

Addendum to User Handbook 2007

Category 3 - Treasury Markets Foreign Exchange, Money Markets and Derivatives

Sent to: SWIFT Community
Author: Francoise Massin
+32 2 655 3684
Manager: Jamie Shay
Date: September 2007

The 2007 User Handbook (Category 3- Treasury Markets - Foreign Exchange, Money Markets and Derivatives) contains elements which are not completely in line with the 2006 ISDA definitions. To prevent these items from causing any confusion in the market, users should take note of the following corrections.

All items below will be validated with the official 2008 Standards Release.

1. Update to the Usage Rules of field 14C “Year of Definitions” of MT 340, MT 360 and MT 361

DEFINITION

This field specifies the year of the version of the Agreement's Definitions applicable to the MT 360 Single Currency Interest Rate Derivative Confirmation and to the MT 361 Cross Currency Interest Swap Confirmation.

If an ISDA Master Agreement or Interest Rate and Currency Exchange Agreement apply, ie, the Master Agreement (Type in field 77H) is equal to ISDA, this field specifies the year of the ISDA Terms and Definitions.

USAGE RULES

This field contains either the identification of a Year expressed as YYYY or the value '0000'.

If the Master Agreement (Type in field 77H) is AFB, BBAIRS or Deutscher Rahmenvertrag für Finanztermingeschäfte, the value of this field is '0000'.

If the Master Agreement (Type in field 77H) is ISDA, this field must be used and understood as follows:

- Year contains the value 1991: "The definitions and provisions contained in the 1991 ISDA Definitions (as published by the International Swap and Derivatives Association, Inc.) (the "Definitions") are incorporated into this confirmation"
- Year contains the value 1998: "The definitions and provisions contained in the 1991 ISDA Definitions (as supplemented by the 1998 Supplement and as further amended and supplemented by the 1998 ISDA Euro Definitions), as published by the International Swaps and Derivatives Association, Inc., are incorporated into this confirmation"
- Year contains the value 2000: "The definitions and provisions contained in the 2000 ISDA Definitions (as published by the International Swap and Derivatives Association, Inc.) (the "Definitions") are incorporated into this Confirmation".
- **Year contains the value 2006: "The definitions and provisions contained in the 2006 ISDA Definitions (as published by the International Swap and Derivatives Association, Inc.) (the "Definitions") are incorporated into this Confirmation". Differences are specified under field 14D Day Count Fraction. New Floating Rate Options (field 14F) are accepted.**

If the Master Agreement (Type in Field 77H) is OTHER, the value of this field depends on the Agreement.

2. Updates to the usage rules of the codes used in each occurrence of field 14D “Day Count Fraction” in MT 340, MT 360 and MT 361

DEFINITION

This field specifies the number of days which are taken into account for the calculation of the interest.

For an ISDA Master (Type in field 77H is ISDA), this field specifies the Day Count Fraction as per ISDA definitions.

CODES

One of the following codes must be used (Error code(s): T36):

30E/360	'30E/360' or 'Eurobond Basis'.
360/360	'30/360', '360/360' or 'Bond Basis'.
ACT/360	'Actual/360'.
ACT/365	'Actual/365', 'Actual/Actual'.
AFI/365	'Actual/365 (fixed)'.
EXA/EXA	'Base Exact/Exact' as per September 1994 additives to AFB definitions or '1/1'.
OTHER	The Day Count Fraction is specified in field 37N in the same sequence.

USAGE RULES

When the 2000 ISDA definitions are applicable, please note that the following applies:

ISDA 2000	CODES
Actual/365, Act/365, A/365, Actual/Actual, Act/Act	ACT/365
Actual/365 (Fixed), Act/365 (Fixed), A/365 (Fixed), A/365F	AFI/365
Actual/360, Act/360, A/360	ACT/360
30/360, 360/360, Bond basis	360/360
30E/360, Eurobond Basis	30E/360

When the 2006 ISDA definitions are applicable, please note that the following applies:

ISDA 2006

CODES

Actual/Actual, Actual/Actual (ISDA), Act/Act, Act/Act (ISDA)

ACT/365

Actual/Actual (ICMA), Act/Act (ICMA)

OTHER¹

Actual/365 (Fixed), Act/365 (Fixed), A/365 (Fixed), A/365F

AFI/365

Actual/360, Act/360, A/360

ACT/360

30/360, 360/360, Bond Basis

360/360

30E/360, Eurobond Basis

OTHER²

30E/360 (ISDA)

30E/360

¹ Field 37N of the same sequence must be present and contain ICM/ACT

² Field 37N of the same sequence must be present and contain EBD/360

3. Updates to the codes used in each occurrence of field 14F “Floating rate Option” in MT 340, MT 360 and MT 361 ³

CODES

AUD-AONIA-OIS-COMPOUND	
AUD-AONIA-OIS-CPD-SWPMKR	(ie, AUD-AONIA-OIS-COMPOUND-SwapMarker)
AUD-BBR-AUBBSW	
AUD-BBR-BBSW	
AUD-BBR-BBSW-BLOOMBERG	
AUD-BBR-BBSY(BID)	
AUD-LIBOR-BBA	
AUD-LIBOR-BBA-BLOOMBERG	
AUD-LIBOR-RFRCBANKS	(ie, AUD-LIBOR-Reference Banks)
AUD-SWAPRATE-REUTERS	
CAD-BA-CDOR	
CAD-BA-CDOR-BLOOMBERG	
CAD-BA-CDOR-REUTERS	
CAD-BA-RFRCBANKS	(ie, CAD-BA-Reference Banks)
CAD-CORRA-OIS-COMPOUND	
CAD-ISDA-SWAPRATE	
CAD-LIBOR-BBA	
CAD-LIBOR-BBA-BLOOMBERG	
CAD-LIBOR-BBA-SWPMKR	(ie, CAD-LIBOR-BBA-SwapMarker)
CAD-LIBOR-RFRCBANKS	(ie, CAD-LIBOR-Reference Banks)
CAD-REPO-CORRA	
CAD-TBILL-REUTERS	
CAD-TBILL-RFRCBANKS	(ie, CAD-TBill-Reference Banks)
CHF-ANNUALSR-RFRCBANKS	(ie, CHF-Annual Swap Rate-Reference Banks)
CHF-ANNUALSWAPRATE	
CHF-ISDAFIX-SWAPRATE	
CHF-LIBOR-BBA	
CHF-LIBOR-BBA-BLOOMBERG	
CHF-LIBOR-RFRCBANKS	(ie, CHF-LIBOR-Reference Banks)
CHF-TOIS-OIS-COMPOUND	
CL-CLICP-BLOOMBERG	
CZK-PRIBOR-PRBO	
CZK-PRIBOR-RFRCBANKS	(ie, CZK-PRIBOR-Reference Banks)
DKK-CIBOR2-DKNA13	
DKK-CIBOR-DKNA13	
DKK-CIBOR-DKNA13-BLBG	(ie, DKK-CIBOR-DKNA13-Bloomberg)
DKK-CIBOR-RFRCBANKS	(ie, DKK-CIBOR-Reference Banks)
DKK-CITA-DKNA14-COMP	(ie, DKK-CITA-DKNA14-Compound)
DKK-DKKOIS-OIS-COMPOUND	
EUR-ANNSR-10:00-BLBG	(ie, EUR-Annual Swap Rate-10:00-Bloomberg)
EUR-ANNSR-10:00-SWPMKR	(ie, EUR-Annual Swap Rate-10:00-SwapMarker)
EUR-ANNSR-11:00-BLBG	(ie, EUR-Annual Swap Rate-11:00-Bloomberg)
EUR-ANNSR-11:00-SWPMKR	(ie, EUR-Annual Swap Rate-11:00-SwapMarker)
EUR-ANNUALSR-3M-SWPMKR	(ie, EUR-Annual Swap Rate-3 Month-Swap Marker)
EUR-ANNUALSR-RFRCBANKS	(ie, EUR-ANNUAL SWAP RATE-Reference Banks)
EUR-ANNUALSWAPRATE-10:00	
EUR-ANNUALSWAPRATE-11:00	
EUR-ANNUALSWAPRATE-3M	(ie, EUR-Annual Swap Rate-3 Month)
EUR-EONIA-AVERAGE	
EUR-EONIA-OIS-COMP-BLBG	(ie, EUR-EONIA-OIS-COMPOUND-Bloomberg)
EUR-EONIA-OIS-COMPOUND	
EUR-EONIA-SWAPINDEX	

³ These codes are not validated.

EUR-EURIBOR-ACT/365	
EUR-EURIBOR-ACT/365-BLBG	(ie, EUR-EURIBOR-ACT/365-Bloomberg)
EUR-EURIBOR-REUTERS	
EUR-EURIBOR-RFRCBANKS	(ie, EUR-EURIBOR-Reference Banks)
EUR-EURONIA-OIS-COMPOUND	
EUR-ISDA-EURIBORSR-11:00	(ie, EUR-ISDA-EURIBOR Swap Rate-11:00)
EUR-ISDA-EURIBORSR-12:00	(ie, EUR-ISDA-EURIBOR Swap Rate-12:00)
EUR-ISDA-LIBORSR-10:00	(ie, EUR-ISDA-LIBOR Swap Rate-10:00)
EUR-ISDA-LIBORSR-11:00	(ie, EUR-ISDA-LIBOR Swap Rate-11:00)
EUR-LIBOR-BBA	
EUR-LIBOR-BBA-BLOOMBERG	
EUR-LIBOR-RFRCBANKS	(ie, EUR-LIBOR-Reference Banks)
EUR-TEC10-CNO	
EUR-TEC10-CNO-SWAPMARKER	
EUR-TEC10-RFRCBANKS	(ie, EUR-TEC10-Reference Banks)
EUR-TEC5-CNO	
EUR-TEC5-CNO-SWAPMARKER	
EUR-TEC5-RFRCBANKS	(ie, EUR-TEC5-Reference Banks)
GBP-LIBOR-BBA	
GBP-LIBOR-BBA-BLOOMBERG	
GBP-LIBOR-ISDA-SWAPRATE	
GBP-LIBOR-RFRCBANKS	(ie, GBP-LIBOR-Reference Banks)
GBP-SEMI-ANNSR-RFRCBANKS	(ie, GBP-Semi-Annual Swap Rate-Reference Banks)
GBP-SEMI-ANNUALSWAPRATE	
GBP-WMBA-SONIA-COMPOUND	
HKD-HIBOR-HIBOR	(ie, HKD-HIBOR-HIBOR=)
HKD-HIBOR-HIBOR-BLBG	(ie, HKD-HIBOR-HIBOR-Bloomberg)
HKD-HIBOR-HKAB	
HKD-HIBOR-HKAB-BLBG	(ie, HKD-HKAB-HIBOR-Bloomberg)
HKD-HIBOR-RFRCBANKS	(ie, HKD-HIBOR-Reference Banks)
HKD-HONIX-OIS-COMPOUND	
HKD-ISDA-SWAPRATE-11:00	
HKD-ISDA-SWAPRATE-4:00	
HUF-BUBOR-REUTERS	
HUF-BUBOR-RFRCBANKS	(ie, HUF-BUBOR-Reference Banks)
IDR-IDMA-BLOOMBERG	
IDR-IDRFIX	
IDR-SBI-REUTERS	
IDR-SOR-REUTERS	
IDR-SOR-RFRCBANKS	(ie, IDR-SOR-Reference Banks)
ILS-TELBOR01-REUTERS	
ILS-TELBOR-RFRCBANKS	(ie, ILS-TELBOR-Reference Banks)
INR-BMK	
INR-CMT	
INR-INBMK-REUTERS	
INR-MIBOR-OIS-COMPOUND	
INR-MIFOR	
INR-MIOIS	
INR-MITOR-OIS-COMPOUND	
INR-RFRCBANKS	(ie, INR-Reference Banks)
JPY-BBSF-BLOOMBERG-10:00	
JPY-BBSF-BLOOMBERG-15:00	
JPY-ISDA-SWAP RATE-10:00	
JPY-ISDA-SWAP RATE-15:00	
JPY-LIBOR-BBA	
JPY-LIBOR-BBA-BLOOMBERG	
JPY-LIBOR-FRASET	
JPY-LIBOR-RFRCBANKS	(ie, JPY-LIBOR-Reference Banks)
JPY-MUTANCALL-TONAR	
JPY-TIBOR-17096	

JPY-TIBOR-17097	
JPY-TIBOR-TIBM(10BANKS)	
JPY-TIBOR-TIBM(5BANKS)	
JPY-TIBOR-TIBM(ABK)-BLBG	(ie,JPY-TIBOR-TIBM (All Banks)-Bloomberg)
JPY-TIBOR-TIBM(ALLBANKS)	
JPY-TIBOR-TIBM-RFRCBANKS	(ie, JPY-TIBOR-TIBM-Reference Banks)
JPY-TIBOR-ZTIBOR	
JPY-TONA-OIS-COMPOUND	
JPY-TSR-REUTERS-10:00	
JPY-TSR-REUTERS-15:00	
JPY-TSR-RFRCBANKS	(ie, JPY-TSR-Reference Banks)
KRW-CD-3220	
KRW-CD-KSDA-BLOOMBERG	
MXN-TIIE-BANXICO	
MXN-TIIE-BANXICO-BLBG	(ie, MXN-TIIE-BANXICO-Bloomberg)
MXN-TIIE-RFRCBANKS	(ie, MXN-TIIE-Reference Banks)
MYR-KLIBOR-BNM	
MYR-KLIBOR-RFRCBANKS	(ie, MYR-KLIBOR-Reference Banks)
NOK-NIBOR-NIBR	
NOK-NIBOR-NIBR-BLOOMBERG	
NOK-NIBOR-RFRCBANKS	(ie, NOK-NIBOR-Reference Banks)
NZD-BBR-BID	
NZD-BBR-FRA	
NZD-BBR-ISDC	
NZD-BBR-RFRCBANKS	(ie, NZD-BBR-Reference Banks)
NZD-NZIONA-OIS-COMPOUND	
OTHER	The Floating Rate Option is specified in field 37N
PLN-WIBOR-RFRCBANKS	(ie, PLN-WIBOR-Reference Banks)
PLN-WIBOR-WIBO	
SAR-SRIOR-RFRCBANKS	(ie, SAR-SRIOR-Reference Banks)
SAR-SRIOR-SUAA	
SEK-ANNUALSWAPRATE	
SEK-SIOR-OIS-COMPOUND	
SEK-STIBOR-BLOOMBERG	
SEK-STIBOR-RFRCBANKS	(ie, SEK-STIBOR-Reference Banks)
SEK-STIBOR-SIDE	
SGD-SIBOR-REUTERS	
SGD-SIBOR-RFCBANKS	(ie, SGD-SIBOR-Reference Banks)
SGD-SONAR-OIS-COMPOUND	
SGD-SOR-REUTERS	
SGD-SOR-RFRCBANKS	(ie, SGD-SOR-Reference Banks)
SKK-BRIBOR-BLOOMBERG	
SKK-BRIBOR-NBSK07	
SKK-BRIBOR-RFRCBANKS	(ie, SKK-BRIBOR-Reference Banks)
THB-SOR-REUTERS	
THB-SOR-RFRCBANKS	(ie, THB-SOR-Reference Banks)
THB-THBFIX-REUTERS	
TWD-REUTERS-6165	
TWD-RFRCDLRS	(ie, TWD-Reference Dealers)
TWD-TWCPBA	
USD-BA-H.15	
USD-BA-RFRCDLRS	(ie, USD-BA-Reference Dealers)
USD-CD-H.15	
USD-CD-RFRCDLRS	(ie, USD-CD-Reference Dealers)
USD-CMS-REUTERS	
USD-CMS-RFRCBANKS	(ie, USD-CMS-Reference Banks)
USD-CMS-RFRCBANKS-ICAPSP	(ie, USD-CMS-Reference Banks-ICAP SwapPX)
USD-CMT-T7051	
USD-CMT-T7052	
USD-COF11-FHLBSF	

USD-COF11-REUTERS	
USD-CP-H.15	
USD-CP-RFRCDLRS	(ie, USD-CP-Reference Dealers)
USD-FEDFUND-H.15	(ie, USD-Federal Funds-H15)
USD-FEDFUND-H.15-BLBG	(ie, USD-Federal Funds-H15-Bloomberg)
USD-FEDFUND-H.15-OIS-CPD	(ie, USD-Federal Funds-H.15-OIS-COMPOUND)
USD-FEDFUND-RFRCDLRS	(ie, USD-Federal Funds-Reference Dealers)
USD-FFCB-DISCO	
USD-ISDAFIX3-SR-3:00	
USD-ISDAFIX3-SWAPRATE	
USD-ISDA-SWAPRATE	
USD-ISDA-SWAPRATE-3:00	
USD-LIBOR-BBA	
USD-LIBOR-BBA-BLOOMBERG	
USD-LIBOR-LIBO	
USD-LIBOR-RFRCBANKS	(ie, USD-LIBOR-Reference Banks)
USD-PRIME-H.15	
USD-PRIME-RFRCBANKS	(ie, USD-PRIME-Reference Banks)
USD-SANDPINDEX-HIGHGRADE	(ie, USD-S&P Index-High Grade)
USD-SIBOR-RFRCBANKS	(ie, USD-SIBOR-Reference Banks)
USD-SIBOR-SIBO	
USD-SIFMAMCPLSWAPINDEX	(ie, USD-SIFMA-Municipal Swap Index)
USD-TBILL-H.15	
USD-TBILL-H.15-BLOOMBERG	
USD-TBILL-SECMARKET	(ie, USD-TBILL-Secondary Market)
USD-TIBOR-RFRCBANKS	(ie, USD-TIBOR-Reference Banks)
USD-TREASURYRATE-ICAPBKT	(ie, USD-Treasury Rate-ICAP BrokerTec)
USD-TREASURYRATE-T19901	
USD-TREASURYRATE-T500	
USD-TRSYRATE-SWPMKR100	(ie, USD-Treasury Rate-Swap Marker 100)
USD-TRSYRATE-SWPMKR99	(ie, USD-Treasury Rate-Swap Marker 99)
ZAR-DEPOSIT-RFRCBANKS	(ie, ZAR-DEPOSIT-Reference Banks)
ZAR-DEPOSIT-SAFEX	
ZAR-JIBAR-RFRCBANKS	(ie, ZAR-JIBAR-Reference Banks)
ZAR-JIBAR-SAFEX	
ZAR-PRIME-AVERAGE	
ZAR-PRIME-AVRG-RFRCBANKS	(ie, ZAR-PRIME-AVERAGE-Reference Banks)

CODES

The following codes are published for redenomination purposes:

ATS-VIBOR-RFRCBANKS
 ATS-VIBOR-VIBO
 AUD-BBR-ISDC
 BEF-BIBOR-BEFIXING
 BEF-BIBOR-ISDB
 BEF-BIBOR-RFRCBANKS
 BEF-BIBOR-TELERATE
 CAD-BA-ISDD
 CAD-BA-TELERATE
 CAD-TBILL-ISDD
 CAD-TBILL-TELERATE
 CHF-LIBOR-ISDA
 COMLUF-LUXIBOR-RFRCBANKS
 DEM-FIBOR-FIBO
 DEM-FIBOR-FIBO-OLD
 DEM-FIBOR-GBA
 DEM-FIBOR-ISDB
 DEM-FIBOR-RFRCBANKS
 DEM-LIBOR-BBA
 DEM-LIBOR-ISDA

DEM-LIBOR-RFRCBANKS
DKK-CIBOR-DKNH
EUR-EURIBOR-TELERATE
EUR-TAM-CDC
EUR-TMM-CDC-COMPOUND
FIM-HELIBOR-RFRCBANKS
FIM-HELIBOR-SPFB
FRF-CAP-T4M
FRF-CAP-TAM
FRF-FLOOR-T4M
FRF-FLOOR-TAM
FRF-LIBOR-BBA
FRF-LIBOR-RFRCBANKS
FRF-PIBOR-AFB
FRF-PIBOR-PIBO
FRF-PIBOR-RFRCBANKS
FRF-SWAP-AMR
FRF-SWAP-T4M
FRF-SWAP-T4M-AMR
FRF-SWAP-T4M-TAM
FRF-SWAP-TAM
FRF-SWAP-TMP-IF
FRF-SWAP-TMP-M
FRF-T4M-CDC
FRF-T4M-CDCCOMP
FRF-TAG-CDC
FRF-TAG-CDCCOMP
FRF-TAM-CDC
FRF-TME-CDC
FRF-TMP-CDCAVERAG
GBP-LIBOR-ISDA
GRD-ATHIBOR-ATHIBOR
GRD-ATHIBOR-RFRCBANKS
GRD-ATHIBOR-TELERATE
GRD-ATHIMID-REUTERS
GRD-ATHIMID-RFRCBANKS
HKD-HIBOR-ISDC
IDR-SOR-TELERATE
ITL-LIBOR-BBA
ITL-LIBOR-ILIR
ITL-LIBOR-ITFX
ITL-LIBOR-ITFY
ITL-LIBOR-RFRCBANKS
ITL-MIBOR-PUBLISHED
JPY-LIBOR-ISDA
JPY-TIBOR- DTIBOR01
JPY-TIBOR-TIBM
JPY-TSR-TELERATE-10:00
JPY-TSR-TELERATE-15:00
LUF-LUXIBOR-ISDB
LUF-LUXIBOR-RFRCBANKS
MYR-SOR-RFRCBANKS
MYR-SOR-TELERATE
NLG-AIBOR-AIBODOM
NLG-AIBOR-AIBOEURO
NLG-AIBOR-ISDB
NLG-AIBOR-RFRCBANKS
NZD-BBR-TELERATE
PLZ-WIBOR-RFRCBANKS
PLZ-WIBOR-WIBO

PTE-LIBOR-BBA
PTE-LIBOR-RFRCBANKS
PTE-LISBOR-LBOA
PTE-LISBOR-LBOF
PTE-LISBOR-RFRCBANKS
SEK-EDOR-FP
SEK-EDOR-RFRCBANKS
SGD-SIBOR-TELERATE
SGD-SOR-TELERATE
SKK-BRIBOR-BRBO
SPP-LIBOR-BBA
SPP-LIBOR-RFRCBANKS
SPP-MIBOR-BANDE
SPP-MIBOR-RFRCBANKS
THB-SOR-TELERATE
TWD-TELERATE-6165
USD-BMA-MUNICIPALSWAPIDX (ie, USD-BMA Municipal Swap Index)
USD-CMS-TELERATE
USD-COF11-TELERATE
USD-CP-ISDD
USD-LIBOR-ISDA
USD-TIBOR-ISDC
ZAR-BBF3-SAFEX(YIELD)
ZAR-BBF-RFRCBANKS

4. Updates to the codes used in each occurrence of field 22B “Financial Center” in MT 340, MT 360 and MT 361 ⁴

Code	Financial Center
ARBA	Buenos Aires
ATVI	Vienna
AUME	Melbourne
AUSY	Sydney
BEBR	Brussels
BRSP	São Paulo
CAMO	Montreal
CATO	Toronto
CHGE	Geneva
CHZU	Zurich
CLSA	Santiago
CNBE	Beijing
CZPR	Prague
DECB	European Central Bank
DEFR	Frankfurt
DKCO	Copenhagen
EETA	Tallinn
ESMA	Madrid
EUTA	Target
FIHE	Helsinki
FRPA	Paris
GBLO	London
GRAT	Athens
HKHK	Hong Kong
HUBU	Budapest
IDJA	Jakarta
IEDU	Dublin
ILTA	Tel Aviv
INMU	Mumbai
ITMI	Milan
ITRO	Rome
JPTO	Tokyo
KRSE	Seoul
LBBE	Beirut
LKCO	Colombo
LULU	Luxembourg
MXMC	Mexico City
MYKL	Kuala Lumpur
NLAM	Amsterdam
NOOS	Oslo
NYFD	New York Fed
NYSE	New York Stock Exchange
NZAU	Auckland

⁴ Only the format 4!c of these centers is validated.

NZWE	Wellington
PAPC	Panama City
PHMA	Manila
PKKA	Karachi
PLWA	Warsaw
PTLI	Lisbon
ROBU	Bucharest
RUMO	Moscow
SARI	Riyadh
SEST	Stockholm
SGSI	Singapore
SKBR	Bratislava
THBA	Bangkok
TRAN	Ankara
TRIS	Istanbul
TWTA	Taipei
USCH	Chicago
USGS	U.S. Government Securities
USLA	Los Angeles
USNY	New York
VNHA	Hanoi
ZAJO	Johannesburg

5. Update to the Usage Rules of field 17F “FRA Discounting” of MT 340.

USAGE RULES

In a FRA where FRA discounting is not applicable, the calculation on fixing date is done as follows:

Floating amount = notional amount * settlement rate * day count fraction.

Fixed amount = notional amount * contract rate * day count fraction.

If floating amount > fixed amount, then the FRA seller pays the difference between the two amounts to the buyer.

If floating amount < fixed amount, then the FRA buyer pays the difference between the two amounts to the seller.

When FRA discounting is applicable, the FRA amount is calculated as follows:

FRA amount = (notional amount * ((settlement rate - contract rate) * day count fraction)) / (1 + (settlement rate * day count fraction)).

When FRA discounting is applicable and the deal is an AUD or NZD FRA then FRA Yield Discounting (as per the 2006 ISDA definitions) will be deemed to apply rather than simply "FRA Discounting".

FRA amount = notional amount * 365 * (1 / 365 + (settlement rate * number of days) - 1 / 365 + (contract rate * number of days))

If the FRA amount is positive, this amount is paid by the FRA seller to the buyer.

If the FRA amount is negative, this amount is paid by the FRA buyer to the seller.