Commencement of the ZARONIA First initiative for the Non-Linear Derivatives Market

On behalf of the Market Practitioners Group

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SOUTH AFRICAN RESERVE BANK

Market participants are reminded that the ZARONIA First initiative is a phased programme designed to reduce reliance on the Johannesburg Interbank Average Rate (Jibar) and to prioritise trading in derivatives referencing the South African Rand Overnight Index Average (ZARONIA).

The 'ZARONIA First' phase for Linear Derivatives commenced on 30 April 2025. Since its implementation, volumes in ZARONIA Overnight Indexed Swaps (OIS) have seen steady growth, with market participants noting ongoing improvements in liquidity conditions.

This announcement marks the start of the second phase of the initiative. The Market Practitioners Group (MPG) urges inter-dealer brokers (IDBs) to use ZARONIA instead of Jibar as their primary reference benchmark for quoting **Non-Linear and Cross Currency Derivatives**. Please note that the ZARONIA First initiative does not affect the trading of Jibar-linked derivatives in dealer-to-client markets and Jibar-referencing inter-dealer screens will remain available.

The MPG, through its relevant workstreams, has made consistent progress in implementing the infrastructure needed to facilitate transactions in Non-Linear and Cross Currency Derivatives. Efforts include developing screen pricing, upgrading trade processing systems, conducting industry test trades and maintaining regular engagement with relevant Market Makers.

For more information or queries, please contact MPGSecretariat@resbank.co.za.

*** Please note:** This announcement must neither be read as a Jibar cessation announcement nor as suggesting that Jibar is no longer representative.