



SOUTH AFRICAN RESERVE BANK

Media release

24 March 2025

Recommended methodology for determining Jibar fallback rates

The Market Practitioners Group (MPG) has today published its [final position](#) regarding the methodology for determining the fallback rate for the Johannesburg Interbank Average Rate (Jibar). Financial contracts that reference Jibar should include a fallback rate that will replace the interest rate benchmark when the South African Reserve Bank (SARB) ceases to publish it. It is recommended that the fallback rate comprises a compounded South African Overnight Index Average (ZARONIA) rate and a spread that accounts for the differences between Jibar and ZARONIA. The spread should be based on a historical median of the differences between Jibar and compounded ZARONIA over a five-year lookback period. This methodology aligns with the fallback methodology in the International Swaps and Derivatives Association's (ISDA) documentation for derivatives.

The final position on the Jibar fallback methodology follows extensive [consultations](#) with market participants and deliberations at the MPG's Transition Planning and Coordination Workstream. [Bloomberg Index Services Limited](#) has been appointed by ISDA as the adjustment services vendor for Jibar fallback spreads, which will be published daily on its platform, together with compounded ZARONIA and indicative Jibar fallback rates.

It is envisaged that ISDA will incorporate Jibar fallback provisions in the ISDA 2021 Interest Rate Derivatives Definitions (IRD Definitions) around April or May 2025. Derivatives and swaps contracts that reference the updated IRD Definitions and are entered into after the publication of the updated IRD Definitions will include fallback clauses that reference ZARONIA. An ISDA protocol will also be published to include fallback provisions for existing derivatives contracts.

For more information, please contact Mr Zakhele Gininda, Lead Specialist: Market Operations and Analysis at Zakhele.Gininda@resbank.co.za.
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Issued by SARB Media Relations

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Note to editors:

In 2018, the SARB embarked on an initiative to strengthen the widely used reference rates and introduce alternative benchmarks that complied with the International Organization of Securities Commissions' (IOSCO) '[Principles for Financial Benchmarks](#)'. The SARB proposed various benchmarks in a [consultation paper](#) and established the MPG to make the final decisions on the proposed benchmarks.

The MPG is a joint public and private sector body, comprising representatives from the SARB, the Financial Sector Conduct Authority and senior professionals from a variety of institutions and financial market interest groups active in the domestic money market. The MPG relies on dedicated workstreams and technical subgroups to carry out its objectives. The workstreams and technical subgroups have a responsibility for providing technical input and recommendations to the MPG on specific issues that are relevant to the transition from Jibar to [ZARONIA](#) (which is based on actual transactions and calculated as a trimmed, volume-weighted mean of interest rates paid on eligible unsecured overnight deposits).

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