8. January 4, 2022

Recommended EMTA-ISDA Market Practice on Incorporation of SOFR as a Risk-Free Rate into Latin American Currency Non-Deliverable Cross Currency Swap Transactions

With a view to promoting and harmonizing (i) the adoption of SOFR and (ii) local market practices in certain emerging markets for transacting and documenting non-deliverable cross currency swaps and their related hedging transactions, and with the goal of minimizing, as much as possible, attendant operational risk, EMTA and ISDA recommend that, unless otherwise agreed, market participants observe transactional, documentation and settlement practices for non-deliverable Latin American currency cross currency swaps and their related FX hedges as follows:

Swap Practices		**Period End Date**	**FX Fixing**	**Payment Date**
SOFR Leg	Floating Amount	T		T+2
	Exchange Amount	N/A		T
EM Leg	Floating Amount	T	T-2	T+2
	Exchange Amount	N/A	T-2	T
Hedge Practices		**Period End Date**	**FX Fixing**	**Payment Date**
SOFR Hedge (IRS Float Leg)	Floating Amount	T		T+2
EM Hedge (NDF)	Settlement Currency Amount	N/A	T-2	T

This Market Practice is a recommendation only, intended to promote and enhance market efficiency, and is not binding upon any EMTA Member or any ISDA Member. Notwithstanding this Market Practice, EMTA Members, ISDA Members and other market participants are free to agree on other terms and provisions with their counterparties as they deem appropriate and suitable for their transactions.

Defined terms used herein have the meanings set forth in the 2021 ISDA Interest Rate Derivatives Definitions published by ISDA, Inc., as amended or supplemented from time to time.

For more information on this Joint EMTA-ISDA Market Practice, please see EMTA's website (www.emta.org) and ISDA's website (www.isda.org).