

**THE FOREIGN EXCHANGE
JOINT STANDING COMMITTEE**
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THE FOREIGN EXCHANGE COMMITTEE
Operations Managers Working Group
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STATEMENT RE TURKISH LIRA CONVERSION

The London Foreign Exchange Joint Standing Committee Operations Sub-Group (the "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 Turkish Lira to address the conversion of old Turkish Lira (TRL) to new Turkish Lira as of 1 January 2005. The currency code for the new Turkish Lira will be TRY.

The FXJSC Ops Group and the FXC Ops Group encourage market participants to review their outstanding TRL trades bridging the 1 January 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 TRL trades with a value date after 1 January 2005 as TRY trades with the same original value date. The conversion rate is 1 TRY = 1,000,000 TRL under the Law of the Currency Unit of the Republic of Turkey (Law No. 5083 enacted 31 January 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 inventory their existing TRL 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 recognize 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 (ISDA) intend to issue statements to their membership addressing the conversion to TRY.

Turkish authorities have published information on the conversion to TRY at <http://www.tcmb.gov.tr/yeni/eng/index.html>.

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).