

May 5, 2023

Closed Days Guidance – FX Derivatives

UK Coronation 2023 - His Majesty King Charles III

The International Swaps and Derivatives Association, Inc. (“ISDA”) announces the following guidance for parties to over-the-counter derivative FX transactions that are affected by the additional bank holiday in the UK to mark the Coronation of His Majesty King Charles III.

*On November 6, 2022 (the “**Announcement Date**”), the UK Government announced (the “**Announcement**”)¹ that an additional bank holiday will be observed on Monday, May 8, 2023 in honour of the Coronation of His Majesty King Charles III, which will take place on Saturday, May 6, 2023.*

As a consequence, it is ISDA’s understanding that on May 8, 2023, UK commercial banks are expected to be closed (including for dealings in foreign exchange and foreign currency deposits).

Based on information received from Refinitiv, ISDA understands that the WMR fixing will be published as normal on Monday, May 8, 2023.

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**”), the November 2018 Volatility Swap, Variance Swap and Correlation Swap Supplement to the 1998 FX and Currency Option Definitions (the “**2018 Volatility, Variance and Correlation Swap Supplement**”), the May 2022 Barrier Event Supplement to the 1998 FX and Currency Option Definitions (the “**2022 Barrier Supplement**”) and the September 2022 Averaging Supplement to the 1998 FX and Currency Option Definitions (the “**2022 Averaging Supplement**” and, together with the 2018 Volatility, Variance and Correlation Swap Supplement and the 2022 Barrier Supplement, the “**Covered Supplements**”). 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, if applicable, a Covered Supplement, and for which no bilateral agreement has been reached regarding the subject matter of this guidance. This

¹ <https://www.gov.uk/government/news/bank-holiday-proclaimed-in-honour-of-the-coronation-of-his-majesty-king-charles-iii>

guidance includes a description of provisions contained in the FX Definitions and the Covered Supplements that may be relevant to market participants. Any terms used but not defined in this guidance shall have the meaning given to them in the FX Definitions or in the relevant Covered Supplement, as applicable. **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 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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Guidance

1 FX Definitions²

1.1 *Settlement Date; Premium Payment Date*

It is ISDA's understanding that commercial banks in London are closed and will not settle payments on May 8, 2023 (the "**Relevant Date**"). Consequently, the Relevant Date should not be treated as a Business Day where London is a place for the purposes of determining the Business Days for 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*

1.2.1 It is ISDA's understanding that commercial banks in London will be closed for business (including for dealings in foreign exchange) on the Relevant Date. Consequently, the Relevant Date will not be a Business Day in London for the purposes of valuation on a Valuation Date or Averaging Date, or for exercise of a

² Please note that this paragraph 1 considers the FX Definitions without any Covered Supplements. Refer to paragraphs 2, 3 or 4 below, as applicable, if a Transaction incorporates a Covered Supplement.

Currency Option Transaction on an Expiration Date, Specified Exercise Date or any day during the Exercise Period. For transactions where London is a place 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).

- 1.2.2** Certain transactions provide for separate Business Days for valuation and settlement. If Business Days for settlement specify London as a relevant place 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 place 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.
- 1.2.3** 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 observed 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)).
- 1.2.4** 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.

2 2018 Volatility, Variance and Correlation Swap Supplement

2.1 *Payment Business Day (for the purposes of the Settlement Date, the Transaction Fee Payment Date and any other day specified by reference to a Payment Business Day)*

As per paragraph 1.1 above, it is ISDA's understanding that commercial banks in London are closed for general business on the Relevant Date, including closed for dealings in foreign

exchange. Consequently, the Relevant Date should not be treated as a Payment Business Day where London is a place for the purposes of determining the Payment Business Days for the Settlement Date, a Transaction Fee Payment Date or any other day specified by reference to a Payment Business Day.

2.1.1 *Transaction Fee Payment Date; any date specified by reference to a Payment Business Day*

A Transaction Fee Payment Date, or any date specified by reference to a Payment Business Day, falling on the Relevant Date should adjust in accordance with the relevant Business Day Convention. In the absence of a specified Business Day Convention in the parties' Confirmation, the Following Business Day Convention will apply to the Transaction Fee Payment Date.

2.1.2 *Settlement Date*

If the Settlement Date is specified in the Confirmation and falls on the Relevant Date, the Settlement Date will adjust to the next following Payment Business Day.

If the Settlement Date is not specified in the Confirmation, then it will occur a number of Payment Business Days following the Valuation Date, which is the number of days and the type of day for settlement of spot transactions in the Currency Pair in accordance with market practice for that Currency Pair, or, for a Correlation Swap, the later of such dates determined for each Currency Pair (the 'Settlement Cycle') (or if such day is not a Payment Business Day, the following Payment Business Day).

The above is subject to the proviso that if the Observation Rate for the Valuation Date is postponed, then the Settlement Date shall be postponed to be the Settlement Cycle following the Final Determination Date (or if such day is not a Payment Business Day, the following Payment Business Day).

2.2 *Observation Business Day (for the purposes of the Initial Observation Date, the Valuation Date, other Observation Dates and any other date specified by reference to an Observation Business Day)*³

The Announcement was made six months prior to the Relevant Date. If the relevant Transaction was entered into prior to the Announcement Date, then if the Relevant Date is determined on the basis of London being specified as a place for Observation Business Days, then such day is deemed to be a Business Day because, as of the Trade Date of that Transaction, commercial banks were scheduled to be open for business (including dealings

³ The definition of "Observation Business Day" provides that a day will only be an Observation Business Day if commercial banks in the specified place were scheduled to be open for general business including dealing in foreign exchange as of the Trade Date. If no place(s) are specified, then the day will only be an Observation Business Day if it is a day on which the Rate Source is, as of the Trade Date, scheduled to publish the spot rate for the Currency Pair, provided that if the Rate Source does not make its publication schedule, or a method for determining its publication schedule, available then it is a day on which commercial banks in each of the Principal Financial Center for each currency in the Currency Pair are open for business, including dealing in foreign exchange. For a Correlation Swap, an Observation Business Day is such a day in respect of both Currency Pairs in the Correlation Swap.

in foreign exchange in accordance with the market practice of the foreign exchange market) in London. If the relevant Transaction was entered into on or after the Announcement Date, the Relevant Date would not be an Observation Business Day if London were specified for such days because commercial banks were not scheduled to be open for business (including dealings in foreign exchange) in London on the Relevant Date. In this latter instance where London is specified as a place for the purposes of Observation Business Days, the Relevant Date is not an Observation Business Day.

If no place is specified for the purposes of Observation Business Days, whether the Initial Observation Date, the Valuation Date and any other Observation Date is an Observation Business Day will depend on whether the Rate Source for the Currency Pair was scheduled, as of the Trade Date, to publish the spot rate for that Currency Pair on the Relevant Date based on the Rate Source calendar for publishing or providing rates (including, as applicable, through an agent or third party vendor reasonably acceptable to the Calculation Agent) or a mechanism for such dates. Whether any of these dates that falls on the Relevant Date is a Business Day depends on whether or not the Rate Source was, as of the Trade Date, scheduled to publish spot rates on the Relevant Date. This will only be relevant for Rate Sources impacted by the Relevant Date (i.e. Rate Sources that are not going to publish a spot rate for Currency Pairs involving GBP on the Relevant Date). Accordingly, if the Rate Source (e.g. WMR/Refinitiv) is scheduled, as of the Trade Date, to publish the relevant spot rate on the Relevant Date, then it will be an Observation Business Day. If the Rate Source was not scheduled, as of the Trade Date, to publish the relevant spot rate on the Relevant Date, then the Relevant Date will not be an Observation Business Day.

If London is not specified as a place for Observation Business Days and the Rate Source does not publish or provide a publication schedule on the Trade Date, whether the Initial Observation Date, the Valuation Date and any other Observation Date is an Observation Business Day will depend on whether commercial banks are, as of the Trade Date, scheduled to be open for business (including dealings in foreign exchange in accordance with market practice of the foreign exchange market) in the place for each currency in the Currency Pair, as determined by the Calculation Agent. Accordingly, if the relevant Transaction (for which the Currency Pair includes GBP) was entered into prior to the Announcement Date, then the Relevant Date is deemed to be an Observation Business Day because, as of the Trade Date of that Transaction, commercial banks were scheduled to be open for business (including dealings in foreign exchange in accordance with the market practice of the foreign exchange market) in London⁴. If the relevant Transaction (for which the Currency Pair includes GBP) was entered into on or after the Announcement Date, the Relevant Date would not be an Observation Business Day because commercial banks were not, as of the Trade Date,

⁴ This is because London is a relevant place for GBP.

scheduled to be open for business (including dealings in foreign exchange) in London on the Relevant Date.

2.3 *Trading Business Day*

If London has been specified as a place for the purposes of Observation Business Days or, if no place has been specified for the purposes of Observation Business Days and the Rate Source for the Currency Pair does not publish a spot rate on the Relevant Date, then the Relevant Date will not be a Trading Business Day. In respect of a Correlation Swap, if the Relevant Date is not a Trading Business Day for one of the Currency Pairs then it will not be a Trading Business Day for the purposes of the Transaction.

2.4 *Initial Observation Date, Observation Dates and Valuation Date*

2.4.1 *Initial Observation Date*

If the Initial Observation Date falls on the Relevant Date and an ‘Initial Observation Rate’ has not been agreed, and the Spot Rate (as the Initial Observation Rate) cannot be determined for that date, the Initial Observation Rate shall be the Spot Rate for the relevant Currency Pair as at the preceding Trading Business Day on which such rate is available. The preceding Trading Business Day is expected to be May 5, 2023⁵.

2.4.2 *Observation Dates (other than the Valuation Date); N*

Observation Dates are defined as “*each Observation Business Day during the Observation Period*”. As per paragraph 2.2 above, whether a date is an Observation Business Day is determined as at the Trade Date. For Transactions with a Trade Date on or after the Announcement Date where London is a place for Observation Business Days, the Relevant Date is not an Observation Business Day and will not constitute an Observation Date.

If *N* has not been specified in the Confirmation, then it is the number of Observation Dates in the Observation Period and consequently for Transactions with a Trade Date on or after the Announcement Date, if the Relevant Date falls in the Observation Period it will not be counted towards *N*.

For Transactions with a Trade Date before the Announcement Date where London is a place for Observation Business Days, the Relevant Date is an Observation Business Day and will constitute an Observation Date. Therefore, the Observation Rate will be observed on that date or if not available on that date, the Observation Rate for the

⁵ For a Correlation Swap, if the Initial Observation Rate for each Currency Pair is determined as the Observation Rate for the relevant Currency Pair on the Initial Observation Date, then if the Observation Rate cannot be so determined for either Currency Pair on such date, the Initial Observation Rate shall be determined for each Currency Pair as of the preceding Trading Business Day on which such rate is available for both Currency Pairs at the Specified Time, as determined by the Calculation Agent.

Currency Pair on the immediately preceding Observation Date.⁶ Note that even if the Relevant Date is not a Trading Business Day, the Observation Rate (depending on how it is defined) may be available on such date.

If N has not been specified in the Confirmation, then it is the number of Observation Dates in the Observation Period and consequently for Transactions with a Trade Date before the Announcement Date, if the Relevant Date falls in the Observation Period it will be counted towards N .

2.4.3 Valuation Date

If a Valuation Date in respect of a Transaction with a Trade Date on or after the Announcement Date falls on the Relevant Date, the Valuation Date will adjust to be the next following Observation Business Day (which is expected to be May 9, 2023).

If a Valuation Date in respect of a Transaction with a Trade Date prior to the Announcement Date falls on the Relevant Date, the Observation Rate for the Valuation Date will be the Spot Rate for the Currency Pair on the immediately following Trading Business Day (which is expected to be May 9, 2023)⁷, unless such Spot Rate can be determined on the Relevant Date, but the Valuation Date itself will not adjust and consequently there is no increase to the value of N . If a Valuation Date in respect of a Transaction with a Trade Date prior to the Announcement Date falls on the Relevant Date and the Spot Rate for the Currency Pair can be determined on such date (certain rate sources, such as WMR/Refinitiv, are scheduled and expected to publish spot rates for Currency Pairs involving GBP on the Relevant Date), then the Observation Rate for the Valuation Date will be such Spot Rate. The Valuation Date will not adjust and consequently there is no increase to the value of N .

2.4.4 Observation Period

The Observation Period starts on, but excludes, the Initial Observation Date and ends on, but includes, the Valuation Date. If the Valuation Date adjusts as set out above, the Observation Period will adjust accordingly.

2.4.5 Rate Calculation Date

Each of the Initial Observation Date, any Observation Date and the Valuation Date is a Rate Calculation Date. Consequently, paragraph 1.2.3 applies equally to the fixing day for the purpose of each such Rate Calculation Date.

⁶ For a Correlation Swap, if the Spot Rate cannot be determined for either Currency Pair on an Observation Date, then the Observation Rate for each Currency Pair for such Observation Date will be the Observation Rate for each Currency Pair on the immediately preceding Observation Date, notwithstanding that the Spot Rate may be available for one of the Currency Pairs on such Observation Date.

⁷ In the case of a Correlation Swap, this will be the first Trading Business Day on which the Spot Rate for both Currency Pairs can be determined (this is also expected to be May 9, 2023).

3 2022 Barrier Supplement

3.1 ***Payment Business Day (for the purposes of the Settlement Date, Premium Payment Date, Binary Amount Payment Date or Rebate Amount Payment Date)***

When London is the place specified in the Confirmation for Payment Business Days or Business Days for the Settlement Date

As per paragraph 1.1 above, it is ISDA's understanding that commercial banks in London are closed for general business on the Relevant Date, including closed for dealings in foreign exchange. Consequently, the Relevant Date should be treated as a non-Payment Business Day where London is a place for the purposes of settlement and payment on a Settlement Date, a Premium Payment Date, a Binary Amount Payment Date or a Rebate Amount Payment Date.

When a place is not specified as a Payment Business Day in the Confirmation

If, for the purposes of:

- (a) a Settlement Date for a Non-Deliverable Barrier Transaction, the Settlement Currency is GBP;
- (b) a Settlement Date for a Deliverable Barrier Transaction, the Currency Pair includes GBP;
or
- (c) for the purposes of a Premium Payment Date, a Binary Amount Payment Date or a Rebate Amount Payment Date, the Barrier Settlement Currency is GBP,

then the Relevant Date will not be a Payment Business Day for the purposes of settlement and payment on the Settlement Date, the Premium Payment Date, the Binary Amount Payment Date or the Rebate Amount Payment Date, as applicable.⁸

3.1.1 Settlement Date; Premium Payment Date

If the Settlement Date or a Premium Payment Date falls on the Relevant Date, the Following Business Day Convention will apply (unless specified otherwise in the Confirmation).⁹

3.1.2 Binary Amount Payment Date; Rebate Amount Payment Date

The Binary Amount Payment Date is either the specified number of Payment Business Days following the Barrier Event Reference Date, as specified in the Confirmation,¹⁰

⁸ In each case this is because London is a relevant place for GBP.

⁹ As per Section 1.24 (*Settlement Date*) and Section 3.4(b) (*Premium Payment Date*) of the FX Definition.

¹⁰ As per Exhibits II (*Deliverable Currency Option Transaction Binary Transaction – Single Event*) and V (*Non-Deliverable Currency Option Transaction Binary Transaction – Single Event*) to the 2022 Barrier Supplement.

or, if not specified in the Confirmation, it is two Payment Business Days following the Barrier Event Reference Date.

The Rebate Amount Payment Date is either the date specified in the Confirmation or the specified number of Payment Business Days following the Barrier Event Reference Date. Some Exhibits to the 2022 Barrier Supplement contemplate that the Rebate Amount Payment Date may be specified in the Confirmation as the Settlement Date¹¹. If not specified in the Confirmation, it is two Payment Business Days following the Barrier Event Reference Date.

If the Binary Amount Payment Date/Rebate Amount Payment Date is two, or the specified number of, Payment Business Days following the Barrier Event Reference Date, then if such day were due to fall on the Relevant Date it will roll forward to fall on the following Payment Business Day (expected to be Tuesday, May 9, 2023).

3.2 *Barrier Determination Business Day (for the purposes of the definition of any date other than the Settlement Date, Premium Payment Date, Binary Amount Payment Date or Rebate Amount Payment Date)*

3.2.1 *Non-Deliverable Transactions*

If the Barrier Event Determination Time is Spot Market Hours

A Barrier Determination Business Day will be a day on which the Local Spot Market¹² (i.e. the spot foreign exchange market in the principal financial center of the Barrier Reference Currency) is open. However, for Non-Deliverable Transactions where GBP is the Barrier Reference Currency parties are expected to have specified the Global Spot Market as applicable. ISDA understands that the Global Spot Market will remain open on the Relevant Date.

Consequently, assuming that Global Spot Market has been specified as applicable, the Relevant Date will be a Barrier Determination Business Day as the global spot foreign exchange market will remain open.

If the Barrier Event Determination Time is not Spot Market Hours

A Barrier Determination Business Day will be a Business Day for the Valuation Date. As per paragraph 1.2.1 above, where London is a place for the purposes of the Valuation Date, the Relevant Date will not be a Business Day for the Valuation Date and accordingly will also not be a Barrier Determination Business Day.

¹¹ As per Exhibits I (*Deliverable Currency Option Transaction Barrier Transaction – Single Event*), III (*Deliverable Currency Option Transaction Barrier Transaction – Multiple Events*), IV (*Non-Deliverable Currency Option Transaction Barrier Transaction – Single Event*) and VI (*Non-Deliverable Currency Option Transaction Barrier Transaction – Multiple Event*) to the 2022 Barrier Supplement.

¹² Assuming the default position of Local Spot Market for a Non-Deliverable Transaction has not been overridden by an election for Global Spot Market in the Confirmation.

3.2.2 Deliverable Transactions

If the Barrier Event Determination Time is Spot Market Hours

A Barrier Determination Business Day will be a day on which the Global Spot Market (i.e. the global spot foreign exchange market) is open.

The Relevant Date will consequently be a Barrier Determination Business Day.

If the Barrier Event Determination Time is not Spot Market Hours

A. Barrier Settlement Rate Option is not the Barrier Determination Agent Spot Rate

If the Barrier Settlement Rate Option is not the Barrier Determination Agent Spot Rate¹³, a Barrier Determination Business Day will be a day on which the provider of the Barrier Settlement Rate Option is scheduled to publish the relevant rate by reference to its publication calendar or other information provided by it (if such calendar or information is available to the Barrier Determination Agent) (a “**Publication Business Day**”).

As noted in paragraph 2.2, the Announcement was made six months prior to the Relevant Date and announces a bank holiday in the UK. This guidance has therefore been produced on the basis that any rate sources that are not going to publish a spot rate for Currency Pairs involving GBP on the Relevant Date are not scheduled to publish the relevant rates and have updated their publication calendar or other information accordingly (acknowledging that certain rate sources, such as WMR/Refinitiv, are scheduled and expected to publish spot rates for Currency Pairs involving GBP on the Relevant Date).¹⁴ Consequently, the Relevant Date will not be a Barrier Determination Business Day for Transactions using a Barrier Settlement Rate Option which is not scheduled to be published on the Relevant Date.

B. Barrier Settlement Rate Option is the Barrier Determination Agent Spot Rate

If the Barrier Settlement Rate Option is the Barrier Determination Agent Spot Rate,¹⁵ a Barrier Determination Business Day will be a day on which commercial banks are open for business, including dealings in foreign exchange, in the place specified in the

¹³ If a Barrier Settlement Rate Option has been specified in the Confirmation (other than by reference to ‘Barrier Determination Agent Spot Rate’) then the Barrier Settlement Rate Option will be that specified spot rate and will not be the Barrier Determination Agent Spot Rate. If nothing is specified for the Barrier Settlement Rate Option, then if any of the following apply to the Transaction, the Barrier Settlement Rate Option will be deemed to be the Barrier Determination Agent Spot Rate:

1. the Barrier Time Type is Discrete Time and the Barrier Transaction is Deliverable,
2. the Barrier Time Type is Continuous Time and the Barrier Transaction is Deliverable, or
3. the Barrier Time Type is Continuous Time and the Barrier Transaction is Non-Deliverable.

¹⁴ The 2022 Barrier Supplement does not specify when the publication calendar or other information provided by the Barrier Settlement Rate Option provider needs to be observed to determine if a day is a Barrier Determination Business Day. The position set out in this guidance is therefore subject to any agreement between the parties as to when the publication calendar or other information is observed.

¹⁵ The Exhibits to the 2022 Barrier Supplement provide an option for specifying that the Barrier Settlement Rate Option is the ‘Barrier Determination Agent Spot Rate’. If this option has been applied by the parties then the Barrier Settlement Rate Option will be the Barrier Determination Agent Spot Rate. In addition, Barrier Determination Agent Spot Rate may be deemed to apply to certain types of Transaction. See footnote 13.

Confirmation for Barrier Event Determination Dates or for Valuation Dates. If London is so specified, the Relevant Date will not be a Barrier Event Determination Date.

3.2.3 *If a Barrier Determination Business Day cannot be determined in accordance with the provisions for Non-Deliverable Transactions and Deliverable Transactions described above*

A Barrier Determination Business Day will be a day on which commercial banks are open for business, including dealings in foreign exchange, in the principal financial center for the Barrier Reference Currency. If GBP is specified to be the Barrier Reference Currency (or is not so specified but it is either the Reference Currency or it is selected by the Barrier Determination Agent to be the Barrier Reference Currency), the Relevant Date will not be a Barrier Determination Business Day.

3.3 *Barrier Event Determination Dates*

If Barrier Event Determination Dates are specified in the Confirmation

The Barrier Event Determination Dates will be each such date. If any such date falls on the Relevant Date and London is a place for Barrier Event Determination Dates or relevant rate sources are not scheduled to publish the relevant spot rate(s), it will adjust as specified below depending on whether it is the Barrier Event Start Date, Barrier Event End Date or an Interim Barrier Event Determination Date (see below).

If Barrier Event Determination Dates are not specified in the Confirmation

If Barrier Event Determination Dates are not specified in the Confirmation, then Barrier Event Determination Dates¹⁶ are each Barrier Determination Business Day during the related Barrier Date Determination Period.

If the Relevant Date is not a Barrier Determination Business Day for the Transaction (see paragraph 3.2 (*Barrier Determination Business Days*) above) it will not be a Barrier Event Determination Date.

If a method for determining Barrier Event Determination Dates is specified in the Confirmation

If a method for determining Barrier Event Determination Dates is specified in the Confirmation, the Barrier Event Determination Dates will be each date determined in accordance with that method. If any such date falls on the Relevant Date it will adjust as specified below depending on whether it is the Barrier Event Start Date, Barrier Event End Date or an Interim Barrier Event Determination Date (see below).

¹⁶ Section 7.2(n) refers to 'Business Day', which is defined as a Payment Business Day or a Barrier Determination Business Day. Section 7.2(hh) (*Barrier Determination Business Day*) provides that it applies for the purposes of any date other than Settlement Date, Premium Payment Date, Binary Amount Payment Date and Rebate Amount Payment Date.

3.3.1 *Barrier Date Determination Period*

The Barrier Date Determination Period starts on, and includes, the Barrier Event Start Date and ends on, and includes, the Barrier Event End Date (or, if there is only one Barrier Event Determination Date, such Barrier Event Determination Date). If the Barrier Event Start Date, the Barrier Event End Date and/or the sole Barrier Event Determination Date adjusts as set out above, the Barrier Date Determination Period will adjust accordingly.

3.3.2 *Barrier Event Start Date*

If the Barrier Event Start Date¹⁷ falls on the Relevant Date and the Relevant Date is not a Barrier Determination Business Day for the Transaction (see paragraph 3.2 (*Barrier Determination Business Days*) above) such date will adjust in accordance with the All Barrier Dates Business Day Convention specified in the Confirmation (if one is specified) or otherwise in accordance with the Interim Barrier Dates Business Day Convention specified in the Confirmation or, if one is not specified, the default Interim Barrier Dates Business Day Convention (see below).

3.3.3 *Barrier Event End Date*

If the Barrier Event End Date¹⁸ falls on the Relevant Date and the Relevant Date is not a Barrier Determination Business Day for the Transaction (see paragraph 3.2 (*Barrier Determination Business Days*) above) such date will adjust in accordance with the All Barrier Dates Business Day Convention specified in the Confirmation (if one is specified) or otherwise in accordance with the Barrier Event End Date Business Day Convention specified in the Confirmation or, if one is not specified, the default Barrier Event End Date Business Day Convention (see below).

3.3.4 *Interim Barrier Event Determination Dates*

An Interim Barrier Event Determination Date is any Barrier Event Determination Date other than one that falls on the Expiration Date or Valuation Date, as applicable. An Interim Barrier Event Determination Date that falls on the Relevant Date will adjust in accordance with the All Barrier Dates Business Day Convention, if one is specified in the Confirmation, and otherwise in accordance with the Interim Barrier Dates Business Day Convention specified in the Confirmation or, if one is not specified, in accordance with the default Interim Barrier Dates Business Day Convention (see below).

¹⁷ The Barrier Event Start Date is (i) the date specified as such in the Confirmation, (ii) if no such date is specified, it is the first Barrier Event Determination Date, and (iii) otherwise, the Trade Date.

¹⁸ The Barrier Event End Date is (i) the date specified as such in the Confirmation, (ii) if no such date is specified, it is the final Barrier Event Determination Date, and (iii) otherwise, the Expiration Date.

3.3.5 *Default Interim Barrier Dates Business Day Convention and default Barrier Event End Date Business Day Convention*

The following default conventions will apply for the Interim Barrier Dates Business Day Convention and the Barrier Event Date Business Day Convention if nothing is specified in the Confirmation for those conventions.¹⁹

Interim Barrier Dates Business Day Convention	Interim Barrier Event Determination Dates are ‘Consecutive Dates’	Unadjusted
	Interim Barrier Event Determination Dates are ‘Discrete Dates’	Closest
Barrier Event Date Business Day Convention	Barrier Event End Date is the Valuation Date or the Expiration Date	Expiry
	Barrier Event End Date is not the Valuation Date or the Expiration Date	Closest

‘**Closest**’: such Barrier Event Determination Date will move to the closest Barrier Determination Business Day to the original date, provided that if there is an equal number of days prior to and following such date between it and the next closest Barrier Determination Business Day, the Barrier Event Determination Date shall be the preceding Barrier Determination Business Day. In respect of a Barrier Event Determination Date falling on the Relevant Date this means that the Barrier Event Determination Date will move to Tuesday May 9, 2023 (which is expected to be the closest day that is a Barrier Determination Business Day).

‘**Unadjusted**’: means that no adjustment is applied and the Relevant Date will not be a Barrier Event Determination Date.

‘**Expiry**’:

- (i) for a Barrier Event End Date which is the Valuation Date or Expiration Date, the Barrier Event End Date will be the Valuation Date or Expiration Date as adjusted (i.e. if the Valuation Date or Expiration Date adjust, the Barrier Event End Date will also adjust);

¹⁹ As described above, if the All Barrier Dates Business Day Convention is specified in the Confirmation, the All Barrier Dates Business Day Convention will apply in priority to the default Business Day Conventions set out in paragraph 3.3.5.

- (ii) for a Barrier Event End Date which is not the Valuation Date or Expiration Date, the Barrier Event End Date will be adjusted as if it were the Valuation Date or Expiration Date and consequently if a Valuation Date or Expiration Date falling on the Relevant Date would adjust, the Barrier Event End Date will adjust accordingly; and
- (iii) for an Interim Barrier Event Determination Date, that Interim Barrier Determination Date will be adjusted as if it were the Valuation Date or Expiration Date and consequently if a Valuation Date or Expiration Date falling on the Relevant Date would adjust, the Barrier Event End Date will adjust accordingly.

3.3.6 *Barrier Event Reference Date*

If a Barrier Event occurs, the Barrier Event Reference Date is the Barrier Event Determination Date on which such Barrier Event occurs. If such date falls on the Relevant Date because the Relevant Date is a Barrier Determination Business Day for the Transaction, no further adjustment applies to the Relevant Date as the Barrier Event Reference Date. If the Relevant Date is not a Barrier Determination Business Day (see paragraph 3.3), then such day will not be a Barrier Event Determination Date and no Barrier Events can occur on such date.

If a Barrier Event does not occur, the Barrier Event Reference Date is the Barrier Event End Date. If the Barrier Event End Date falls on the Relevant Date and adjusts as set out above, the Barrier Event Reference Date will also adjust accordingly.

3.3.7 *Rate Calculation Date*

Each of the Valuation Date, an Averaging Date or any Barrier Event Determination Date is a Rate Calculation Date. Consequently, paragraph 1.2.3 applies equally to the fixing day for the purpose of each such Rate Calculation Date.

4 2022 Averaging Supplement

4.1 *Disapplication of Section 3.8 (Averaging)*

If the 2022 Averaging Supplement applies, paragraph 1.2 (*Valuation Date; Averaging Date; exercise of Options*) of this guidance shall not apply to Averaging Dates and the guidance set out below shall apply instead. Equally, if the Valuation Date is also an Averaging Date, the guidance below shall apply to such date in place of the guidance for Valuation Date set out in paragraph 1.2 (*Valuation Date; Averaging Date; exercise of Options*).

4.2 *Payment Business Day (for the purposes of the Settlement Date, the Premium Payment Date and any other day defined by reference to a Payment Business Day)*

As per paragraph 1.1 above, it is ISDA's understanding that commercial banks in London are closed for general business on the Relevant Date, including closed for dealings in foreign exchange. Consequently, the Relevant Date will not be a Payment Business Day where London is either specified in the Confirmation, or otherwise applies, as the place for the purposes of Payment Business Days.

If no place(s) have been specified for the purposes of Payment Business Days in the Confirmation, London will be the, or a place for the purposes of Payment Business Days for the following Transactions:

- (i) in respect of a Premium Payment Date for any Transaction, if the currency of the Premium is GBP;
- (ii) in respect of a Settlement Date for a Non-Deliverable Transaction, if the Settlement Currency is GBP; and
- (iii) in respect of a Settlement Date for a Deliverable Transaction, if either currency of the Currency Pair is GBP.

4.2.2 *Premium Payment Date; any date defined by reference to a Payment Business Day*

A Premium Payment Date, or any date specified by reference to a Payment Business Day falling on the Relevant Date should adjust in accordance with the Business Day Convention specified in the Confirmation. In the absence of a specified Business Day Convention in the parties' Confirmation, the Following Business Day Convention will apply to the Premium Payment Date.²⁰

4.2.3 *Settlement Date*

If the Settlement Date is specified in the Confirmation and falls on the Relevant Date, the Settlement Date will adjust to the next following Payment Business Day.

If the Settlement Date is not specified in the Confirmation, then it will occur a number of Payment Business Days following the Valuation Date, which is the number of days and the type of day for settlement of spot transactions in the Currency Pair in accordance with market practice for that Currency Pair (the "**Settlement Cycle**"). If such date falls on the Relevant Date, the Settlement Date will adjust to the next following Payment Business Day.

If the Valuation Date falls on the Relevant Date (see paragraph 4.5.2 (*Valuation Date*) below), then the Settlement Date shall be postponed to be the Settlement Cycle following the postponed Valuation Date (or if such day is not a Payment Business Day, the next following Payment Business Day).

²⁰ Section 3.4(b) (*Premium Payment Date*) of the FX Definitions.

4.3 Valuation Business Day (for the purposes of the Averaging Rate Calculation Date or Averaging Date)

Where London is specified as a place for the purposes of Valuation Business Days (or specified as a ‘Relevant City for Business Day for Valuation Date’) in the Confirmation, or is otherwise a place for the purposes of Valuation Business Days, the Relevant Date is not a Valuation Business Day.

Where a place is not specified for the purposes of Valuation Business Days (including as a ‘Relevant City for Business Day for Valuation Date’), London will be the, or a, place for the purposes of Valuation Business Days for the following Transactions:

- (i) if the Reference Currency specified in the Confirmation is GBP; or
- (ii) if the Reference Currency is not specified in the Confirmation but GBP is one currency of the Currency Pairs.

4.4 Averaging Dates; Averaging Period

4.4.1 Averaging Period Start Date; Averaging Period End Date

The Averaging Period Start Date and the Averaging Period End Date will each be the day specified as such in the Confirmation. If a date, or a means of determining such date, is not specified for the purposes of the Averaging Period Start Date and/or the Averaging Period End Date in the Confirmation but Averaging Dates are specified, the Averaging Period Start Date and the Averaging Period End Date will be, respectively, the first or last specified Averaging Date. If either date falls on the Relevant Date and London is a place for Averaging Dates, it will adjust in accordance with the Averaging Date Business Day Convention (see paragraph 4.4.4 (*Averaging Date Business Day Convention*) below).

4.4.2 Averaging Period

The Averaging Period starts on, and includes, the Averaging Period Start Date and ends on, and includes, the Averaging Period End Date. If the Averaging Period Start Date or Averaging Period End Date falls on the Relevant Date, it will adjust as set out in paragraph 4.4.4 (*Averaging Date Business Day Convention*) below and the Averaging Period will consequently adjust accordingly.

4.4.3 Averaging Dates

- (i) If Averaging Dates are specified in the Confirmation, then if any such date falls on the Relevant Date, it shall adjust in accordance with the Averaging Date Business Day Convention (see paragraph 4.4.4 (*Averaging Date Business Day Convention*)).

- (ii) If Averaging Dates are not specified in the Confirmation, the Averaging Dates will be each Valuation Business Day during the Averaging Period. If the Relevant Date falls in the Averaging Period it will consequently not be an Averaging Date.
- (iii) If the Confirmation otherwise provides a method for determining an Averaging Date and the day determined in accordance with that method falls on the Relevant Date, it will adjust in accordance with the Averaging Date Business Day Convention.

4.4.4 *Averaging Date Business Day Convention*

The default Averaging Date Business Day Convention is:

- (i) for a Deliverable Transaction, the Modified Following Business Day Convention; and
- (ii) for a Non-Deliverable Transaction, the Preceding Business Day Convention.

The 2022 Averaging Supplement also includes the two optional conventions of “Closest” and “Unadjusted”. If either of these have been specified in the Confirmation as the Averaging Date Business Day Convention then the consequences for an Averaging Date falling on the Relevant Date are as follows:

‘Closest’: such Averaging Date will move to the closest Valuation Business Day to the original date, provided that if there is an equal number of days prior to and following such date between it and the next closest Valuation Business Day, the Averaging Date shall be the preceding Valuation Business Day. In respect of an Averaging Date falling on the Relevant Date this means that the Averaging Date will move to Tuesday, May 9, 2023 (which is expected to be the closest day that is a Valuation Business Day).

‘Unadjusted’:

- (i) if the relevant Averaging Date is not the Valuation Date, then such Averaging Date shall not adjust and shall be excluded as an Averaging Date; and
- (ii) if the relevant Averaging Date is the Valuation Date, the Modified Following Business Day Convention shall apply. In respect of an Averaging Date falling on the Relevant Date this means that the Averaging Date will move to Tuesday, May 9, 2023 (which is expected to be the next following day that is a Valuation Business Day).

4.4.5 *N; i*

“*N*” is the number of Averaging Dates in the relevant Averaging Period. *N* will not include the Relevant Date if Averaging Dates are not specified in the Confirmation

and such date falls in the Averaging Period. “*i*” is the series of whole numbers from one to *N*. Therefore, if *N* adjusts as described in the preceding sentence, “*i*” will shift accordingly.

If, however, Averaging Dates are specified in the Confirmation (i.e. they are set out in the Confirmation and are not determined by reference to Valuation Business Days in the Averaging Period), then the Relevant Date will adjust as described in paragraph 4.4.3(i) above and therefore *N* will include the Relevant Date and “*i*” will not shift.

4.5 *Averaging Rate Calculation Date*

The Averaging Rate Calculation Date is the Valuation Date, the Strike Price Determination Date, the Forward Rate Determination Date or any other date specified in the related Confirmation as an Averaging Rate Calculation Date.

4.5.1 *Strike Price Determination Date; Forward Rate Determination Date*

The Strike Price Determination Date and the Forward Rate Determination Date are each the related Averaging Period End Date. If the Averaging Period End Date is adjusted as described in paragraph 4.4.1 (*Averaging Period Start Date; Averaging Period End Date*) above, the corresponding Strike Price Determination Date or Forward Rate Determination Date, as applicable, will adjust accordingly.

4.5.2 *Valuation Date*

If the Valuation Date is an Averaging Date and falls on the Relevant Date, it shall adjust in accordance with the Averaging Date Business Day Convention (see paragraph 4.4.4 (*Averaging Date Business Day Convention*) above. Otherwise, it shall adjust in accordance with the Preceding Business Day Convention (unless another Business Day Convention is specified).²¹

²¹ Section 1.16(f) (*Valuation Date*)