

ZAR Risk Free Rate Transition to ZARONIA

Part 1: Discounting and Price Alignment Transition

This document 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.

Note, a separate consultation process will be forthcoming from CME Group related to the underlying conversion process for in-scope JIBAR cleared swaps.

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 OIS Clearing Support:** Live as of 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:** Targeted for 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 ON 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 will conduct this discounting and price alignment transition as a non-compensated event. Note, this aligns with the treatment across other global CCPs as well.

Resources and Trade Reporting: CME will publish IRS Discounting Transition Reports (IRSDIS) on a daily basis leading up to the production transition date. Available via sFTP beginning on March 9th through April 10th, this report is designed to help participants identify the forecasted impacts of the discounting transition for any open ZAR-JIBAR position(s).

Operational Processing: This discounting transition is structured to minimize operational impacts to clearing firms.

CME is already publishing the ZARONIA PAA rate via daily reporting. Clearing firms may elect to pick up this rate for all ZAR swaps or continue to consume the legacy ZAR rate field which CME will override with ZARONIA following the April 10 transition.

Pricing files are also available for ZARONIA forecasting and discounting curves via our public FTP folder. The ZAR curve input files will drop references to JIBAR instruments following April 10. Daily discount factor files for ZARONIA OIS will be used for all ZAR-denominated instruments following April 10. File name: *IRSDFR_ZARONIA_YYYYMMDD.csv*.

Contact Information:

Please contact us at ClearedSwapConversion@cmegroup.com if you have any questions related to the transition to ZARONIA for cleared ZAR denominated swaps.

Disclaimer:

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