ANNOUNCEMENT

The Master Confirmation Agreement for Non-Deliverable Forward FX Transactions

New York, December 13, 2006

The Foreign Exchange Committee (FXC), EMTA, Inc. (EMTA), and the Foreign Exchange Joint Standing Committee (FXJSC) 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 that 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, e-mail, 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.

The Practice Notes can be found at <http://www.newyorkfed.org/fxc/2006/fxc121306b.pdf>. 

Master Confirmation Agreement
dated as of __________________________, __________
(the "Effective Date") between

_____________________________________________
("Party A") and

_____________________________________________
("Party B")

The parties wish to facilitate the process of entering into and
confirming non-deliverable forward foreign exchange
transactions and accordingly agree as follows:

1. **Application:** This Master Confirmation Agreement for
Non-Deliverable Forward FX Transactions ("Master
Confirmation") shall apply to each non-deliverable forward
foreign exchange transaction ("NDF Transaction") entered
into between Party A and Party B on or after the Effective
Date, unless the Addendum or a confirmation of a NDF
Transaction specifies that this Master Confirmation does not
apply. This Master Confirmation includes the Addendum
hereto.

2. **FX Definitions:** The definitions and provisions contained in
the 1998 FX and Currency Option Definitions (including
Annex A thereto), as published by the International Swaps
and Derivatives Association, Inc., EMTA, Inc. ("EMTA"), and
the Foreign Exchange Committee, and as modified or
amended in the Master Agreement specified in the
Addendum hereto (the "1998 Definitions"), are
incorporated into this Master Confirmation. Any
amendments or successor definitions to the 1998 Definitions
are incorporated into this Master Confirmation with respect
to each NDF Transaction that has a Trade Date that falls on
or after the effective date of such amendments or successor
definitions, and are referred to herein (together with the
1998 Definitions) as the FX Definitions. For the avoidance of
doubt, if amendments or successor definitions to the 1998
Definitions become effective after the Trade Date of a NDF
Transaction, such amendments or successor definitions shall
not apply to or amend the terms of such NDF Transaction,
unless otherwise agreed by the parties.

3. **Transaction Confirmation:** The parties shall confirm the
Economic Terms (as defined in paragraph 5 below) of each
NDF Transaction in a Confirmation (each such Confirmation,
a "Transaction Confirmation"). Each Transaction Confirmation
may be executed and delivered in counterparts (including by
facsimile transmission), or may be created by an exchange of
telegrams, an exchange of electronic messages on an electronic
messaging, trading or settlement system (including, without
limitation, by means of matching electronic messages sent by
each party), or an exchange of e-mails. Each Transaction
Confirmation shall be deemed to incorporate and be subject
to all of the terms of this Master Confirmation. This Master
Confirmation, together with each Transaction Confirmation,
constitutes a "Confirmation" as referred to in, and is subject
to, the terms and conditions of the Master Agreement.

4. **Relevant EMTA Template:** If, on the Trade Date of a NDF
Transaction, template terms for the confirmation of a NDF
Transaction in the Currency Pair that is the subject of such
NDF Transaction are recommended by EMTA or a recognized
successor and have an effective date that falls on or before
such Trade Date ("Relevant EMTA Template"), then all of the
terms of such Relevant EMTA Template (published and
available at www.emta.org or any successor website) shall
apply to such NDF Transaction, except to the extent
otherwise provided in the Addendum or a Transaction
Confirmation. For the avoidance of doubt, if a Relevant
EMTA Template becomes effective after the Trade Date of a
NDF Transaction, such Relevant EMTA Template shall not
apply to or amend the terms of such NDF Transaction, unless
otherwise agreed by the parties.

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5. Economic Terms: Each Transaction Confirmation shall specify the following terms or, alternatively, the terms that the parties agree to specify in their Transaction Confirmation by using the facilities of a particular electronic messaging, trading or settlement system ("Economic Terms"):

- Trade Date
- Reference Currency
- Reference Currency Notional Amount
- Notional Amount or Forward Rate
- Reference Currency Buyer
- Reference Currency Seller
- Settlement Currency Valuation Date [Specify date only; all other terms in the Relevant EMTA Template apply.]
- Settlement Date [Specify date only; all other terms in the Relevant EMTA Template apply.]
- Settlement

This Master Confirmation shall apply only if the Transaction Confirmation specifies, or the parties otherwise agree in the Transaction Confirmation, that Settlement is Non-Deliverable.

6. Priority:
   (a) In the event of any inconsistency between the FX Definitions and a Confirmation, the Confirmation shall prevail. In the event of any inconsistency between the provisions of a Transaction Confirmation and the Master Agreement, the Transaction Confirmation shall prevail for the purpose of the relevant NDF Transaction.

   (b) In the event of any inconsistency between the Addendum or a Transaction Confirmation and a Relevant EMTA Template, the Addendum or Transaction Confirmation shall prevail, subject to the following. If the parties elect to include in the Addendum terms for a NDF Transaction with a Currency Pair for which a Relevant EMTA Template has not become effective on the effective date of the Addendum, such terms shall govern each NDF Transaction for such Currency Pair with a Trade Date that falls before the effective date of a Relevant EMTA Template for such Currency Pair. If a Relevant EMTA Template has become effective on or before the Trade Date of a NDF Transaction with such Currency Pair, the terms of the Relevant EMTA Template shall supersede the relevant terms in the Addendum, but shall not apply to or amend the terms of any NDF Transaction with a Trade Date that precedes the effective date of the Relevant EMTA Template, unless otherwise agreed by the parties.

   (c) If the parties are or become subject to a multilateral form of a master confirmation agreement for NDF Transactions (a "Multilateral Master Confirmation"), by protocol or otherwise, the following rules of priority apply:

      (i) If the parties sign onto or become subject to a Multilateral Master Confirmation after the Effective Date, in the event of any inconsistency between this Master Confirmation and such Multilateral Master Confirmation, such Multilateral Master Confirmation shall prevail with respect to NDF Transactions governed by such Multilateral Master Confirmation, unless otherwise agreed by the parties; and

      (ii) If the parties have signed onto or are subject to a Multilateral Master Confirmation on or before the Effective Date, in the event of any inconsistency between this Master Confirmation and such Multilateral Master Confirmation, this Master Confirmation shall prevail with respect to the NDF Transactions governed by such Multilateral Master Confirmation, unless otherwise agreed by the parties.

For the avoidance of doubt, if the parties sign onto or become subject to a Multilateral Master Confirmation after the Trade Date of a NDF Transaction, such Multilateral Master Confirmation shall not apply to or amend the terms of such NDF Transaction, unless expressly specified in such Multilateral Master Confirmation or otherwise agreed by the parties.

7. Quoting Dealing Disclaimer: The parties acknowledge that one or both parties to a NDF Transaction, acting directly or through a branch or an affiliate, may be requested to provide a quotation or quotations from time to time for the purpose of determining an industry rate for the Currency Pair that is the subject of the NDF Transaction and that such quotation may affect, materially or otherwise, the settlement of the NDF Transaction.

8. Representations:
   (a) This Master Confirmation is a legal, valid and binding obligation of each party, enforceable against each party in accordance with its terms.

   (b) Each party will be deemed to represent to the other party on the date on which it enters into a NDF Transaction that (absent a written agreement between the parties that expressly imposes affirmative obligations to the contrary for that NDF Transaction): (i)(A) it is acting for its own account, and it has made its own independent decisions to enter into that NDF Transaction and as to whether that NDF Transaction is appropriate or proper for it based upon its own judgment and upon advice from such advisors as it has deemed necessary; (B) it is not relying on any communications (written or oral) of the other party as investment advice or as a recommendation to enter into that NDF Transaction, (ii) it is capable of evaluating and understanding (on its own behalf or through independent
professional advice), and understands and accepts, the terms, conditions and risks of that NDF Transaction; and (iii) the other party is not acting as a fiduciary or an advisor for it in respect of that NDF Transaction.

9. **Governing Law/Jurisdiction**: This Master Confirmation shall be governed by the law, and the provisions on submission to jurisdiction, elected in the Master Agreement or the Addendum.

   PARTY A:
   
   By: ____________________________________________
   
   Name: __________________________________________
   
   Title: ___________________________________________

   PARTY B:
   
   By: ____________________________________________
   
   Name: __________________________________________
   
   Title: ___________________________________________