

# Korean Won Rate Source Definitions Updated by EMTA, ISDA, and the FXC

Effective as of April 3, 2006, EMTA, Inc., the International Swaps and Derivatives Association, Inc., and the Foreign Exchange Committee jointly announce an amendment to Annex A of the *1998 FX and Currency Option Definitions* to revise certain of the Korean won rate source definitions. Effective as of April 3, 2006, Sections 4.5(a)(iii)(A) and (B) of Annex A are amended in their entirety as follows:

## (iii) Korean Won.

- A. "KRW KFTC18" or "KRW02" each means that the Spot Rate for a Rate Calculation Date will be the Korean Won/U.S. Dollar market average rate, expressed as the amount of Korean Won per one U.S. Dollar, for settlement in two Business Days reported by the Korea Financial Telecommunications and Clearing Corporation which appears on the Reuters Screen Page KFTC18 to the right of the caption "USD Today" that is available at approximately 3:30 p.m., Seoul time, on the Rate Calculation Date or as soon thereafter as practicable.
- B. "KRW TELERATE 45644" or "KRW03" each means that the Spot Rate for a Rate Calculation Date will be the Korean Won/U.S. Dollar market average rate, expressed as the amount of Korean Won per one U.S. Dollar, for settlement in two Business Days reported by the Korea Financial Telecommunications and Clearing Corporation which appears on Telerate Page 45644 to the right of the caption "USD Today" that is available at approximately 3:30 p.m., Seoul time, on the Rate Calculation Date or as soon thereafter as practicable.

## Practitioner's Notes:

- The Korean won rate, supplied by Seoul Money Brokerage Services, LTD, is a market average rate for settlement in two business days in Seoul. The KRW rate is reported by the Korea Financial Telecommunications and Clearing Corporation and is published on Reuters Page KFTC18 and Telerate Page 45644.
- Parties that specify in confirmations that a particular version of Annex A applies to their trades should reference Annex A effective as of April 3, 2006, if they desire to incorporate the new Korean won rate source definitions into their trades. If parties do not specify in their confirmations a particular version of Annex A, the above Korean won rate source definitions would apply to trades that incorporate the *1998 FX and Currency Option Definitions* and have a trade date on or after April 3, 2006.