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The Master Confirmation Agreement for Non-Deliverable Forward FX Transactions

The Foreign Exchange Committee (FXC), EMTA, Inc. (EMTA) and the Foreign Exchange Joint Standing Committee (FX JSC) jointly announce the publication of the [Master Confirmation Agreement for Non-Deliverable Forward FX Transactions \(“Master Confirmation”\)](#), accompanied by [Practice Notes](#). The Master Confirmation is a bilateral agreement for the use of market participants who wish to enter into NDF Transactions under the terms of the 1998 FX and Currency Option Definitions (published by the International Swaps and Derivatives Association, Inc., EMTA, and the FXC) and of currency-specific NDF Transaction confirmation templates published by EMTA. The Master Confirmation accommodates NDF Transactions with a U.S. Dollar Settlement Currency, as well as cross-currency NDF Transactions with a non-U.S. Dollar Settlement Currency.

The cosponsors expect the Master Confirmation will offer market participants adopting it a legal framework for highly efficient confirmation processes for NDF Transactions. The Master Confirmation would allow parties to streamline the content of NDF Transaction confirmations to material economic terms, because it incorporates by reference terms of effective EMTA currency-specific NDF confirmation templates and allows parties to include customized provisions in an [Addendum](#) for NDF Transactions in particular Currency Pairs.

The Master Confirmation also allows parties to execute confirmations by fax, telex, email, or electronic messages exchanged between the parties or matched on an electronic system acceptable to the parties. Because a major objective of the Master Confirmation is to facilitate use of a wide variety of methods of confirming NDF Transactions, the cosponsors anticipate that electronic systems may be interested in implementing it on a multilateral basis for the benefit of their members. The cosponsors will work with any interested electronic system in developing an appropriate multilateral form of the Master Confirmation for purposes of its implementation in the electronic system.

The Master Confirmation supersedes the Master Agreement Addendum for Non-Deliverable Forwards published by the FXC in April, 2003.