

**COMMITTEE OPERATIONS MANAGERS WORKING GROUP
LETTER • ISSUED JOINTLY WITH THE LONDON FOREIGN
EXCHANGE JOINT STANDING COMMITTEE
Commenting on the Romanian Leu Conversion**

May 31, 2005

The London Foreign Exchange Joint Standing Committee Operations Sub-Group (FXJSC Operations Group) and the Foreign Exchange Committee Operations Managers Working Group (FXC Operations Group) are pleased to announce the results of a consultation among members regarding their intentions for processing outstanding foreign exchange trades denominated in Romanian leu to address the conversion of old Romanian leu (ROL) to new Romanian leu as of July 1, 2005. The currency code for the new Romanian leu will be RON.

The FXJSC Operations Group and the FXC Operations Group encourage market participants to review their outstanding ROL trades bridging the July 1, 2005, cutover. In order to promote a smooth operational transition, the FXJSC Operations Group and the FXC Operations Group suggest that market participants contact their trade counterparties to cancel, rebook, and reconfirm spot and forward ROL trades with a value date on and after July 1, 2005, as RON trades with the same original value date. The conversion rate is 1 RON = 10,000 ROL under the Law on the Redenomination of the Domestic Currency (Law No. 348 of 14 July 2004, published in *Monitorul Oficial al României*, Part One, No. 664 of 23 July 2004).

As always, the FXJSC Operations Group and FXC Operations Group recognize that all documentation is negotiated and must be amended on a counterparty-by-counterparty basis. For this reason, parties are encouraged to inventory their existing ROL trades and contact counterparties as soon as possible to resolve any issues regarding the scheduled conversion on a mutually satisfactory basis.

The FXJSC Operations Group and the FXC Operations Group also note that products other than foreign exchange spot and forward trades may raise different operational issues for the parties to consider in the implementation of mutually satisfactory solutions to the scheduled conversion. Other trade associations, including the International Swaps and Derivatives Association, may issue statements to their membership addressing the conversion to RON.



Romanian authorities have published information on the conversion to RON at <www.bnro.ro/def_en.htm>.

If you have any inquiries regarding this notice, please contact Sumita Ghosh (0044.207.601.5982; e-mail: sumita.ghosh@bankofengland.co.uk) or Laura Huizi (001.212.720.2399; e-mail: laura.huizi@ny.frb.org).

