

Consultation: ZAR Risk Free Rate Transition to ZARONIA

Part 1: Discounting and Price Alignment Transition

This proposal outlines CME Group's plan for transitioning discounting and price alignment (PA) for cleared South African Rand (ZAR) interest rate swaps from the Johannesburg Interbank Average Rate (JIBAR) and SAFEX Overnight Rate, respectively to the South African Rand Overnight Index Average (ZARONIA) rate.

Feedback on this consultation will be accepted through **February 13, 2026** and can be communicated to ClearedSwapConversion@cmegroup.com.

Background and Key Considerations:

The South African Reserve Bank (SARB) established the Market Practitioners Group (MPG) to oversee the transition from JIBAR to ZARONIA. In a December 3, 2025 [press release](#), the SARB informed market participants that the cessation of JIBAR is now confirmed, with the cessation date set for December 31, 2026.

CME Group intends to leverage a playbook similar to those used in other recent benchmark transitions to risk-free rates (RFRs), such as the transition for USD-LIBOR cleared swaps to SOFR and other global transitions. This plan will eventually involve converting legacy in-scope JIBAR-indexed interest rate swaps into ZARONIA overnight index swaps (OIS) prior to the cessation event. As an initial step, CME Group will transition towards utilizing the ZARONIA rate for the purposes of both discounting and price alignment in all ZAR denominated positions.

Timeline of Key Transition Events:

Given the market has become familiar with the processing of RFR transitions, CME Group is proposing to process its ZAR events in alignment with other global CCPs. This would include the following events and timing:

1. **Launch of ZARONIA Clearing Support:** January 12, 2026 in CME's production environment
2. **Discounting and Price Alignment Transition:** Friday, April 10, 2026 (contingency date of April 17, 2026)
3. **Primary Conversion Event:** Late Q3/Early Q4 2026. CME Group will issue a second consultation for market feedback specific to our conversion logic and timelines. The conversion event will encompass all outstanding cleared JIBAR swaps that contain fixings beyond the cessation date.
4. **JIBAR Cessation:** Final publication on December 31, 2026

CME Support for ZAR-JIBAR Forward Rate Agreement (FRA) Clearing: For the purposes of operational ease and the future conversion event, CME intends to limit its support to only allow the clearing of FRAs that have a JIBAR fixing prior to the cessation date of December 31, 2026. CME will issue a clearing advisory notice of this intent.

Trade Management and “No New JIBAR” Milestone: In line with prior RFR transitions, CME Group strongly encourages market participants to manage their JIBAR positions strategically, and CCP coordinated events should be viewed as a safety net for exposures that cannot be transitioned to ZARONIA under their own accord prior to the index cessation.

Discounting and Price Alignment Transition Details:

Products in scope: all ZAR-JIBAR IRS and FRAs. Note, CME Group does not support ZAR basis swaps.

Timing: as a part of end of day processing on **Friday, April 10, 2026**.

Discounting Switch: CME’s April 10, 2026 EOD processing cycle will utilize JIBAR discounting. From April 13, 2026, forward, CME will proceed by discounting all cleared ZAR-JIBAR instruments using the ZARONIA zero rate curve.

Price Alignment Switch: CME’s April 10, 2026 EOD processing cycle will utilize the SAFEX Overnight Rate. From April 13, 2026, forward, CME will proceed by using the ZARONIA rate to calculate price alignment on all cleared ZAR-JIBAR instruments.

Cash Compensation Consideration: Due to the absence of a defined relationship between the SAFEX and ZARONIA rates, CME is proposing to conduct this discounting and price alignment transition as a non-compensated event. Note, this is expected to align with the treatment across other global CCPs as well.

Resources and Trade Reporting: CME plans to publish IRS Discounting Transition Reports (IRSDIS) on a daily basis leading up to the production transition date. Available via sFTP, this report is designed to help participants identify the forecasted impacts of the discounting transition for any open ZAR-JIBAR position(s).

Request for Feedback and Contact Information:

Please contact us at ClearedSwapConversion@cmegroup.com by **February 13, 2026**, if you would like to respond to the following questions related to the discounting and price alignment transition:

1. Is April 10, 2026, a reasonable date to process this discounting and price alignment transition?
2. Do you have a strong objection to CME limiting its support of ZAR FRAs to keep these instruments out of scope for conversion?
3. For the future conversion of ZAR-JIBAR cleared swaps to ZARONIA, are you comfortable with CME aligning its key dates with other CCPs? For the avoidance of doubt, CME intends to issue another consultation in the near future that will be specific to its conversion processing and methodology.
4. Is there any additional feedback you would like to provide at this time?

Disclaimer:

The contents of this document are for informational purposes only and provide an overview of CME Group's proposal to facilitate the discounting and price alignment transition from JIBAR and SAFEX to ZARONIA in the cleared ZAR derivatives market. The proposal is subject to change at any time without prior notice. Implementation of any final proposal is subject to regulatory review and to any necessary internal and external approvals.