

Joint Communication 1 of 2026

JIBAR Transition: supervisory expectations related to the No new JIBAR initiative

1. Purpose

- 1.1 The purpose of this Joint Communication is for the Prudential Authority (PA) and the Financial Sector Conduct Authority (FSCA), jointly referred to as ‘the Authorities’, to build on the supervisory expectations articulated in Joint Communication 6 of 2024¹, which signalled the need for financial institutions’ expected preparedness for the transition from the Johannesburg Interbank Average Rate (JIBAR) to the South African Rand Overnight Index Average (ZARONIA) rate.
- 1.2 This Joint Communication expands on setting out further supervisory guidance related to the publication ‘Recommendations for a No-new-Jibar Initiative in the South African market’² (‘No new JIBAR initiative’) to support financial institutions’ alignment with and execution against the JIBAR transition roadmap, as published by the South African Reserve Bank (SARB) Market Practitioners Group (MPG).³

2. Background on the ‘No new JIBAR initiative’

- 2.1 The ‘No new JIBAR initiative’ refers to a target date set by the SARB MPG indicating when financial institutions should stop initiating new JIBAR transactions, products, and exposures, except in exceptional cases. Specifically, from the anticipated date of 1 May 2026, the aim of the initiative is that financial institutions should not enter into any transactions nor issue any new products that reference JIBAR (across all applicable JIBAR tenors) and should not enter into trading activity that creates JIBAR exposure.
- 2.2 The objective of the initiative is to limit the build-up of new JIBAR exposure, support an orderly transition, and minimise residual legacy exposure that must be transitioned ahead of the cessation of the JIBAR benchmark publication at the end of 2026.⁴ This initiative is set while JIBAR remains technically available, and is consistent with international benchmark reform best practice of reducing reliance on benchmarks expected to cease or become non-representative.

¹ <https://www.resbank.co.za/en/home/publications/publication-detail-pages/prudential-authority/pa-public-awareness/Communication/2024/Joint-Communication-6-of-2024-Preparations-towards-the-transition-from-JIBAR-to-ZARONIA>

² <https://www.resbank.co.za/en/home/publications/publication-detail-pages/Financial-Markets/Committees/MPG/mpg-publications/no-new-jibar-recommendations>

³ <https://www.resbank.co.za/en/home/what-we-do/financial-markets/financial-markets-market-practitioners-group>

⁴ <https://www.resbank.co.za/content/dam/sarb/publications/media-releases/2025/mpg-/jibar-cessation.pdf>

3. Dispensations and exceptions

3.1 The dispensations and exceptions referenced in the MPG publication 'No new JIBAR initiative' are intended to cater for exceptional cases that present specific challenges. The next section sets out overall supervisory expectations for the initiative and for such dispensations and exceptions mentioned above.

4. Minimum supervisory expectations with respect to the 'No new JIBAR initiative'

4.1 The following points set out minimum supervisory expectations from the target date of 1 May 2026:

- (a) Financial institutions should endeavour to not enter into any transactions nor issue any new products that reference JIBAR (across all applicable JIBAR tenors) and should not enter into trading activity that creates new JIBAR exposure, except insofar as it is accommodated under the defined dispensations and exceptions section noted in the MPG publication 'No new JIBAR initiative'.
- (b) All new products should reference ZARONIA, or an alternative reference rate deemed suitable for the product(s) in question.
- (c) Financial institutions should aim to transition away from JIBAR in a manner that best fits their specific circumstances. However, for existing JIBAR exposures, financial institutions should not expand nor increase these exposures or positions beyond what is operationally required.
- (d) Where an activity may be regarded as appropriate and is permitted as an exception, financial institutions should be able to demonstrate that the activity is risk-reducing or necessary for an orderly management of pre-initiative (i.e., 1 May 2026) exposures, and that it does not create new JIBAR risk. This expectation also covers material amendments that have the economic effect of creating new JIBAR exposure (e.g., increasing notional amounts, extending maturities, or resetting terms in a manner that expands the financial institution's JIBAR-linked exposures).
- (e) Financial institutions should ensure that an appropriate level of governance and oversight is applied in order to meet the objectives of the 'No new JIBAR initiative' and ultimately, the cessation of JIBAR at the end of 2026.

4.2 As part of the PA's and FSCA's overall supervisory examination processes during 2026, the implementation of this guidance, which builds on Joint Communication 6 of 2024, will be evaluated in relation to the objectives of the 'No new JIBAR initiative'.

5. Conclusion

5.1 Setting a 'No new JIBAR initiative' is a critical step towards ensuring an orderly and well-managed transition from JIBAR to ZARONIA. Financial institutions are encouraged to finalise implementation plans, accelerate operational adjustments, and ensure that stakeholders (both internal and external) are fully prepared for the 'No new JIBAR initiative' and ultimately, the overall cessation of JIBAR.

5.2 Should there be any questions in relation to the contents of this Joint Communication, please contact the relevant PA and FSCA supervisory teams.



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Commissioner
Financial Sector Conduct Authority

Date: 20 March 2026

Fundi Tshazibana
Chief Executive Officer
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Date: