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News Release

NZFMA to Calculate and Publish OCR Compound Index

The New Zealand Financial Markets Association (NZFMA) today announced that it will calculate and publish an OCR Compound Index from 1 December 2020. This Index provides a standardised method of calculating term risk-free interest rates in arrears.

NZFMA CEO, Paul Atmore, said: “A compound index and/or the calculation of term risk-free interest rates in arrears have been developed globally as countries implement alternative benchmarks in response to the likely cessation of the IBORs at the end of 2021. Regulators have encouraged the use of risk-free benchmarks as a robust alternative to the IBORs. The NZFMA, through its working group and committee structure, have developed the OCR compound index in line with these global developments. This ensures New Zealand has a comparable benchmark to those in other jurisdictions should they become commonly used for some financial market products”.

The Index will be calculated each business day around 10.00am and published at 10.41am to current benchmark subscribers via an emailed spreadsheet. The spreadsheet will contain three tabs;

- The first tab is today’s index;
- The second tab is the OCR Compound Index’s history back to 17 March 1999; and,
- The third tab provides calculators to calculate term risk-free rates in arrears and term risk-free rates in arrears with an observation shift for any tenor.

A document with the OCR Compound Index’s methodology is available on the [NZFMA’s website](#).

Free to air data relating to the index will be available on the [NZFMA’s website](#) with a 24-hour delay.

The publication of the OCR Compound Index does not impact the ongoing calculation and publication of BKBM which will continue to be published at 10.41am each business day. BKBM is not considered a benchmark that will cease in the foreseeable future.

If you have any comments or questions relating to the OCR Compound Index please contact John Groom, Director Operations or Compliance – john.groom@nzfma.org

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