

■ ANNOUNCEMENT

The Multilateral Master Confirmation Agreement for Non-Deliverable Forward FX Transactions

New York, October 31, 2007

The Foreign Exchange Committee (FXC), EMTA, Inc. (EMTA), and the FX Joint Standing Committee (FX JSC) jointly announce the publication of the Multilateral Master Confirmation Agreement for Non-Deliverable Forward FX Transactions (the "Multilateral Master Agreement"). The Multilateral Master Agreement is being provided to the market as an additional tool to facilitate the process of confirming non-deliverable forward FX transactions ("NDFs") between counterparties. The terms of the Multilateral Master Agreement are based on the Bilateral Master Confirmation Agreement for NDFs published by the cosponsors in December 2006, which is designed for execution between two counterparties. The Multilateral Master Agreement is designed to be implemented or otherwise administered by electronic messaging, trading, or settlement systems or organizations to enable their members to confirm trades in NDFs subject to accepted industry terms.

The Multilateral Master Agreement carries over the benefits of streamlining confirmation processes for NDF trades within service providers or organizations that administer it by incorporating by reference terms of the currency-specific NDF template terms published by EMTA, Inc. In order to promote use of standard industry terms, the Multilateral Master Agreement is intended to be implemented and incorporated as a whole by a service provider or organization through its rules, by protocol, or other form of membership agreement. At the same time, the Multilateral Master Agreement allows a service provider or organization to tailor certain provisions or modify certain default rules when appropriate to meet its individual requirements.

The cosponsors encourage service providers and organizations to consider implementing the Multilateral Master Confirmation Agreement as a means to enhance market efficiency by facilitating the trading and confirmation processes for NDFs. The cosponsors will work with any electronic system interested in implementing the Multilateral Master Confirmation.

The document can be accessed at the following link: <<http://www.newyorkfed.org/fxc/2007/103107a.pdf>>.