

September 14, 2008

The FXC understands that, in light of unsettled conditions in the financial markets, some participants in the FX market have agreed to establish a contingent third party information clearinghouse to facilitate the unwinding of open positions. ICAP has agreed to serve in this capacity. The facility will operate as follows:

1. FX market participants may communicate a summary of their positions in the FX markets to ICAP- the designated broker. Eligible participants are not limited to FXC members.
2. Any summary amounts communicated must be denoted in round notional amounts of \$50 million.
3. All summary amounts must be communicated through ICAP's Voice Broking channels, via a direct line or using Reuters or Bloomberg Messaging, by one named Senior Trader per Interbank Counterparty.
4. ICAP will then search for another market participant with offsetting risk and advise the banks of the names of other potential counterparties, along with the amounts they could deal to close offsetting interests.
5. It is suggested that any new deals entered into be contingent upon a chapter 11 filing of a major counterparty, with the rate to be agreed between both market participants at the prevailing market rate, or a fixing rate at the time of filing. It is up to the market participants to agree upon the rate or rate setting mechanism.
6. All market participants should be absolutely clear on the exact legal name of their trading counterparty.
7. All trades entered into through this process must be expressly flagged in case future clarification is required.
8. This facility is designed to operate on a temporary basis, but could continue to operate for several days.
9. All trades must be entered into using normal market conventions, trade date, settlement date, etc.
10. The facility will initially handle Spot FX transactions, but could potentially extend to Deliverable Forward FX transactions and NDFs and Options, at the discretion of ICAP.

The FXC understands that in providing this service, ICAP will not be a counterparty to or guarantor of the proposed trades.

The FXC does not endorse the use of ICAP, or any trading or messaging facility. The FXC will attempt to inform our participants of any other facilities serving the same purpose. As is always the case, all OTC trade counterparties must come to a mutual agreement on trade terms and rates. Moreover, this process in no way restricts any counterparties from their regular course of business with each other, their clients, or any broker.