

**THE FOREIGN EXCHANGE
JOINT STANDING COMMITTEE**
Operations Sub-Group
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THE FOREIGN EXCHANGE COMMITTEE
Operations Managers Working Group
33 Liberty Street, 9th Floor
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May 31, 2005

STATEMENT REGARDING ROMANIAN CURRENCY CONVERSION

The London Foreign Exchange Joint Standing Committee Operations Sub-Group ("FXJSC Ops Group") and the Foreign Exchange Committee Operations Managers Working Group ("FXC Ops Group") are pleased to announce the results of a consultation among members regarding their intentions for processing outstanding foreign exchange trades denominated in Romanian leu to address the conversion of old Romanian leu (ROL) to new Romanian leu as of July 1, 2005. The currency code for the new Romanian leu will be RON.

The FXJSC Ops Group and the FXC Ops Group encourage market participants to review their outstanding ROL trades bridging the July 1, 2005 cutover. In order to promote a smooth operational transition, the FXJSC Ops Group and the FXC Ops Group suggest that market participants contact their trade counterparties to cancel, rebook and reconfirm spot and forward ROL trades with a value date on and after July 1, 2005 as RON trades with the same original value date. The conversion rate is 1 RON = 10,000 ROL under the Law on the Redenomination of Domestic Currency (Law No. 348 of 14 July 2004 published in *Monitorul Oficial al României*, Part One, No. 664 of 23 July 2004).

As always, the FXJSC Ops Group and FXC Ops Group recognize that all documentation is negotiated and must be amended on a counterparty-by-counterparty basis. For this reason, parties are encouraged to make an inventory of their existing ROL trades and contact counterparties as soon as possible to resolve any issues regarding the scheduled conversion on a mutually satisfactory basis.

The FXJSC Ops Group and the FXC Ops Group also note that products other than foreign exchange spot and forward trades may raise different operational issues for the parties to consider in the implementation of mutually satisfactory solutions to the scheduled conversion. Other trade associations, including the International Swaps and Derivatives Association, may issue statements to their membership addressing the conversion to RON.

Romanian authorities have published information on the conversion to RON at http://www.bnro.ro/def_en.htm.

If you have any inquiries regarding this notice, please contact Sumita Ghosh (0044.207.601.5982 and e-mail: sumita.ghosh@bankofengland.co.uk) or Laura Huizi (001.212.720.2399 and e-mail: Laura.Huizi@ny.frb.org).