

September 20, 2022

Closed Days Template Guidance – 1998 FX and Currency Option Definitions

Australia National Day of Mourning 2022 for Her Majesty Queen Elizabeth II

The International Swaps and Derivatives Association, Inc. (“ISDA”) announces the following guidance for parties to over-the-counter FX derivative transactions that are affected by the National Day of Mourning in Australia for Her Majesty Queen Elizabeth II.

On September 11, 2022, the Australian Prime Minister announced that a National Day of Mourning will be observed on Thursday, September 22, 2022, in honour of the life and service of Her Majesty Queen Elizabeth II.¹

Subsequently, on September 13, 2022 and September 12, 2022, respectively, the National Day of Mourning was declared a public holiday in the states of New South Wales² and Victoria³.

As a consequence, it is ISDA’s understanding that on September 22, 2022, Australian commercial banks are expected to be closed (including for dealings in foreign exchange and foreign currency deposits)⁴.

Based on information received from Refinitiv and Bloomberg, ISDA understands that the AUDFIX and the relevant BFIX fixings will be published as normal on Thursday, September 22, 2022.

ISDA is issuing this guidance in the interest of mitigating market risk and the promotion of orderly and efficient valuation and settlement of positions by market participants. This guidance illustrates the consequences of the above market closures based on the provisions described in the 1998 FX and Currency Option Definitions (the “**FX Definitions**”). This guidance does not provide views on conventions or consequences, which parties may have bilaterally agreed, that deviate from such provisions, nor does it cover transactions which are not subject to the FX Definitions and for which no bilateral agreement has been reached regarding the subject matter of this guidance. This guidance includes a description of provisions contained in the FX Definitions that may be relevant to market participants. **This guidance is not legal advice and market participants should consult their legal advisors as appropriate.** Market participants should not rely on this guidance for any purpose but

¹ <https://www.pm.gov.au/media/commemorating-her-majesty-queen-elizabeth-ii>

² <https://www.nsw.gov.au/media-releases/public-holiday-declared-nsw-for-national-day-of-mourning>

³ <https://www.premier.vic.gov.au/national-day-mourning-public-holiday>

⁴ <https://www.rba.gov.au/schedules-events/bank-holidays-2022.html>

should review the contractual terms of each affected transaction in order to understand the effects of the events described above. ISDA does not assume any responsibility for this guidance and it is not intended to set a precedent. Parties are not obliged to follow this guidance and may choose alternate means of addressing the aforementioned event. In addition, firms should consider contacting their counterparties to discuss the consequences for their transactions.

For cleared transactions and transactions executed on electronic confirmation platforms, market participants should refer to the contractual terms of the applicable clearing house or confirmation platform, as applicable.

Please note that this guidance may be updated from time to time.

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1 FX Definitions

1.1 *Settlement Date; Premium Payment Date*

It is ISDA's understanding that commercial banks in Sydney and Melbourne are closed and will not settle payments on September 22, 2022, (the "**Relevant Date**"). Consequently, the Relevant Date should be treated as a non-Business Day where Sydney and/or Melbourne are relevant financial centers for the purposes of settlement and payment on the Settlement Date and Premium Payment Date and the relevant Business Day Convention should apply to those dates. In the absence of a specified Business Day Convention in the parties' confirmation, the Following Business Day Convention will apply.

1.2 *Valuation Date; Averaging Date; exercise of Options*

It is ISDA's understanding that commercial banks in Sydney and Melbourne will be closed for business (including dealings in foreign exchange) on the Relevant Date. Consequently, the Relevant Date will not be a Business Day in Sydney or Melbourne for the purposes of valuation on a Valuation Date or Averaging Date, or for exercise of a Currency Option Transaction on an Expiration Date, Specified Exercise Date or any day during the Exercise Period. For transactions where Sydney and/or Melbourne are relevant financial centers for Business Days, the Valuation Date, Averaging Date, Expiration Date, and Specified Expiration Date will therefore adjust in accordance with the applicable Business Day Convention. Unless otherwise specified in documentation entered into by the parties, the Business Day Convention set out for the relevant day in the FX Definitions will apply (see below).

Certain transactions provide for separate Business Days for valuation and settlement. If Business Days for settlement specify Sydney and/or Melbourne as the financial centers but

Business Days for valuation do not, a Business Day adjustment of the Valuation Date should not be required for such transactions (unless there is a holiday in the financial center(s) specified for valuation Business Days), notwithstanding that the Settlement Date will be subject to adjustment in accordance with paragraph 1.1 (*Settlement Date; Premium Payment Date*) of this guidance.

If the Relevant Date is the day for fixing the spot rate pursuant to the Settlement Rate Option (in respect of the Reference Currency and Settlement Currency as appropriate) where the rate is viewed on a day *other than* the Valuation Date, the day for fixing the spot rate will adjust as set out in the relevant Settlement Rate Option (i.e. [x] Business Days following the Rate Calculation Date (either the Valuation Date or the Averaging Date)).

The presumed Business Day Conventions/adjustments that apply pursuant to the FX Definitions are as follows:

Valuation Date (Section 1.16(f)) Averaging Date (Section 3.8(a))	Preceding Business Day Convention
Expiration Date (Section 3.5(d)) Specified Exercise Date (Section 3.5(h))	Following Business Day Convention
A day during the Exercise Period (American Currency Options) (Section 3.6(b))	Exercise on the Relevant Date will be deemed as exercise on the next valid Business Day during the Exercise Period.