0} = BBSW_x^{T_{-1}} + ((100 - IR_1^{T_0}) - (100 - IR_2^{T_{-1}}))$$

⁴ As defined by ASX



- iii. Prior to its application on any day, ASX has directly provided and authorised the use of futures data, which will represent a Time Weighted Average Mid-Price of the best bid and best offer for the current good business day and prior good business day (each as determined under the AFMA good business day convention). The Time Weighted Average Price will be calculated from data observed between 9:40am and 10:00am.
- iv. A bid and an offer exists on both T_0 and T_{-1} .

2, 4 and 5 month tenors will thereafter calculate as described in 4.2 *Secondary Calculation Mechanism*.

7.3 Tertiary Fall-back – use of prior day BBSW rates

- 64. In any instance where the secondary fall-back mechanism is invoked and fails to derive BBSW, then the prior days BBSW rate will be republished as T_0 BBSW, subject to the limitation under 7.4.

7.4 Limitation on consecutive days use of the Fall-back Calculation Methodology

- 65. Reliance on and *Fall-back Calculation Methodology* to derive BBSW rates will not extend beyond two consecutive good business days.
- 66. In the event of reliance on the *Fall-back Calculation Methodology* to derive BBSW rates, ASX will report this development and the associated circumstances to ASX. ASX will inform the Committee in a timely manner and will also inform a member of the Council of Financial Regulators.

8. Failure to Publish

- 67. BBSW will not publish in any instance where the consecutive day's fall-back methodologies' use limitation is exceeded.
- 68. In this instance an asterisk will be published in lieu of rates, and via a footnote on the Reuters and Bloomberg pages users will be advised of summary details of the failure to calculate or derive BBSW from the fall-back methodologies.
- 69. Users should refer to their own contractual arrangements in the event of a failure to publish BBSW. It is noted that the standard ISDA documentation allows for the Administrator to determine appropriate rates.
- 70. ASX will not act as a calculation agent (or in a manner similar to a calculation agent) in the event of a failure to publish.



9. Complaints Procedures

71. Where a complaint involves a request for a review and possible republication of BBSW the complaint will be handled in accordance with ASX Benchmarks Complaints Policy as well as in accordance with the following procedures.
72. Any user can request a review of a BBSW benchmark rate if it believes that the rate is materially incorrect⁵, such request to be investigated by ASX. The ASX may investigate if any incorrect rates have been calculated.
73. A request to review a BBSW benchmark rate set must be lodged by telephone or email to the offices of ASX by 10:40am Sydney time in the first instance or within 25 minutes of rate publication, but not later than 11:00am under any circumstance.
74. ASX will take steps to verify the basis of the complaint (for example, checking Approved Venue prices and trades at and leading into the rate set). If it is identified that a recalculation is warranted then a recommendation will be made to ASX as per the procedures of section 5.
75. ASX will maintain a log of all requests to recalculate a BBSW benchmark rate, including the entities which requested it, the investigations undertaken, and the reasons for the decision taken by ASX.

10. Changes to the BBSW Conventions

76. These BBSW Conventions articulate the operational aspects and calculation rules used in the construction of the rates.
77. Any material change to the BBSW Conventions used to calculate BBSW away from three samples of the NBBO at around 10:00am will require:
 - Industry consultation on the scope of the proposed change;
 - NTI Committee engagement on all proposed changes to the Conventions;
 - Consultation with the Committee;
 - Approval by ASX;
 - Advance notice of the change implementation date, generally at least one calendar month if circumstances allow; and
 - Promulgation of the change in the ASX BBSW Conventions.

⁵ Materially incorrect in this context means that the complainant must regard the published BBSW benchmark rate for that day to be incorrect to the magnitude of greater than .5 of a basis point.

APPENDICES

Appendix A

78. Approved Venues currently participating in the BBSW benchmark rate set process in alphabetical order:

79. ICAP (Australia)	Reuters	ICAPAUUM01	Bloomberg GDCO 4545 1 1
80. Tullett Prebon (Australia)	Reuters	AUTTA2	Bloomberg TTCB1
81. Yieldbroker	Reuters	0#AUBILLS=YBAU	Bloomberg [N/A]

82. Changes to this list should be notified to the market with two weeks' notice.

83. The minimum defined threshold for relevance for inclusion in the BBSW benchmark rate set process is defined as in the order of five per cent of nominal average brokered trading volume over a one month period (20 business days). There is no restriction on the number of trades needed to achieve the total over the period; however, venues should trade on at least forty per cent of business days. One month of testing will be undertaken to demonstrate no market inefficiencies arise from the addition of the new venue prior to connection. Inverse pricing will be closely monitored during this period and may preclude inclusion.

84. After inclusion, venues have 90 days to reach ten per cent of the traded market. Failure to reach or maintain this level may result in the exclusion of a venue by ASX.

85. Rejected inverted pricing will be investigated.

Appendix B

86. Distribution agreements are in place with the information vendors and publishes BBSW through Bloomberg, QUICK Corp, Sungard and Thomson Reuters. BBSW is published on Thomson Reuters page BBSW and Bloomberg pages ASX29.



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