

# ISDA<sup>®</sup>

International Swaps and Derivatives Association, Inc.

## EMU Continuity Provision

### [16]. EMU; Continuity of Contract. 1/

(a) The parties confirm that, except as provided in subsection (b) below, the occurrence or non-occurrence of an event associated with economic and monetary union in the European Community will not have the effect of altering any term of, or discharging or excusing performance under, the Agreement or any Transaction, give a party the right unilaterally to alter or terminate the Agreement or any Transaction or, in and of itself, give rise to an Event of Default, Termination Event or otherwise be the basis for the effective designation of an Early Termination Date.

“An event associated with economic and monetary union in the European Community” includes, without limitation, each (and any combination) of the following:

- (i) the introduction of, changeover to or operation of a single or unified European currency (whether known as the euro or otherwise);
- (ii) the fixing of conversion rates between a member state’s currency and the new currency or between the currencies of member states;
- (iii) the substitution of that new currency for the ECU as the unit of account of the European Community;
- (iv) the introduction of that new currency as lawful currency in a member state;
- (v) the withdrawal from legal tender of any currency that, before the introduction of the new currency, was lawful currency in one of the member states; or
- (vi) the disappearance or replacement of a relevant rate option or other price source for the ECU or the national currency of any member state, or the failure of the agreed sponsor (or a successor sponsor) to publish or display a relevant rate, index, price, page or screen.

(b) Any agreement between the parties that amends or overrides the provisions of this Section in respect of any Transaction will be effective if it is in writing and expressly refers to this Section or to European monetary union or to an event associated with economic and monetary union in the European Community and would otherwise be effective in accordance with Section 9(b).

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1/ This clause on European monetary union may be (i) included in Part 5 of the Schedule to a 1992 Multicurrency-Cross Border ISDA Master Agreement or in Part 4 of the Schedule to a 1992 Local Currency-Single Jurisdiction ISDA Master Agreement, in each case as an additional Section in the Master Agreement, or (ii) added as an amendment to an existing 1987 or 1992 Master Agreement. If the parties would also like to confirm in their Agreement the allocation of responsibility for assessing and understanding the risks associated with EMU, they may consider adding the Representation Regarding Relationship Between Parties released by ISDA on March 6, 1996, where that representation accurately reflects how the parties are acting, their capabilities and the nature of their relationship. Different language should be used, for example, if one of the parties has agreed to act as an adviser to the other party.