

# ASX OTC Clearing –2021 ISDA Definitions - Implementation Guide

## Introduction

This document provides background on ASX’s adoption of the 2021 ISDA Interest Rate Derivatives Definitions (**2021 ISDA Definitions**) as the definitions for cleared interest rate swaps from 4 October 2021.

## Summary of ASX’s approach

In response to ISDA’s introduction of the 2021 ISDA Definitions, ASX has made a number of changes to the ASX OTC Rules and Handbook so that on and from 4 October 2021:

- OTC Transactions referencing either the 2006 ISDA Definitions or the 2021 ISDA Definitions will be eligible for clearing through the ASX OTC Clearing Service;
- all OTC Open Contracts (whether cleared before, on or after 4 October 2021) will be treated as if they incorporated the 2021 ISDA Definitions (not the 2006 ISDA Definitions);
- the references to the 2006 ISDA Definitions are updated to reflect the new 2021 ISDA Definitions.

From 4 October 2021 all OTC Open Contracts will reference the 2021 ISDA Definitions thereby establishing economic equivalence. Therefore these amendments will not impact existing processes such as multilateral compression (OTC Rule 4.14) or netting of OTC Open Contracts (see OTC Rule 4.15).

The ASX OTC Rulebook is available [here](#), and the ASX OTC Handbook is available [here](#).

## Operational implementation – ASX OTC Reporting

ASX’s OTC Clearing reports do not contain the specific ISDA Floating Rate Option (FRO) labels and therefore no updates were required as part of the implementation of the 2021 ISDA Definitions:

Currency	ISDA 2006 definitions name	ISDA 2021 definitions name	ASX Proposal – Reporting FRO label (unchanged)
AUD	AUD-AONIA-OIS-COMPOUND	AUD-AONIA-OIS Compound	AUD/AONIA/1D/RBA30
AUD	AUD-BBR-BBSW	AUD-BBSW	AUD/BBSW/1M/BBSW AUD/BBSW/3M/BBSW AUD/BBSW/6M/BBSW
NZD	NZD-BBR-FRA	NZD-BKBM FRA	NZD/BKBM/3M/BKBM
NZD	NZD-NZIONA-OIS-COMPOUND	NZD-NZIONA-OIS Compound	NZD/NZIONA/1D/RBNZ02

## Operational implementation – ASX OTC API

From 4 October 2021 ASX OTC Clearing API FPML messages will apply the 2021 ISDA FRO label in all cases e.g. AUD-BBSW, regardless of whether the original clearing request applied the 2006 ISDA or 2021 ISDA FRO label.

Currency	ISDA 2006 definitions name	ISDA 2021 definitions name	ASX Proposal – API, FPML and regulatory reporting FRO label
AUD	AUD-AONIA-OIS-COMPOUND	AUD-AONIA-OIS Compound	AUD-AONIA-OIS Compound
AUD	AUD-BBR-BBSW	AUD-BBSW	AUD-BBSW
NZD	NZD-BBR-FRA	NZD-BKBM FRA	NZD-BKBM FRA
NZD	NZD-NZIONA-OIS-COMPOUND	NZD-NZIONA-OIS Compound	NZD-NZIONA-OIS Compound

Note: ASX will not issue amendment FPML messages to update the FRO label on legacy trades.