



SOUTH AFRICAN RESERVE BANK

## Media release

6 May 2024

### Publication of the Jibar transition plan

The [Market Practitioners Group](#) (MPG) has published an '[update on the Johannesburg Interbank Average Rate \(Jibar\) transition plan](#)' which outlines the roadmap for increasing the use of the South African Rand Overnight Index Average (ZARONIA) in financial markets and transitioning away from Jibar.

ZARONIA has been designated as the preferred alternative near risk-free rate to succeed Jibar. Following a year-long market observation period, the South African Reserve Bank (SARB) on 3 November 2023 announced that ZARONIA may henceforth be used in financial contracts. The SARB commenced publishing ZARONIA on its [website](#) on 1 November 2022.

In preparing the transition plan, the MPG's Transition Planning and Co-ordination Workstream (TPCW) consulted extensively through industry engagements and considered global best practices that emerged from similar transitions offshore. Market participants are urged to engage actively with transition efforts underway and raise any concerns that they may have expeditiously.

Although Jibar will continue to be published for the foreseeable future, market participants are strongly encouraged to consider the implications of the Jibar transition plan for their business operations and strategy, and plan to minimise the amount of Jibar-related exposure over the transition period. The SARB has previously indicated its intention to discontinue the publication of Jibar at some point to address the financial stability risk due to the inherent weaknesses in the design of the benchmark.

Various actions have been undertaken to ensure that Jibar remains a viable and credible interest rate benchmark over the transition period.

The SARB will determine the appropriate time for ceasing the publication of Jibar, which will be preceded by an announcement of the event and the Jibar cessation date.

Please direct comments on the Jibar transition plan to the MPG Secretariat at [MPGSecretariat@resbank.co.za](mailto:MPGSecretariat@resbank.co.za) by 31 May 2024.

For more information, please contact Mr Zakhele Gininda, Lead Financial Markets Specialist: Market Operations and Analysis at [Zakhele.Gininda@resbank.co.za](mailto:Zakhele.Gininda@resbank.co.za).

**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 that this media release must not be read as a Jibar cessation announcement, nor as suggesting that Jibar is no longer representative.