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**NCU SUPPLEMENT**

**to the**

**2000 ISDA Definitions**

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**ISDA<sup>®</sup>**

**INTERNATIONAL SWAPS AND DERIVATIVES ASSOCIATION, INC.**

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## INTRODUCTION TO THE NCU SUPPLEMENT TO THE 2000 ISDA DEFINITIONS

The NCU Supplement to the 2000 ISDA Definitions (the "NCU Supplement") is intended to supplement the 2000 ISDA Definitions, which in turn are intended for use in confirmations of individual transactions ("Confirmations") governed by agreements such as the 1992 ISDA Master Agreements (the "ISDA Master Agreements") published by the International Swaps and Derivatives Association, Inc. ("ISDA"). Copies of the ISDA Master Agreements are available from the executive offices of ISDA.

When introduced on January 1, 1999, the euro replaced the existing currencies of those member states of the European Union that adopted it. However, under the terms of Council Regulation (EC) No 974/98, the former currencies of those member states were preserved as distinct units of the euro ("national currency units") and, for the duration of a transitional period scheduled to end on December 31, 2001, parties are free to enter into contracts denominated in national currency units.

With this in mind, ISDA has published the NCU Supplement and made it available on its website ([www.isda.org](http://www.isda.org)) in order to assist parties that wish to document transactions involving national currency units. The NCU Supplement contains definitions of the various national currency units, together with certain other provisions, including business day definitions, that may be relevant to transactions involving national currency units. **The NCU Supplement does not contain definitions for any national currency unit floating rate options. Parties that wish to specify a national currency unit floating rate option (to the extent that such floating rate options are still being published) may wish to define that floating rate option in their Confirmation or specify a floating rate option by reference to the 1998 Supplement to the 1991 ISDA Definitions (e.g., "DEM-LIBOR-BBA, as defined in the 1998 Supplement to the 1991 ISDA Definitions"). Parties will also need to specify the appropriate day count fraction for the floating rate option specified. In addition, parties documenting a swap transaction involving a national currency unit to which optional or mandatory early termination is applicable should consider including a provision that varies the presumed cash settlement valuation date, if appropriate.**

Where parties incorporate the 2000 ISDA Definitions into a document (including in electronic form) that evidences a transaction involving a national currency unit or that otherwise contains words or phrases defined in the NCU Supplement, the definitions and provisions in the NCU Supplement will be deemed to be incorporated into that document. The NCU Supplement may also be incorporated into a document (including in electronic form) by wording in the document indicating that, or the extent to which, the document is subject to the 2000 ISDA Definitions (as supplemented by the NCU Supplement to the 2000 ISDA Definitions).

## **NCU SUPPLEMENT TO THE 2000 ISDA DEFINITIONS**

The following definitions and provisions, where incorporated into a document (including in electronic form), supplement the 2000 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. (the "2000 Definitions"). Where parties incorporate the 2000 Definitions into a document (including in electronic form) that evidences a transaction involving a National Currency Unit (as defined in Section 1.1 below) or that otherwise contains words or phrases defined in the NCU Supplement, the following definitions and provisions will be deemed to be incorporated into that document. The NCU Supplement may also be incorporated into a document (including in electronic form) by wording in the document indicating that, or the extent to which, the document is subject to the 2000 ISDA Definitions (as supplemented by the NCU Supplement to the 2000 ISDA Definitions). All definitions and provisions so incorporated in a document will be applicable to that document unless otherwise provided in that document, and all terms defined in this NCU Supplement and used in any definition or provision that is incorporated by reference in a document will have the respective meanings set forth in this NCU Supplement unless otherwise provided in that document. Any term used in a document will, when combined with the name of a party, have meaning in respect of the named party only.

### **ARTICLE 1**

#### **CERTAIN GENERAL DEFINITIONS**

**Section 1.1. National Currency Unit.** "National Currency Unit" means any of the units of the former currencies of member states of the European Union that have adopted the euro in accordance with the EC Treaty and that are identified in Section 1.3 (National Currency Units). For purposes of the 2000 Definitions, each National Currency Unit will be deemed to be a currency.

**Section 1.2. Business Day.** For purposes of Section 1.4 (Business Day) of the 2000 Definitions, where the payment obligation that is payable on or calculated by reference to a date is denominated in a National Currency Unit, the principal financial center(s) will be the financial center(s) indicated for each of the following National Currency Units:

<b><u>National Currency Unit</u></b>	<b><u>Financial Center(s)</u></b>
Austrian Schilling	Vienna
Belgian Franc	Brussels
Deutsche Mark	Frankfurt
Dutch Guilder	Amsterdam
Finnish Markka	Helsinki
French Franc	Paris
Irish Pound	Dublin
Italian Lira	Milan
Luxembourg Franc	Brussels and Luxembourg
Portuguese Escudo	Lisbon
Spanish Peseta	Madrid

### Section 1.3. National Currency Units.

- (a) **Austrian Schilling.** "Austrian Schilling" and "ATS" each means the denomination of the euro that was, prior to January 1, 1999, the lawful currency of the Republic of Austria.
- (b) **Belgian Franc.** "Belgian Franc", "Bfr" and "BEF" each means the denomination of the euro that was, prior to January 1, 1999, the lawful currency of the Kingdom of Belgium.
- (c) **Deutsche Mark.** "Deutsche Mark", "DM" and "DEM" each means the denomination of the euro that was, prior to January 1, 1999, the lawful currency of the Federal Republic of Germany.
- (d) **Dutch Guilder.** "Dutch Guilder", "Dfl" and "NLG" each means the denomination of the euro that was, prior to January 1, 1999, the lawful currency of the Kingdom of the Netherlands.
- (e) **Finnish Markka.** "Finnish Markka" and "FIM" each means the denomination of the euro that was, prior to January 1, 1999, the lawful currency of the Republic of Finland.
- (f) **French Franc.** "French Franc", "Ffr" and "FRF" each means the denomination of the euro that was, prior to January 1, 1999, the lawful currency of the Republic of France.
- (g) **Irish Pound.** "Irish Pound", "Irish Punt", "IR£" and "IEP" each means the denomination of the euro that was, prior to January 1, 1999, the lawful currency of Ireland.
- (h) **Italian Lira.** "Italian Lira", "Lira" and "ITL" each means the denomination of the euro that was, prior to January 1, 1999, the lawful currency of the Republic of Italy.
- (i) **Luxembourg Franc.** "Luxembourg Franc", "Lfr" and "LUF" each means the denomination of the euro that was, prior to January 1, 1999, the lawful currency of the Grand Duchy of Luxembourg.
- (j) **Portuguese Escudo.** "Portuguese Escudo" and "PTE" each means the denomination of the euro that was, prior to January 1, 1999, the lawful currency of the Republic of Portugal.
- (k) **Spanish Peseta.** "Spanish Peseta", "Pta", "SPp", "SPP" and "ESP" each means the denomination of the euro that was, prior to January 1, 1999, the lawful currency of the Kingdom of Spain.

**Section 1.4. ECU.** "ECU" means the former unit of account of the European Community, as referred to in Article 109(g) of the EC Treaty (now Article 118 EC) and as defined in Council Regulation (EC) No 3320/94.

**Section 1.5. National Currency Unit Conversion Rates.** The conversion rates at which the National Currency Units by law became a denomination of the euro are set forth below:

<b>National Currency Unit</b>	<b>Conversion Rate</b>
Austrian Schilling	13.7603
Belgian Franc	40.3399
Deutsche Mark	1.95583

Dutch Guilder	2.20371
Finnish Markka	5.94573
French Franc	6.55957
Irish Pound	0.787564
Italian Lira	1936.27
Luxembourg Franc	40.3399
Portuguese Escudo	200.482
Spanish Peseta	166.386

## **ARTICLE 2**

### **ROUNDING**

**Section 2. Rounding of National Currency Unit Amounts.** For purposes of Section 8.1 (Rounding) of the 2000 Definitions, where a payment obligation is denominated in the Italian Lira or the Spanish Peseta, all Italian Lira and Spanish Peseta amounts will be rounded to the nearest Italian Lira or Spanish Peseta (with one half Italian Lira or Spanish Peseta being rounded up).

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