**New Public Holiday due to Japanese emperor’s abdication**

<table>
<thead>
<tr>
<th>2019 Japanese Golden Week</th>
<th>MF or F?</th>
<th>Following: 30, 1, 2, ? 7 May</th>
<th>Modified Following: 30, ? 26 April, 1, 2, ? 7 May</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sun 21</td>
<td>Mon 22</td>
<td>Tue 23</td>
<td>Wed 24</td>
</tr>
<tr>
<td>28</td>
<td>29</td>
<td>30</td>
<td>1</td>
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<tr>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
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</tbody>
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**Current Rules and Practices for FX I/B Settlement**

For I/B Settlement, a standard is set for treatment of many products including derivatives however, a standard for treatment of only FX remains unclear.

① ISDA
- ISDA Master Agreement: Following (Unless another business day convention is specified to be applicable to that settlement date.)

② CLS
- Settlement Members Agreement: There is no description on the treatment of new public holiday.
- Functional reference guide: Will automatically be amended to Modified Following without rate change.

③ Singapore FXC
- Guide to Conduct and Market Practice: Following ※ Relevant contractual documentation is prioritized than Guide.

④ Others
- Trade confirmation: There is no description on treatment of public holiday. ※ Individual trade confirmation is prioritized than ISDA.
- Currency Swap: M/F (Standardized with individual confirmation)

**Issues**

- There may be arising confusion around I/B settlement.
- As currency swap uses M/F, if the treatment differs with FX trades, there is a possibility of confusion.
- As the economic effect of end of quarter turn is large, there may be greater effect when it becomes “following”.

**Proposal**

- We would like to propose the local FXCs to discuss adopting M/F convention for FX spot & FWD as a moderate market practice (promoting as best practice with no regulatory obligation) as a standard for treatment of I/B.