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SOUTH AFRICAN RESERVE BANK

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Financial Markets Department

**Minutes of the meeting of the Market Practitioners Group on Interest Rate  
 Benchmark Reforms held via MS Teams on Tuesday, 24 February 2026 at 09:00**

**Minutes No. 01/2026**

**Present:**

R Cassim	Chairperson
A Du Toit	Workstream Chairperson – Cash Markets
R Roux	Workstream Chairperson – Data Collection and Infrastructure
R Klotnick	Workstream Chairperson – Derivatives
P Burgoyne	Workstream Chairperson – Transition Planning and Coordination
K Cingo	Workstream Chairperson – Accounting and Tax
M Shongwe	Workstream Chairperson – Legal
G Haylett	Banking Association of South Africa
G Raine	Association for Savings and Investment South Africa (ASISA)
J Mol	Association of Corporate Treasurers of Southern Africa (ACTSA)
H Nyoni	Secretariat – SARB Financial Markets Department

**In attendance:**

N Hoosenmia	SARB Financial Markets Department
Z Gininda	SARB Financial Markets Department
M Phungo	SARB Financial Markets Department
B Maronoti	SARB Financial Markets Department
P Mananga	SARB Prudential Authority
P Mjandana	SARB – Deputy Governor Cassim’s Office

**By invitation:**

A Bhowan	Derivatives Workstream member
S Govender	SARB Prudential Authority
O Eybers	Financial Sector Conduct Authority (FSCA)

**Apologies**

K Dikokwe	Financial Sector Conduct Authority (FSCA)
E Hamman	Workstream Chairperson – Governance and Regulatory Issues
Z Parker	Workstream Chairperson – Communications

## 1. **Welcome**

1.1 The Chairperson welcomed members to the first meeting of the Market Practitioners Group on Interest Rate Benchmark Reforms (MPG or Committee) in 2026.

1.2 There being a quorum present, the meeting was duly constituted.

## 2. **Adoption of the agenda**

2.1 The agenda was adopted as proposed, with no amendments.

## 3. **Confirmation of the Anti-Competitive Statement**

3.1 The Anti-Competitive Statement was noted and accepted by all members and attendees present.

## 4. **Approval of Minutes No. 05/2025 of the meeting held on 24 October 2025**

4.1 The minutes were accepted as a true reflection of the deliberations, with minor amendments noted.

4.2 The minutes would be published on the MPG webpage on the SARB website.

## 5. **Matters Arising**

5.1 Update on proposed amendments to the Financial Sector Regulations Act

5.1.1 Mr Shongwe provided an update on the amendments to the Financial Sector Regulations (FSR) Act, noting that the draft legislation was published by National Treasury (NT) on 2 December 2025. The period for providing comments had been extended to 23 January 2026 due to the festive season. Comments received predominantly sought clarification rather than raise substantive policy issues. The next steps involved processing minor revisions and publishing an updated version.

- 5.1.2 It was further noted that the SARB would draft notices that identify categories of 'tough legacy' contracts. These notices would be issued once the enabling legislation had been enacted. Market participants would be given about 30 days to comment on the notices before they are finalised.
- 5.2 Next steps on the SAFEX Overnight Rate transition
- 5.2.1 Mr Burgoyne provided feedback on the technical analysis undertaken to determine the spread between ZARONIA and SAFEX Overnight Rate (O/N) that would be used to compensate for the adoption of ZARONIA in credit support annexures (CSA). Preliminary results of the analysis had shown that a spread of approximately four basis points would be appropriate. It was expected that the draft submission with recommendations would be tabled at the next MPG meeting.
- 5.2.2 The proposed SAFEX O/N cessation would need to be scheduled for a date that fell after December 2026 to allow sufficient time for CSA renegotiations. This would be necessary given the large amount of contracts involved and the requirement for bilaterally negotiated agreements between counterparties.
- 5.2.3 The Johannesburg Stock Exchange (JSE) had indicated that it would inform market participants of its intention to migrate from SAFEX O/N to ZARONIA for discounting. This communication was expected to be finalised in March 2026.
- 5.3 Status update on the Tax paper
- 5.3.1 Ms Cingo noted that the white paper on the tax implications of the Jibar transition had been finalised and submitted for final review. The aim was to publish it as a consultation paper to allow for broader stakeholder input.
- 5.3.2 Nonetheless, the South African Revenue Services (SARS) had indicated that it was broadly aligned with the principles outlined in the white paper. The Tax and Accounting Workstream had planned to request SARS to issue formal guidance, which would provide the certainty needed ahead of the Jibar cessation date.
- 5.3.3 The MPG approved the publication of the paper for public comment.

#### 5.4 Motivation for increased MPC meeting date visibility

5.4.1 Mr Bhowan presented a proposal for increasing the visibility of Monetary Policy Committee (MPC) meeting dates in South Africa. He argued that several jurisdictions maintained a calendar of MPC meeting dates, which offered visibility of up to 24 months ahead. On the contrary, the SARB often published its calendar once in November, which limited visibility as time passed. It was noted that limited visibility had implications for market liquidity and product development. Market participants had considered three approaches that the SARB could adopt to align with international practice, namely: (i) earlier publication of the full MPC schedule, (ii) publication of a rolling 12-month schedule, and (iii) the adoption of an effective date rule for MPC decisions (e.g., the first business day following the last calendar Thursday of the month). There was a preference for the effective date rule, given its potential to support long-term visibility and market development. However, this approach was not commonly used by central banks internationally. Furthermore, more consideration needed to be given to the potential impact of an effective date rule on overnight rate volatility between announcement and implementation.

5.4.2 The Chairperson highlighted the need to demonstrate a broader economic rationale for the proposed change in the publication of MPC meeting dates, i.e., in addition to the benefits to market liquidity. Given that there were other central banks who operated under similarly complex scheduling constraints, a stronger case would need to highlight economy-wide benefits.

5.4.3 The SARB would consider the proposal and revert with feedback and next steps in due course.

#### 6. **'No new Jibar' directive**

6.1 Mr Govender and Ms Eybers provided an update on the regulatory approach to limit the issuance of new Jibar-referencing contracts. A prohibition notice could not be issued until the Benchmark Regulation and Conduct Standards had been finalised. As a way forward, the SARB Prudential Authority (PA) and the FSCA would publish a joint communication and issue 'Dear CEO' letters to outline supervisory expectations related

the 'no new Jibar' initiative.

- 6.2 Planned supervisory engagements would focus on assessing how firms intended to reduce and/or manage Jibar-related exposures. The PA and FSCA aimed to complete their supervisory frameworks in March 2026 to allow sufficient lead time for industry implementation.
- 6.3 The effective date for the 'no new Jibar' milestone would be deferred to 1 May 2026 to allow market participants additional time to prepare for the event and engage relevant stakeholders.
- 6.4 The MPG approved the publication of the 'no new Jibar' recommendations paper.

## 7. **Appointment of ZARONIA Term Rate administrator**

- 7.1 Mr Roux presented a recommendation for FTSE Russell, a subsidiary of the London Stock Exchange Group (LSEG), to be selected as the administrator for Term ZARONIA. The firm had demonstrated its capabilities and plans to secure daily transactions data for the determination and dissemination of Term ZARONIA. The cross-organisational panel that had assessed the firm's response to the request for proposal (RFP) was satisfied with the proposed calculation methodology and the contingency arrangements that would address instances of transaction data insufficiency.
- 7.2 The adjudication panel comprised of representatives from the SARB, FSCA, Banking Association of South Africa (BASA), and the Association for Savings and Investment South Africa (ASISA), had conducted a transparent request for proposal (RFP) process. There were two organisations that had indicated interest in responding to JSE subsequently withdrew from the process due to structural and data-access constraints that would limit its ability to meet the requirements for calculating a ZARONIA-based term rate, leaving LSEG as the sole remaining candidate.
- 7.3 It was envisaged that FTSE Russell would initially publish Term ZARONIA as a prototype rate, reflecting the current stage of development of liquidity in ZARONIA-linked markets. At this stage, the rate would be derived primarily from

high-quality indicative and executable pricing, allowing market participants to observe and test the rate while underlying trading activity continues to build. As liquidity in ZARONIA OIS markets increases, and sufficient transaction and firm quote data become consistently available, the methodology is designed to transition naturally to a production-grade rate grounded in actual traded data. This phased approach supports credibility and continuity, while recognising that the robustness of the final term rate is dependent on sustained growth in market liquidity.

- 7.4 The MPG approved the appointment of FTSE Russell as the ZARONIA term rate administrator, subject to a phased implementation approach and the availability of sufficient ZARONIA derivatives liquidity. Final endorsement of a term rate would remain subjective to the development of sufficient market liquidity.

## 8. **Prime lending rate**

### 8.1 Credit adjustment spread determination

- 8.1.1 Mr Burgoyne noted that the Transition Workstream had considered several methodologies for calculating a Jibar-Prime Lending Rate (PLR) credit adjustment spread (CAS). The workstream concluded that, over a three-month period, the effective rate under a Prime + CAS framework should equal the original three-month Jibar fixing, after accounting for compounding and rounding, using a five-year lookback period. This approach was preferred as it aligns to the principles of consistency, fairness and relevance. The CAS would be published as a single, fixed value on the SARB website.

### 8.2 Implications of the SARB's review

- 8.2.1 MPG members deliberated on implications of the recent SARB consultation paper on discontinuing the use of PLR as a reference rate. The consultation paper had provided clarity on the policy intent and proposed transition approach.
- 8.2.2 Members noted that the transition of legacy Prime-linked contracts would likely be straightforward given appropriate legislative support and clear communication. The key challenges were likely to emanate from size of the retail consumer base, which would

present complexities in terms of consumer education, system and operational considerations (particularly in scenarios where front-book and back-book rates coexist) and broader transition risks.

## 9. **General workstream updates and issues for MPG consideration**

### 9.1 **Derivatives Workstream**

9.1.1 Trading volumes in ZARONIA-linked instruments had increased materially, with December 2025 having recorded the highest monthly trade count, at approximately three times the level observed in November 2025. The increase in activity was not seasonal as the elevated volumes had continued into the first quarter of 2026.

9.1.2 The Derivatives Workstream's focus had shifted from operational readiness to liquidity development, with the forthcoming nine-month period identified as critical. Mr Klotnick emphasised that the timely implementation of the 'no new Jibar' milestone would be important in sustaining market momentum and continued engagement by market makers. Delays could adversely affect the pace of liquidity growth.

### 9.2 **Data Collection and Infrastructure Workstream**

9.2.1 Mr Roux noted that the Data Collection and Infrastructure Workstream's activities were approaching completion as the necessary enabling conditions across derivatives and cash markets had largely been established. Any remaining work was expected to be limited, aside from potential infrastructure requirements related to Term ZARONIA administration.

### 9.3 **Quantitative Jibar-related exposures survey**

9.3.1 Mr Hoosenmia reported that outstanding Jibar-linked exposures had remained significant, exceeding R40 trillion as at 31 December 2025.

9.3.2 Going forward, the Jibar-related exposures survey would be administered on a monthly basis, with data submissions due within 14 calendar days after month-end. This change

had been communicated to reporting entities, who were expected to be able to comply.

**10. Risk register and transition timelines**

10.1 The transition timeline had been updated to reflect the revised start date for 'no new Jibar' to 1 May 2026.

10.2 The risk register had remained unchanged, with liquidity build-up and legislative amendments continuing to be identified as the key risks. It was emphasised that clearer guidance to the market on the application of legislative changes and supervisory directives would be important to facilitate early feedback and enhance certainty.

**11. Date of the next meeting – 24 April 2026, 14:00**

**12. Closure**

12.1 With no additional issues raised, the meeting was formally closed.

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**DG R Cassim**

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**Date**

**Chairperson:**

**Market Practitioners Group on the Interest Rate Benchmark Reforms**