Cash Products Working Group (CWG) Meeting (Virtual)
30 April 2026
3pm – 5pm

Summary

The meeting deliberated on the key developments since CWG's last meeting, which included the proposed interbank conventions by PPKM, presentation by CWG's subgroups on the potential options of recommended approach that include conventions and fallback language. The meetings also discussed about the features of floating-rate notes (FRN), followed by communications working group initiatives.

1. Key Developments

1.1. Members were updated on the latest developments including the proposed interbank conventions by PPKM, commencements of CWG subgroups, new members of CWG and the readiness of system to cater for MYOR / MYOR-i linked product.

1.2. Latest CWG Workplan has also been updated and presented with minor adjustments on the timeline with key priorities being development of interbank market conventions, building liquidity in MYOR / MYOR-i cash products and the development of fallbacks and market conventions.

2. Development of market conventions and fallback language

2.1. Proposed interbank conventions by PPKM for money market products

The proposed interbank conventions are applicable uniformly across interbank products which include interbank money market, interbank NID / NIDC and interbank repo. The **conventions adopted a daily compounded MYOR / MYOR-i in arrears** methodology with a **2-business day lookback, with no observation shift and no payment delay**.

2.2. Updates by subgroups (Capital Markets, Loans and Investments subgroup)

Following the previous CWG meeting, members have agreed to distribute tasks across three subgroups. Each subgroup shared the potential recommendation options and the discussions are summarised as follows:

- **The Loans Subgroup members** have sought ABM council's agreement to appoint an external legal counsel to develop a recommended **legal documentation framework for loans and capital market products.** This framework will incorporate **technical requirements and recommendations** from the CWG, together with an **indicative term sheet** outlining relevant calculations and methodologies. The subgroup will also approach AIBIM for the same objective.
- **The Capital Markets Subgroup members** updated that MYOR / MYOR-i calculators, such as BPAM calculators, Bloomberg Index Compounding Calculator (OISC), are currently available to assist market participants in familiarising themselves with the new conventions, complementing publications issued by BNM i.e. compounded MYOR / MYOR-i (1m, 3m and 6m) and indices. For capital market products, the subgroup proposed adopting a **daily compounded MYOR / MYOR-i with a 5-business-day lookback, with observation shift and no payment delay** which

differs from interbank conventions proposed by PPKM, as it is intended to ensure sufficient time for settlement involving clients.

- **The Investments Subgroup members** highlighted the **challenges** in developing fallback language for **structured products, primarily due to the absence of unified near-term practical solutions.** CWG members acknowledged these challenges and noted that **potential approaches** may include **bilateral bespoke arrangements**, such as exercising call options or restructuring contracts. However, as these approaches could result in losses being borne by specific parties (e.g. banks, liquidity providers, or customers), CWG members will continue to explore further on the options available.
- Furthermore, CWG members are required to **facilitate coordination with Shariah WG** to ensure alignment between conventional and Shariah cash products.

3. Proposed features of central bank-issued Floating Rate Notes (FRNs)

3.1. Following suggestions by CWG for BNM to explore the feasibility of introducing cash-linked products based on MYOR / MYOR-i, the meeting deliberated on the potential features of the proposed instrument, including tenor, coupon fixing mechanism, and range of issuance sizes. CWG members noted on the need to ensure system readiness to support the implementation of such instruments.

4. Communications Working Group Initiatives

4.1. Members provided input on communications WG initiatives to educate market participants on the transition.

4.2. CWG members proposed that a series of workshops be conducted in accordance with an appropriate timeline aligned with the transition roadmap. CWG members also highlighted their preferences for wider industry engagement to be conducted later this year once a more concrete recommendations have been developed.

5. Other Matters

5.1. Next meeting will commence in June / July 2026.