

102. December 16, 2024

**Recommended FX and Currency Derivatives Market Practice on New Frontier Market Template Terms for Non-Deliverable FX Forward and Currency Option Transactions.**

In early 2024, EMTA began a project to increase standardization in the frontier markets. This involved identifying several markets where standardization would respond to EMTA Member interest and help promote illiquidity, transparency and legal certainty in those markets.

The new Frontier Markets NDF and NDO Template Terms, developed with the input and consensus of the EMTA Membership, include, in each case, new or updated Settlement Rate Options for each currency pair, Price Source Disruption as the only disruption event and a disruption fallback waterfall of Valuation Postponement and Calculation Agent Determination. Annex A to the 1998 FX and Currency Option Definitions was updated on December 3, 2024, in part to provide new or updated settlement rate options for several frontier markets currencies.

Accordingly, EMTA recommends that, unless otherwise agreed by the parties, the standard terms for non-deliverable FX forward and currency option transactions for Algerian Dinar Azerbaijani Manat, Costa Rican Colon, Dominican Peso, Moroccan Dirham, Mozambican Metical, Vietnamese Dong and West African CFA Franc be as set forth in the EMTA Template Terms for Non-Deliverable FX and Currency Option Transactions, effective January 2, 2025, for each of the foregoing currencies and that trades from and after January 2, 2025 be documented using those standard terms. All currency pairs reflect U.S. Dollar as the Settlement Currency, except the West African CFA Franc which reflects Euro as the Settlement Currency.

This Market Practice is a recommendation only, intended to promote and enhance market efficiency, and is not binding upon any EMTA Member or any other market participant. Notwithstanding this Market Practice, EMTA 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 *1998 FX and Currency Option Definitions (including Annex A thereto)* published by EMTA and ISDA, Inc., as amended or supplemented from time to time and the existing *EMTA Recommended NDF and NDO Template Terms published by EMTA (www.emta.org)*.

The newly recommended sets of Template Terms may be found in the *Current Recommended EMTA Template Terms* area of the *FX and Currency Derivatives Documentation* section of the EMTA. For more information on this Market Practice, please see EMTA's website ([www.emta.org](http://www.emta.org)) or contact Leslie Payton Jacobs ([lpjacobs@emta.org](mailto:lpjacobs@emta.org)).