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May 13, 2022

### Guide to 2022 Ruble Bilateral Amendment Documentation for Deliverable and Non-Deliverable Ruble FX and Swap Transactions

Following is a guide to the documentation that may be used to amend (i) outstanding deliverable Ruble cross currency swap, interest rate swap and FX transactions that include “flip-to-non-deliverable” settlement mechanisms when/if a deliverable currency disruption event occurs and/or (ii) outstanding non-deliverable Ruble FX forward, currency option, cross currency FX and swap transactions, in all cases to include the new EMTA Template Terms for Non-Deliverable Ruble FX, Currency Option and Cross Currency Transactions that are scheduled to become effective on June 6, 2022. Decisions regarding amendment of legacy trades and / or the use of this documentation must be made individually and only after appropriate consultation with legal and other advisers.

#### Certain Defined Terms

“ISDA Additional Provisions” means any of (a) the ISDA Additional Provisions for use with Deliverable Currency Disruption Events (and the related Fallback Matrix) (published 3 November 2008) intended for use with transactions incorporating the 2006 ISDA Definitions and (b) the ISDA Additional Provisions for use with Deliverable Currency Disruption Events (prepared for use with the 2021 ISDA Interest Rate Derivatives Definitions and published in December 2021).

“ISDA Ruble Side Letter” means the Letter Agreement in relation to the Additional Provisions for use with a Deliverable Currency Disruption for Ruble foreign exchange transactions.

“2022 DCDE Amendment Agreement” means the ISDA/EMTA 2022 Amendment Agreement to Incorporate Additional Provisions for use with a Deliverable Currency Disruption Event for RUB foreign exchange transactions dated March 2, 2022.

“2022 Deliverable Ruble Bilateral Amendment” means the 2022 Bilateral Amendment Agreement for Deliverable Ruble FX, Currency Option and Swap Transactions.

“2022 Non-Deliverable Ruble Bilateral Amendment” means the 2022 Bilateral Amendment Agreement for Non-Deliverable Ruble FX, Currency Option and Swap Transactions.

“2022 EMTA Template Terms” means the 2022 EMTA Template Terms for Non-Deliverable RUB FX Forward, Currency Option and Cross Currency Transactions effective June 6, 2022.

“2022 Ruble Bilateral Amendment” means any of (a) the 2022 Deliverable Ruble Bilateral Amendment (b) the 2022 Non-Deliverable Bilateral Amendment.

**Q 1: What are the ISDA Additional Provisions?**

The Additional Provisions published by ISDA in 2008 were designed to enable **deliverable cross currency swap and interest rate swap transactions** to settle on terms compatible with NDF market terms if and to the extent a deliverable currency disruption event occurred. The Fallback Matrix document that accompanied these Additional Provisions, when first published, addressed only the Ruble market as it was the only market where a deliverable swap market existed alongside an active NDF market and where, importantly, the risk of a currency disruption event was thought to be possible.

The Fallback Matrix for the 2008 Additional Provisions, which was the document that identified the currencies that might be affected, and the designated non-deliverable settlement terms, was never expanded to any currency beyond the Ruble.

The Additional Provisions published by ISDA in 2021, are also intended to address deliverable currency disruptions events and are for use with **deliverable cross currency swap and interest rate swap transactions** incorporating the 2021 Interest Rate Derivatives Definitions.

**Q 2: What is the ISDA Ruble Side Letter?**

After the publication of the 2008 Additional Provisions in 2008, ISDA published a form of side letter that would permit its signatories to extend the applicability of the 2008 Additional Provisions to foreign exchange transactions involving the Ruble. The ISDA Ruble Side Letter has been superseded by the 2022 DCDE Amendment Agreement and is not recommended for use at this time.

**Q 3: What is the 2022 DCDE Amendment Agreement?**

The 2022 DCDE Amendment Agreement was designed to amend **deliverable foreign exchange transactions** including FX spot, FX forward, currency option, cross-currency FX forward, cross-currency currency option and FX swap transactions to incorporate a “flip-to-non-deliverable” provision if a deliverable currency disruption event occurs.

**Q 4: What is NOT covered by the 2022 Ruble Bilateral Amendment?**

Outstanding deliverable Ruble **interest rate and cross currency swap transactions** that have not been amended to incorporate either of the ISDA Additional Provisions; AND

Outstanding deliverable Ruble **FX transactions** that have not been amended by the 2022 DCDE Amendment Agreement to incorporate “flip-to-non-deliverable” provisions.

**Q 5: What is the 2022 Ruble Bilateral Amendment?**

The EMTA Membership recently determined to publish updated Template Terms for RUB Non-Deliverable FX, Currency Option and Cross Currency Transactions and published a new Market Practice recommending that the 2022 EMTA Template Terms be used commencing June 6, 2022 (the “Effective Date”). The 2022 Ruble Bilateral Amendment, if executed between two parties, will update outstanding (or “legacy”) trades to reflect the updated recommended terms referred to in the foregoing sentence, which terms include a primary settlement rate option of WM/Refinitiv MID (WMR03) (and a Specified Time of 10:00 am, London time) and a Fallback Reference Price of RUB MOEX (RUB05) as well as corresponding adjustments to Business Days for Valuation Dates.

The 2022 Ruble Bilateral Amendment allows market participants who are not EMTA Members to amend, directly with an EMTA Member (or another counterparty), certain outstanding Ruble

Transactions to incorporate these new terms, if parties agree to do so. This will make it easier for a party to match the terms of its new trades and legacy trades.

**Q 6: Which legacy trades are covered by the 2022 Ruble Bilateral Amendment?**

The 2022 Ruble Bilateral Amendment has been prepared in two forms: one form of the 2022 Ruble Bilateral Amendment covers deliverable Ruble interest rate swap and cross currency swap transactions and deliverable FX and currency option transactions and one form covers non-deliverable FX forward, currency option, cross currency FX and currency option transactions and non-deliverable interest rate swap and cross currency swap transactions that have incorporated the ISDA Additional Provisions.

It is important to examine the list of transactions that are intended to be covered by the specific 2022 Ruble Bilateral Amendment. There also may be certain types of transactions, bespoke or otherwise, not in the recitation of covered transactions and these may need to be addressed specifically (by addition of a Schedule or otherwise), or perhaps separately. A party may choose to sign one, or both, of these forms depending on the transactions such party might wish to amend, and its assessment of the suitability of the form for its needs.

**Q 7: How does a party know which agreements to sign?**

If a party has previously incorporated any of the ISDA Additional Provisions into their deliverable cross currency swap and/or interest rate swap transactions, signing the 2022 Deliverable Ruble Bilateral Amendment with their counterparty will further update those transactions so that such transactions will reflect the newly published 2022 EMTA Template Terms which are scheduled to become effective on June 6, 2022 upon the occurrence of a deliverable currency disruption event.

If a party has previously signed the 2022 DCDE Letter Agreement with their counterparty, signing the 2022 Deliverable Ruble Bilateral Amendment with their counterparty will further update their deliverable Ruble FX and/or currency option transactions to reflect the 2022 EMTA Template Terms which are scheduled to become effective on June 6, 2022 if and when those transactions are converted into a non-deliverable settlement.

If a party has NOT yet signed the 2022 DCDE Amendment Agreement with their counterparty, such party will need to sign both that agreement and the 2022 Deliverable Ruble Bilateral Amendment in order to incorporate BOTH the flip-to-non-deliverable provisions as well as the 2022 EMTA Template Terms into their transactions. Parties should consider, and discuss with their counterparties, when it is most appropriate to sign these agreements (and the consequences of the timing) in anticipation of the scheduled effectiveness of the 2022 EMTA Template Terms.

If a party has outstanding non-deliverable FX forward, currency option or swap transactions (NDFs, NDOs, NDSs, cross currency NDFs, NDOs and NDSs), that party may wish to consider using the 2022 Non-Deliverable Ruble Bilateral Amendment to update those transactions to reflect the newly published 2022 EMTA Template Terms scheduled to be effective June 6, 2022.

**Q 8: Are parties required to sign a 2022 Ruble Bilateral Amendment?**

No. EMTA has prepared the forms of 2022 Ruble Bilateral Amendments for the convenience of market participants only. Making a change to existing contract terms is a decision parties should make based on their internal deliberations, policy considerations and with the advice of counsel. Market participants should make their own determinations as to whether to sign a Bilateral Amendment and whether the terms and provisions thereof are appropriate and suitable for their transactions.

**Q 9: What happens if a party does not wish to sign?**

Market counterparties are encouraged to discuss the consequences of amending or not amending their legacy trades with their internal (and external) counsel as needed. These consequences will be very individual to each institution and will involve an assessment of matters specific to each institution.

**Q 10: Which terms will be changed by signing a 2022 Ruble Bilateral Amendment?**

Specifically, for the updated EMTA Template Terms, the Settlement Rate Option has been changed from “RUB MOEX” to “WM/Refinitiv MID (WMR03)”, “RUB MOEX (RUB05)” is now set forth as a Fallback Reference Price and the first Applicable Disruption Fallback, a Specified Time of 10:00 am (London time) has been added for WM/Refinitiv MID (WMR03) and certain adjustments have been made to Business Days for Valuation Dates.

**Q 11: Where do I find more information?**

Final drafts of the updated 2022 EMTA Template Terms may be found on the EMTA website in the *Current Recommended EMTA Template Terms* area of the FX and Currency Derivatives Documentation section of the EMTA website, pending their scheduled effectiveness on June 6, 2022, when they will be published as final on the EMTA website (in the section referred to above) in accordance with EMTA’s usual practices on standard documentation transparency.

[CLICK HERE](#) to view the EMTA Template Terms.

Form(s) of the 2022 Ruble Bilateral Amendment may be found on the EMTA website in the *Multilateral Amendments and Documentation Protocols* area of the FX and Currency Derivatives Documentation section. Other documentation in this area may have been prepared for the convenience of the EMTA Membership only, as a membership benefit, and may be password-protected on the EMTA website. If you are not an EMTA Member, you may not have access to these materials.

**Q 12: When does the 2022 Ruble Bilateral Amendment need to be executed?**

The 2022 EMTA Template Terms are scheduled to be effective and available for use on June 6, 2022. Counterparties should discuss the appropriate timing for an amendment of any legacy trades (including the 2022 DCDE Amendment Agreement that they wish to amend).

**Q 13: Who may I call for more information?**

Non-EMTA Members should reach out to their trade counterparties to make arrangements with respect to signing any 2022 Ruble Bilateral Amendment and for any questions arising in connection with the 2022 Ruble Bilateral Amendment or the process for signing it.