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BRIEFING

ISDA and EMTA publish the 2026 FX Definitions

What you need to know now

March 2026

The new 2026 FX Definitions were published by ISDA and EMTA on **3 March 2026** and will be adopted as the market standard definitions for FX transactions from **22 November 2027**. This interval is intended to provide market participants with sufficient time to update their systems and prepare for the transition.

In this briefing, we provide a high-level overview of the key features of the new definitions and consider what market participants need to know now, as they begin to assess the scope and timing of their implementation programmes.

Key Observations

1. The fragmented architecture of the ISDA and EMTA 1998 FX Definitions has been replaced with a single consolidated Main Book, fully digitised and hosted exclusively on ISDA's MyLibrary platform.
2. The 2026 FX Definitions are versionable, allowing ISDA to publish updated versions on its MyLibrary platform over time.
3. Provisions have been modernised, including Business Day definitions, Disruption Events and Fallbacks and the Calculation Agent standard.
4. EMTA template terms are embedded in the EM Currency Matrix and Additional Provisions for Non-Deliverable Transactions (EM), thereby reducing reliance on MCAs.
5. Following adoption, the 2026 FX Definitions will apply to all new FX transactions (including cleared transactions), whereas legacy non-cleared transactions will continue to apply the 1998 FX Definitions unless rolled or bilaterally amended.
6. Firms are now expected to begin legal, operational and client-outreach planning, including impact assessments, document reviews and coordination with infrastructure providers.

Why have the existing FX definitions been updated?

The 1998 FX and Currency Option Definitions (the "**1998 FX Definitions**") were published by ISDA, EMTA and the Foreign Exchange Committee to assist with the documentation of privately negotiated FX and currency option transactions. They comprise a framework of documents that are built around a core definitions booklet, covering both Deliverable and Non-Deliverable Transactions for developed market currencies and emerging market currencies. These are accompanied by Annexes, Supplements and related market practice documents such as the EMTA template terms and bilateral Master Confirmation Agreements ("**MCAs**").

Over the past 30 years, the FX market has experienced significant transformation, including shifts in trading practices and the emergence of non-deliverable currencies. Although the 1998 FX Definitions were periodically reviewed and updated to include new terminology and provisions to reflect the changing market standards, their fragmented structure underscored the need for a comprehensive revision.

How did ISDA involve market participants in the project?

In 2023, ISDA conducted a survey amongst market participants to gain insights on how the 1998 FX Definitions (together with related documentation) could be updated and improved.

The survey included questions on:

- the existing market stakeholder landscape;
- potential areas for change and improvement;
- the anticipated impacts on market participants and supporting infrastructure; and
- possible approaches for optimal implementation.

The view of over 50 respondents informed ISDA's strategy for approaching the project. As with the previous large scale project to update the definitions for interest rate transactions, ISDA aimed to produce a modernised, consolidated and future-proofed set of FX definitions.

As the project moved into the drafting phase, an ISDA Working Group, consisting of market participants and stakeholders from a range of jurisdictions and functions, reviewed and discussed draft versions of the updated provisions throughout 2024 and 2025. In addition, separate discussions took place with other groups and steering committees, including those focussed on legal, trading, implementation, operations and regional/emerging markets issues. The final version of the 2026 FX Definitions has accordingly been shaped by the views and requirements of the current market experts.

What was ISDA's approach to the drafting?

ISDA has undertaken a comprehensive redrafting and reorganisation exercise to consolidate the various components and to update the key substantive provisions. Work on the project fell into two main categories:

- **Consolidation of the various elements** (i.e. Supplements, Additional Provisions and EMTA terms); and

Where can I find the 2026 FX Definitions?

The 2026 FX Definitions will be fully digitised and available as a new, continuously updated, single document.

As with the 2021 ISDA Interest Rate Derivatives Definitions, the provision of the 2026 FX Definitions in digital form reflects ISDA's strategy of facilitating greater automation in derivatives markets.

The definitions can be accessed on ISDA's **MyLibrary platform**.

- **Updating of provisions** (such as Disruption Events and Fallbacks and the definition of Business Day).

How have the EMTA provisions been incorporated?

A key component of the update project involved the integration of the ISDA and EMTA documentation frameworks into a unified architecture within the new definitions, comprising the "EM Currency Matrix" and the "Additional Provisions for Non-Deliverable Transactions (EM)" (the "**Applicable Provisions**").

Each row of the EM Currency Matrix applies to a particular Currency Pair and Transaction Type. It specifies contractual terms that were previously addressed in EMTA template documentation, including the applicable Settlement Currency, method of settlement, Applicable Disruption Events and Fallbacks and Business Day locations.

If the EM Currency Matrix applies to a Non-Deliverable Transaction, the Additional Provisions apply automatically to that Transaction (or may be applied by election in a Confirmation). The Additional Provisions are drawn from the EMTA template terms for Non-Deliverable Transactions. They are a set of operative provisions covering matters such as Unscheduled Holidays (not to be confused with Calendar Adjustment Events) and adjustment to the Valuation Date and Settlement Date. Once the 2026 FX Definitions are implemented, the standalone EMTA template terms will be discontinued, with the trading terms for NDFs and NDOs fully integrated into the 2026 FX Definitions.

The EM Currency Matrix also applies to Non-Deliverable Cross-Currency FX Transactions and Non-Deliverable Cross-Currency FX Option Transactions, through the application of a mechanism set out within the Main Book.

As a result of these updates, parties should no longer need to rely on MCAs, which have historically been used in conjunction with the EMTA template terms to incorporate bespoke provisions into transactions. However, parties may wish to retain their MCAs if the bespoke terms will remain relevant for their transactions.

What are the key updates included in the 2026 FX Definitions?

Notable key updates include the following:

- The 2026 FX Definitions now consist of a single **consolidated Main Book**. This replaces the fragmented architecture of the 1998 FX Definitions, Supplements and Additional Provisions.
- The various **Business Day definitions** have been extensively rationalised and simplified. Multiple overlapping concepts from historic supplements have been consolidated into clearer, core definitions.
- The **role of the Calculation Agent** has been clarified and expanded through a universal catch-all provision for unallocated determinations (with the exception of determining whether a Disruption Event has occurred). The applicable **standard** has been updated to align with the 2002 ISDA Master Agreement and the 2021 Interest Rate Derivatives Definitions, requiring the Calculation Agent to act in good

faith and use commercially reasonable procedures to produce a commercially reasonable result.

- A provision has been included to cover situations where both parties will be **Joint Calculation Agents** but have not contractually agreed a dispute resolution process. The drafting is taken from the EMTA template terms and involves an independent dealer acting as a substitute Calculation Agent.
- Where presumed terms apply to Non-Deliverable Transactions, these will be adjusted to provide for a sub-category of "**Developed Markets Non-Deliverable Transactions**" (known in the market as "cash-settled" transactions). These include Currency Pairs referencing G10 currencies and Danish Krone. Transactions will be Developed Markets Non-Deliverable Transactions if (i) the Currency Pair is included in the Developed Markets Currency Matrix, or (ii) the parties have made an election in the Confirmation. Those Non-Deliverable Transactions that do not fall into this sub-category include emerging market Currency Pairs (previously covered by the EMTA template terms).
- **Disruption Events and Fallbacks** have been comprehensively revised, incorporating lessons learned from market events, to provide the dealers with a revised set of provisions.
  - For **Deliverable FX Transactions**, unless the parties agree otherwise in the Confirmation, three Disruption Events are presumed to apply (General Settlement or Conversion Disruption, Material Change in Circumstance and Settlement System Disruption). This is a change in position compared to the 1998 FX Definitions, where there were no presumed Disruption Events for Deliverable FX Transactions. Parties may also include additional Disruption Events, such as Specific Settlement or Conversion Disruption, Price Source Disruption and Price Materiality. Where the occurrence of an event could trigger more than one Disruption Event, a hierarchy ensures that only one of these applies. Settlement proceeds by applying the relevant Disruption Fallbacks for each Disruption Event.
  - For **Non-Deliverable FX Transactions**, the applicable Disruption Events are determined by whether the EM Currency Matrix applies to the transaction. Where both the Transaction Type and the Currency Pair are included in the EM Currency Matrix (or the Matrix is otherwise specified to apply), the Disruption Events specified in the relevant EM Currency Matrix row apply. Where the EM Currency Matrix does not apply, Price Source Disruption is the default presumed Disruption Event, unless the parties specify otherwise in the Confirmation. In both cases, the parties may specify additional Disruption Events in the Confirmation. Where the EM Currency Matrix applies, the sequence of Disruption Fallbacks is set out within this. Where the EM Currency Matrix does not apply, there is a presumed sequence of fallbacks.
- A section for **Offshore Deliverable CNY Transactions** has been included, which incorporates and updates the substance of the 2021 Additional Provisions for Offshore Deliverable CNY Transactions. These provisions are designed to preserve deliverable settlement of offshore CNY, by applying a bespoke set of Disruption Events and a hierarchy of Disruption Fallbacks which prioritise alternative offshore settlement mechanisms ahead of cash settlement.

- A concept of **Calendar Adjustment Events** has been included to address situations where public holidays are announced after a trade date and cause the Settlement Date of an affected FX transaction (or portfolio of transactions) to be postponed. If the parties elect to apply this in a Confirmation, an adjustment mechanism (which will be either an offsetting transaction or a price adjustment) will be applied to eliminate, to the extent reasonably practicable, any change in the economic value of the affected transaction(s).
- **Option exercise mechanics** have been enhanced to reflect prevailing market practice, including provisions for partial and multiple exercise.
- A new **Full Automated Exercise** mechanism has been introduced as an elective feature for certain Deliverable European FX options. If this applies, the option will be automatically exercised for the buyer if it is in the money at the Expiration Time on the Expiration Date, relying on published Settlement Rate Options to make the determination. It will not be possible for the parties to send a notice to manually exercise (or not) the option before it expires. The existing "Automatic Exercise" provision has been retained and will apply unless the parties select Full Automated Exercise.
- Annex A to the 1998 FX Definitions (which contains currency and currency spot rate definitions and other related definitions and provisions) has been transposed into the **Settlement Rate Options (SRO) Matrix**. The new matrix format is designed to make it easier to identify and apply the relevant provisions. The creation of the SRO Matrix requires associated operative provisions which outline how to make determinations using the SRO Matrix if the Settlement Rate Option is included within it (and if not included then how otherwise to make determinations).
- Additional **Acknowledgments and Representations** have also been included, which incorporate certain provisions from the EMTA template terms.

How will the 2026 FX Definitions apply to legacy and new transactions?

Upon implementation, the 2026 FX Definitions will be referenced in:

- new transactions;
- existing transactions which roll-over;
- new cleared FX transactions; and
- existing cleared FX transactions.

Legacy non-cleared FX transactions will continue to reference the 1998 FX Definitions until they roll-over or are bilaterally amended to incorporate the 2026 FX Definitions. It is expected that there will only be a short period of time where a basis exists between legacy non-cleared, non-rolled transactions and new transactions which reference the 2026 FX Definitions.

How will the 2026 FX Definitions be updated?

The 1998 FX Definitions could not be easily amended to include updates or supplemental provisions. When these became necessary, they were issued through Supplements that counterparties were required to individually incorporate into their transactions.

The 2026 FX Definitions will be "versionable", meaning that developments in the FX market can be reflected in updated versions which incorporate amended and/or supplemental provisions. When a new version is published, its provisions will automatically apply to all new and rolled FX transactions that are entered into on or after the new version's effective date. Transactions executed before that date will remain unaffected.

ISDA did not include an election for the 2026 FX Definitions to apply "as amended from time to time" to a transaction. Any party seeking to implement this approach would need to determine its effectiveness under the relevant governing law.

Where a Matrix applies, the relevant elections in the latest version of that Matrix on the Transaction's Trade Date will be deemed to have been specified in the Confirmation. Confirmation elections prevail over Matrix elections.

How will SWIFT be implementing the updated definitions?

SWIFT is used by many market participants to confirm FX transactions, using message templates that are exchanged between parties. ISDA has therefore engaged with SWIFT from the outset of the project, to ensure that its message templates will be updated to reflect the changes being introduced by the 2026 FX Definitions. The intention from the outset of the project has been for the rollout of the new definitions to coincide with SWIFT's annual MT Standards release (which updates message types to ensure they remain aligned with market and regulatory requirements).

SWIFT will cease to support the 1998 FX Definitions from 22 November 2027, meaning that from this date all new transactions that are confirmed using its messages must use the 2026 FX Definitions.

Where can I find further information?

ISDA has hosted relevant materials on its "FX Definitions Update InfoHub" site since it began work on the project. This acts as a repository for updates and announcements, key documents and educational materials. In particular, this includes links to:

- the 2026 FX Definitions on MyLibrary;
- a brochure which provides an overview of the project, expectations around implementation and a summary of the key updates to the definitions;
- an Industry Implementation Roadmap (the "**Roadmap**"), which provides an outline of the expected market infrastructure changes, recommendations for a work program that firms may wish to follow in order to ensure that they (and their clients) are ready for implementation and an overview of ISDA's expected education and outreach program (see below); and
- background materials and Working Group resources.

To support market-wide understanding of the updates, and ensure that firms are well-equipped for the transition, ISDA expects to release a further suite of educational materials over the course of 2026. This is expected to include a brochure outlining key information on the 2026 FX Definitions, a guide detailing the differences between the 1998 FX Definitions and the 2026 FX Definitions, detailed redlines and/or comparison tables including explanations for specific changes (such as Disruption Events and Fallbacks), colour-coded annotated template confirmations and a range of webinars, presentations, and training videos. These materials will be drafted with the aim of facilitating internal communications within large organisations (particularly for those stakeholders who may not be able to engage in comprehensive technical evaluations) and to reflect operational considerations.

What steps should I take now?

Although ISDA will be supporting market participants with the resources detailed above, each organisation must ensure it has a detailed plan for working towards a successful implementation of the 2026 FX Definitions by 22 November 2027. The scale and breadth of the changes mean that firms should begin planning early. Legal, operational, technology and client-relationship teams will all need to be engaged in the implementation project to ensure a smooth transition.

The Roadmap is likely to be the first point of reference for firms beginning to plan their strategy. In the course of preparing this, ISDA consulted market participants and infrastructure providers to gain a holistic understanding of the impact of the transition and the key issues that will need to shape the implementation process. It therefore provides a series of recommendations on the preliminary steps that market participants may wish to follow when preparing their strategy and delivery plans.

Many of the suggestions will be familiar to those firms which previously planned for the implementation of the 2021 ISDA Interest Rate Derivatives Definitions. For example, the Roadmap suggests:

- establishing a project management team to provide the necessary oversight and governance for ensuring that implementation runs smoothly, on time and within budget;
- completing impact assessments;
- coordinating with vendors and platform providers (such as SWIFT);
- preparing a client outreach program with bespoke materials and communications;
- creating training programs for affected teams;
- engaging with industry-led initiatives to ensure continued alignment with timelines and expectations; and
- instructing legal teams to carry out due diligence on existing documentation, update templates and determine the extent of the trades that will continue to reference the 1998 FX Definitions.

Your contact at Clifford Chance can also advise on the issues to consider.

Although market participants have 18 months until implementation, many project stages are likely to require early consideration during the course of H1 2026. Drawing on lessons learned from the implementation of the 2021 ISDA Interest Rate Derivatives Definitions, firms that engage early with impact assessments and consult industry guidance are likely to be best placed to manage risk and reduce potential disruption.

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