

## **Foreign Exchange Committee Statement on NDF Transactions Involving the Argentine Peso**

On January 6, 2002, Argentina enacted its Public Emergency and Exchange Rate Reform Law, announced a new foreign exchange policy, and indicated that its foreign exchange market should be open on January 9, 2002. The Committee expects Argentine authorities to issue clarifications to this policy that would enable market participants to value and settle outstanding non-deliverable forward transactions involving the Argentine peso ("NDFs") and contribute to greater certainty in the marketplace.

The Committee understands that the Emerging Markets Traders Association has consulted with its members and previously issued a recommendation that NDF valuations and settlements be deferred until January 9, 2002. Should the foreign exchange market not open as anticipated, the Committee recommends deferring further for a reasonable time the valuation and settlement of outstanding NDF contracts. Each market participant should consult its own documentation and its counterparties to determine the most appropriate course of action.