Cash Products Working Group (CWG) Meeting
11 February 2026
2.30pm – 4pm; Sasana Kijang

Summary

The meeting deliberated on the list of items outlined in the CWG workplan, which included the necessity of establishing a forward-looking term rate, the development of recommended fallback language for cash products, the treatment of tough legacy contracts, and the feasibility of introducing central bank-issued cash products.

1. Updates on latest developments

1.1 Members were updated on the publication of compounded MYOR / MYOR-i and Index[1] on the Financial Markets Investor Portal (FMIP) website as part of key developments of the National KLIBOR Transition.

1.2 Meeting minutes and the list of Working Group members have also been published[2].

1.3 Members were updated on the current workplan and progress updates from the previous meeting. The **interbank convention for cash products** currently being developed by PPKM remains on track for completion in **Q1 2026.**

2. Assessment on the necessity of a forward-looking term rate and proposed interim solutions

2.1 Following the previous meeting, a survey was conducted to identify specific cash products that may require a forward-looking term MYOR / MYOR-i as a recommended fallback rate. Members were presented with the survey outcomes assessing the need for a forward-looking term rate across product categories. Debt securities (55%) and non-retail loans (55%) demonstrated relatively higher reliance on term benchmarks.

2.2 While most members **agree that a forward-looking term MYOR / MYOR-i is necessary**, particularly for loan products, they recognise that developing a term rate compliant with IOSCO principles remains challenging at this stage, given the nascent MYOR / MYOR-i derivatives market. Members also highlighted that the pursuit of a term MYOR / MYOR-i should not delay the overall transition timeline. Members therefore **agreed that the immediate priority is to identify appropriate interim solutions as the next course of action**.

2.3 Most respondents **prefer compounded MYOR / MYOR-i in arrears as the interim benchmark**. However, certain product segments particularly retail oriented products continue to favour cost-of-funds approaches.

2.4 The CWG noted, however, it would be inappropriate to require clients currently on KLIBOR-based loans to transition to cost-of-fund loans, as this would represent a downgrade in terms of rate transparency and reliability. Such a move would also be inconsistent with the objectives of the transition. Members **therefore agreed to retain compounded MYOR / MYOR-i in arrears and in advance as potential options.**

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[1] The compounded MYOR / MYOR-i and Index are available in MYOR and MYOR-i page of FMIP website.
[2] Meeting minutes and the list of Working Group membership are available in the transition subpage of FMIP website.

3. The development of recommended fallback language for cash products

3.1 Members decided to commence the deliverables by distributing works into a few subgroups, each dedicated to specific product categories. This bottom-up approach ensures that the recommended fallback language and adjustment spreads are developed appropriately. Depending on the product, the suitable approach may differ i.e. whether a standardised recommended fallback framework or a product-specific solution should be in place.

3.2 CWG viewed that stances adopted by the Working Group should be communicated to the broader industry and suggested leveraging the Communications Working Group to support this effort (through events or FAQs). CWG also suggested all Working Groups should work collaboratively to strategise a communication plan.

4. The treatment of tough legacy contracts

4.1 CWG discussed **potential challenges associated with tough legacy contracts** and exchanged insights derived from other global ARR transition experiences. Members concurred that early engagement with affected stakeholders will be critical and reiterated that the 3-year timeline is adequate to address any tough legacy issues.

5. Central bank-issued MYOR / MYOR-i linked cash products

5.1 Following suggestions by working group members, the feasibility of introducing a cash-linked product issued by the central bank was considered. Survey feedback indicated potential benefits such as supporting the development of a credible MYOR / MYOR-i curve, enhancing market readiness including system readiness, and facilitating the development of a term MYOR / MYOR-i structure. Members suggested considering tenures ranging 6-month to 1-year, with initial issuance to interbank participants.

6. Other Matters

6.1 The group discussed the need to engage a pro-bono legal counsel, as developing fallback language may entail legal implications that require proper legal oversight. There is also suggestion to leverage each member’s internal legal department to support this work.

6.2 Next steps include subgroups to propose the workplan and recommendations for respective products and share in the upcoming CWG discussion which is tentatively scheduled to take place in 2 months.