United Arab Emirates

مصرف الإمارات العربية المتحدة المركزي
CENTRAL BANK OF THE U.A.E.

DIRHAM MONETARY FRAMEWORK
FOREIGN EXCHANGE MUQAYADAH FACILITY
TERMS AND CONDITIONS

Effective from 14 September 2026

This document outlines the general Terms and Conditions of the Foreign Exchange Muqayadah Facility ("**the Terms and Conditions"**) of the Central Bank of the United Arab Emirates. It includes details on the operational procedures and settlement arrangements for transactions conducted by an Eligible Counterparty using this facility.

Definitions and interpretations

1. In these Terms and Conditions, unless the context otherwise requires, the following words and expressions shall have the following meanings cited against each:

    a) "**AED**" means the national currency of the UAE, the Emirati Dirham.

    b) "**Business Day**" means, in respect of any date that is specified in the relevant Undertaking to be subject to adjustment in accordance with any applicable Business Day Convention, a day on which Eligible Counterparties and foreign exchange markets settle payments and are open for general business in the place(s) and on the days specified for that purpose in such Undertaking and, if place(s) and days are not so specified, a day on which Eligible Counterparties and foreign exchange markets settle payments and are open for general business in the same currency as the payment obligation that is payable on or calculated by reference to that date in the principal financial centre of such currency.

    c) **"Business Day Convention"** means the convention for adjusting any relevant date if it would otherwise fall on a day that is not a Business Day. The following terms, when used in conjunction with the term "Business Day Convention" and a date, shall mean that an adjustment will be made if that

date would otherwise fall on a day that is not a Business Day so that: (1) if "Following" is specified, that date will be the first following day that is a Business Day; (2) if "Modified Following" or "Modified" is specified, that date will be the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day; and (3) if "Preceding" is specified, that date will be the first preceding day that is a Business Day. The Business Day Convention applicable to a date that is specified in an Undertaking to be subject to adjustment shall be the Business Day Convention specified for that date in such Undertaking. Should such a convention be not so specified for that date but is specified in the relevant DFT Terms Agreement, shall be the Business Day Convention so specified.

d) **"Buyer"** also referred to as **Eligible Counterparty** in these Terms and Conditions or **Party A** in the ISDA/IIFM Tahawwut Master Agreement, and means, in respect of a DFT Terms Agreement and each transaction entered into pursuant thereto, the party specified as such in the relevant Undertaking, being the party that undertakes to purchase the First Currency from the Seller (CBUAE/ Party B) for the Second Currency at the election of the Seller (CBUAE/ Party B).

e) "**CBUAE**" means the Central Bank of the UAE, the monetary authority of the UAE established under Federal Decree-Law No. (6) of 2025, Regarding the Central Bank, Regulation of Financial Institutions and Activities, and Insurance Business, and amendments thereto; also referred to as **"Party B"** in the ISDA/IIFM Tahawwut Master Agreement.

f) **"CBUAE Appointed Auction Platform"** means the electronic auction platform operated by Bloomberg Finance L.P. accessed via the function AUPD<GO> on the "Bloomberg Professional" services portal, or such successor service as the CBUAE notifies to Eligible Counterparties in writing.

g) **"DFT Terms confirmation"** means one or more documents or other confirming evidence exchanged between the CBUAE and an Eligible Counterparty to enter into a future foreign exchange transaction, often referred to as a **Designated Future Transaction** (DFT), outlining the specific terms of the future foreign exchange transaction between the parties.

h) "**Eligible Counterparty**" means any deposit-taking Licensed Financial Institution as defined in accordance with the provisions of Federal Decree-Law No. (6) of 2025 and amendments thereto, **or** any other direct participant in the UAEFTS, that has signed the relevant documentation as required by these Terms and Conditions; and referred to as **"Party A"** in the ISDA/IIFM Tahawwut Master Agreement.

i) "**Eligible Counterparty's Settlement Account**" means the current account of an Eligible Counterparty held at the CBUAE.

j) **"Exercise Condition"** means any Exercise Condition, if applicable, specified as such in the relevant Undertaking.

k) **"Exercise Date"** means, in respect of a Designated Future Transaction, the date specified as such in the relevant Undertaking.

l) **"Exercise Notice"** means a notice substantially in the form set out in Annex C to these Terms and Conditions. This notice may be exercised two Business Days prior to the Settlement Date pertinent to the Designated Future Transaction.

m) **"First Currency"** means the currency specified as such in the relevant Undertaking.

n) **"First Currency Amount"** means the amount of the First Currency specified as such in the relevant Undertaking to be purchased by the Buyer (Eligible Counterparty/ Party A).

o) **"Forward Rate"** means the currency exchange rate specified as such in the relevant Undertaking determined either through a tender or a bilateral arrangement, as the case may be. This rate shall be expressed as an amount of the Second Currency per one unit of the First Currency.

p) "**Governing Law**" means the laws of the United Arab Emirates.

q) **"ISDA/IIFM Tahawwut Master Agreement"** means the Master Agreement published by the International Swaps and Derivatives Associations and the International Islamic Financial Market, along with any related annexes/schedules signed between the CBUAE and the Eligible Counterparty, for the purposes of accessing this facility.

r) **"Offer and Acceptance"** means an offer and acceptance substantially in the form set out in Annex D to these Terms and Conditions. The Offer and Acceptance shall constitute a **"confirmation"** as referred to in the ISDA/IIFM Tahawwut Master Agreement.

s) **"Sale Transaction"** means a Designated Future Transaction comprising a sale of the First Currency by the Seller (CBUAE/ Party B) to the Buyer (Eligible Counterparty/ Party A) **following an exercise** by the Seller (CBUAE/ Party B) of the Undertaking; the terms of each such transaction shall be evidenced by a "confirmation", being an Offer and Acceptance.

t) **"Second Currency"** means the currency specified as such in the relevant Undertaking.

u) **"Second Currency Amount"** means the amount of the Second Currency specified as such in the relevant Undertaking to be delivered to the Seller (CBUAE/ Party B).

v) **"Seller"** also referred to as **"CBUAE"** in these Terms and Conditions or **"Party B"** in the ISDA/IIFM Tahawwut Master Agreement, means, in respect of a DFT Terms Agreement and each Transaction entered into pursuant thereto, the party specified as such in the relevant Undertaking, being the party that may elect to sell the First Currency for the Second Currency to the Buyer (Eligible Counterparty/ Party A).

w) **"Settlement Date"** means the date specified as such in Annexes A and B (the relevant Undertaking) to these Terms and Conditions; except that each Settlement Date shall be subject to adjustment in accordance with the Modified Following Business Day Convention unless another Business Day Convention is specified to be applicable to Settlement Dates.

x) **"Spot Rate"** means the reference rate referred to in Annex A to these Terms and Conditions, which is the mid-point of the official exchange rate parity between the UAE dirham and the US dollar, as published by the CBUAE on its official website at the time at which such rate is to be applied for foreign exchange transactions in the First Currency and Second Currency. The Spot Rate shall be expressed as an amount of the Second Currency per one unit of the First Currency.

y) "**Spot Transaction**" means a transaction to purchase a specified amount of the First Currency for a specified amount of the Second Currency concluded on a spot basis where the relevant payment or delivery is required at the Trade Date.

z) **"Trade Date"** means the date as such the CBUAE announces and avails the Foreign Exchange Muqayadah Facility. It also refers to the date specified as such in the relevant Undertaking on which the parties enter into the relevant DFT Terms Agreement.

aa) "**UAEFTS**" means the UAE Fund Transfer System, the real time gross settlement system established and operated by the CBUAE.

bb) **"Undertaking"** means the unilateral undertaking of the Buyer (Eligible Counterparty/ Party A) granted to the Seller (CBUAE/ Party B), on the Trade Date post confirmation of the Forward Rate, in the form set out in Annex B to these Terms and Conditions, to enter into a DFT.

cc) "**USD**" means the currency of the United States of America, the US Dollar.

Facility Description

1. The Foreign Exchange Muqayadah offered under this facility consists of **two (2) distinct foreign exchange transactions** in AED against USD:

a) The Spot Transaction (the near transaction), where the transaction is executed on a spot basis and priced based on the Spot Rate, i.e., the two currencies are traded for immediate delivery and the settlement of the transaction happens on the Trade Date; and

b) The DFT (the far transaction), where the currencies are set to be traded in the future based on the Forward Rate stated in the relevant Undertaking, as determined either through a tender or a bilateral arrangement, as the case may be, i.e., the transaction is executed on a future date, as agreed upon, and the settlement shall happen on the delivery date of the two currencies.

2. The facility is to be **offered by the CBUAE at its own discretion** on any Business Day, for the purpose of fine-tuning open market operations, with a primary goal of steering liquidity in local money markets for a designated period of time. The CBUAE may offer Foreign Exchange Muqayadah to provide AED liquidity in the market by selling AED against USD in the spot market and buying AED against USD in the forward market. Conversely, the CBUAE may absorb AED liquidity by buying AED against USD in the spot market and selling AED against USD in the forward market.

3. In respect of a Designated Future Transaction, these Terms and Conditions:

   a) are drafted based on a structure involving a single unilateral Undertaking (Shari'ah-compliant Foreign Exchange **"Wa'ad"**) to be granted by the Eligible Counterparty to the CBUAE from time to time. The Buyer (Eligible Counterparty/ Party A), in respect of each Wa'ad (Undertaking), shall prepare and execute an Undertaking in the form set out in Annex B to these Terms and Conditions.

   b) as supplemented by the relevant Undertaking, shall constitute a DFT Terms confirmation**,** confirming the terms and conditions of the agreement specified in the relevant Undertaking signed on the **"Trade Date"** and executed through the Offer and Acceptance, if applicable, on the "Exercise Date" (the "**DFT Terms Agreement**").

4. Pursuant to the single unilateral Undertaking, the Buyer (Eligible Counterparty/ Party A) grants a Wa'ad to the Seller (CBUAE/ Party B) to exchange one currency for another currency at a pre-determined rate on a specified future date, at the Seller's (CBUAE/ Party B) election. Should the Seller (CBUAE/ Party B) exercise such Undertaking, the Buyer (Eligible Counterparty/ Party A) and the Seller (CBUAE/ Party B) will need to execute an Offer and Acceptance in the form set out in Annex D to these Terms and Conditions.

Access Conditions and Operational Aspects

5. In normal market conditions, the tenor of a Designated Future Transaction pursuant to a DFT Terms Agreement shall be up to, but not exceeding, **fourteen (14) calendar days** from the specified Trade Date.

6. Allocation and pricing are to be determined via auction. The auction may take the form of either a multiple rate or single rate auction, as the case may be. The CBUAE may also, at its sole discretion, offer this product on a bilateral basis.

7. When the CBUAE intends to engage in fine tuning open market operations via its Foreign Exchange Muqayadah Facility, it shall announce by 10:30 hours of its intention to do so **on the same Business Day**. Such announcement shall be published via Bloomberg, LSEG Workspace or any other medium specified by the CBUAE. This shall include the volume, method of allocation, tenors and any other related terms specific to the intended operation.

8. The CBUAE also reserves the right to cancel or amend details in its announcement to account for market dislocation, unforeseen liquidity imbalances, systems failure, or any other reason. Any such amendments shall be announced prior to the conduct of such operations.

9. Settlement of the Spot Transaction (the near transaction) shall be on the same Business Day (T+0) basis. Meanwhile, settlement of the Designated Future Transaction (the far transaction) shall be subject to the tenor of the open market operations the CBUAE intends to conduct.

Tender Arrangements

10. Should the CBUAE intend to enter into a Designated Future Transaction and determine the Forward Rate via auction, it shall announce the type of operation, tenor, volume and related terms as per Clause 7 of these Terms and Conditions.

11. For all auctions, tenders must be submitted by Eligible Counterparties on the prescribed Business Day **between 13:00 and 13:45 hours** to the CBUAE's dealing room via the CBUAE Appointed Auction Platform. All tenders submitted shall be irrevocable from 13:45 hours on the tender day.

12. Eligible Counterparties must ensure they have access to the CBUAE Appointed Auction Platform in order to participate in the tender.

13. The reference Spot Rate of USD against AED in the auction shall be 3.6725.

14. Multiple bids may be accepted at each auction. The CBUAE reserves the right to limit the number of bids, which may be accepted. Any such conditions that limit allotment shares shall be communicated by the CBUAE via its announcement of the operation as per Clause 8 of these Terms and Conditions.

15. Allocation and pricing shall be determined by the general terms associated with the auction type. In its announcement to the market, the CBUAE shall specify the auction type as either a multiple rate or single rate auction.

16. Eligible counterparties intending to bid must bid the Forward Rate of the AED against USD, rounded to four decimal places. Minimum bid size is AED or USD

10,000,000, as the case may be. Tenders above the minimum must be in integral multiples of AED or USD 1,000,000, as the case may be.

17. In a multiple-rate auction, all successful bids shall be allotted at the Forward Rate(s) corresponding to each successful bidder. In a uniform-rate auction, all successful bids will be allotted at a common auction clearing rate (the Forward Rate of the lowest or highest accepted offer, dependent on whether the operation is providing or absorbing AED liquidity). Specifically:

    a) for liquidity providing operations, tenders accepted for each tenor on offer will be allotted in descending order of Forward Rates. Tenders above the lowest accepted bid will be allotted in full; those accepted at the lowest bid may be allotted in full or in part only.

    b) for liquidity absorbing operations, tenders accepted for each tenor on offer will be allotted in ascending order of Forward Rates. Tenders below the highest accepted offer will be allotted in full; those accepted at the highest accepted bid may be allotted in full or in part only.

    c) when allotted in part, a pro-rata percentage may be applied to the amount tendered by each applicant and rounded to the nearest multiple of AED or USD 1,000,000, as the case maybe.

18. The CBUAE may, as per market conditions, set maximum or minimum of Forward Rates that may be bid or allotted at auction. It also reserves the right to not allot all tenders on offer or scale down allotment to successful bidders under exceptional circumstances (e.g., where a tender is made at an unacceptably large premium/discount to prevailing market rates or to avoid disproportionate shares being allotted to Eligible Counterparties).

19. Following completion of the auction, the CBUAE shall publish results from the auction at 14:00 hours on the tender day. Such results shall include the weighted average Forward Rate, amount offered, amount bid, and any other data deemed relevant by the CBUAE.

Bilateral Arrangements

20. Under special circumstances, the CBUAE may, at its sole discretion, offer to enter into a Designated Future Transaction and determine the Forward Rate on a bilateral basis. Circumstances under which this facility may be offered on a bilateral basis may include instances where the CBUAE needs to deal with idiosyncratic stress and to ensure proper functioning of the foreign exchange market.

21. A bilateral offering of this facility may also include tenors **longer than fourteen (14) calendar days** for a Designated Future Transaction (the far transaction), pursuant to a DFT Terms Agreement, if deemed necessary by the CBUAE.

22. For the avoidance of doubt, bilateral arrangements related to the Foreign Exchange Muqayadah Facility do not constitute a standing or liquidity insurance facility and

should not be treated as such by Eligible Counterparties. CBUAE retains the right to offer the facility on a bilateral basis in order to maintain stability in the foreign exchange market only when deemed necessary by the CBUAE.

Undertaking

23. In respect of any DFT Terms Agreement and **subject to successful allotment – in the case of a tender arrangement –** the Buyer (Eligible Counterparty/ Party A) shall deliver to the Seller (CBUAE/ Party B) an Undertaking (in the form set out in Annex B to these Terms and Conditions) to purchase from the Seller (CBUAE/ Party B) on the Settlement Date a specified amount of the First Currency, based on auction results and announced allotment or the bilateral arrangement (as the case may be), by payment of the specified amount of the Second Currency on the relevant Settlement Date.

Exercise of Undertaking and Seller (CBUAE/ Party B)'s Offer.

24. In respect of any DFT Terms Agreement, the Seller (CBUAE/ Party B), as the recipient of the Undertaking, will be entitled to deliver to the Buyer (Eligible Counterparty/ Party A), on the Exercise Date, an Exercise Notice. This Exercise Notice shall be accompanied by an Offer and Acceptance (in the form set out in Annex D to these Terms and Conditions) constituting an offer by the Seller (CBUAE/ Party B) to the Buyer (Eligible Counterparty/ Party A) to enter into the relevant Sale Transaction and referring to and reflecting the terms of that Exercise Notice and executed by the Seller (CBUAE/ Party B).

Buyer (Eligible Counterparty/ Party A)'s Acceptance

25. Following the delivery to the Buyer (Eligible Counterparty/ Party A) of the Exercise Notice with respect to the Exercise Date, together with the duly completed Offer and Acceptance executed by the Seller (CBUAE/ Party B), the Buyer (Eligible Counterparty/ Party A) shall accept such offer either (a) in writing via email or (b) any other recognized means permitted under section 12 of the Agreement, such as Bloomberg or LSEG Workspace to the Seller (CBUAE/ Party B) on the same day as that on which the Exercise Notice became effective (in accordance with Section 12 of the Agreement). If the Buyer (Eligible Counterparty/ Party A) accepts such offer by email, then such acceptance shall be subsequently confirmed by returning to the Seller (CBUAE/ Party B) a duly signed copy of the Offer and Acceptance.

Sale Transaction

26. Following the Buyer's (Eligible Counterparty/ Party A) acceptance of the Seller's (CBUAE/ Party B) offer:

    a) The Buyer (Eligible Counterparty/ Party A) shall transfer to the Seller (CBUAE/ Party B) on the Settlement Date the Second Currency Amount of the Second Currency; and

b) The Seller (CBUAE/ Party B) shall transfer to the Buyer (Eligible Counterparty/ Party A) on the Settlement Date, the First Currency Amount of the First Currency.

Amendments

27. The CBUAE may, at its own discretion, amend or supplement these Terms and Conditions at any time provided that:

    a) The modification is of a minor or technical nature, or is made to correct a manifest error or

    b) The modification is required to comply with mandatory provisions of law and to ensure that the CBUAE's statutory objectives are fulfilled.

28. Any amendment to these Terms and Conditions shall be reflected in consultation with the Higher Shari'ah Authority, published on the CBUAE's website and communicated officially by a written notice to all Eligible Counterparties. Such amendments shall also specify the effective date of the amendments.

Governing Law

29. These Terms and Conditions shall be governed by and construed in accordance with the laws of the United Arab Emirates.

30. All disputes, claims, or proceedings arising from or in connection with these Terms and Conditions shall be subject to the exclusive jurisdiction of the competent federal courts of the United Arab Emirates. Each of the Parties irrevocably consents to the award or grant of any relief in any such proceeding before the competent federal courts of the United Arab Emirates.

General Provisions

31. In the event of any inconsistency between these Terms and Conditions and an Undertaking, the latter shall prevail and govern for the purposes of the DFT Terms Agreement documented pursuant to such Undertaking.

32. For the purposes of Section 5(a)(ii)(3) of the ISDA/IIFM Tahawwut Master Agreement, a failure by the Buyer (Eligible Counterparty/ Party A) to accept the Seller's (CBUAE/ Party B) offer in accordance with Clause 25 of these Terms and Conditions shall constitute a failure by the Buyer (Eligible Counterparty/ Party A) to enter into the Designated Future Transaction in compliance with and in accordance with the terms of Section 2(a)(i) of the ISDA/IIFM Tahawwut Master Agreement and the relevant DFT Terms Agreement, unless such failure is remedied in accordance with the terms of that Section 5(a)(ii)(3).

33. Parties should note that a failure to transfer any of the relevant currency, following the execution of the Offer and Acceptance, constitutes a Failure to "Pay" or "Deliver Event of Default" under Section 5(a)(i) of the Agreement if such failure is not

remedied on or before the first local Business Day after notice of such failure is given to the relevant party.

Contact

34. Enquiries about the Foreign Exchange Muqayadah Facility or any operational and settlements arrangements therein should be sent to:

    a) Monetary.Management@cbuae.gov.ae

    b) Treasury.Operations@cbuae.gov.ae

Annex A

DIRHAM MONETARY FRAMEWORK
FOREIGN EXCHANGE MUQAYADAH FACILITY

Summary of Terms

Transaction Types	a) Foreign Exchange Spot Transaction (the near transaction). b) Single unilateral undertaking (Shari'ah-compliant Foreign Exchange Wa'ad) for the Designated Future Transaction (the far transaction). *For liquidity providing operations, Seller (CBUAE/ Party B):* a) Sells AED against USD in the Spot Transaction (the near transaction) b) Sells USD against AED in the Designated Future Transaction (the far transaction). *For liquidity absorbing operation, Seller (CBUAE/ Party B):* a) Sells USD against AED in the Spot Transaction (the near transaction) b) Sells AED against USD in the Designated Future Transaction (the far transaction).
Amount and Tenors(s) for the Designated Future Transaction	Minimum bid of AED or USD 10,000,000, tender over the minimum shall be in integral multiples of AED or USD 1,000,000, as the case may be.
Buyer	Any Eligible Counterparty/ Party A that have signed the Master ISDA/IIFM Tahawwut Master Agreement with the CBUAE and has access to the CBUAE Appointed Auction Platform.
Allocation	Competitive Auction or bilateral arrangement
Reference Spot Rate	AED 3.6725 per USD 1
Bidding Guidelines in a Tender Arrangement	For liquidity providing operations, tenders accepted for each tenor on offer will be allotted in descending order of forward rates. Tenders above the lowest accepted bid will be allotted in

	full; those accepted at the lowest bid may be allotted in part only. For liquidity absorbing operations, tenders accepted for each tenor on offer will be allotted in ascending order of forward rates. Tenders below the highest accepted offer will be allotted in full; those accepted at the highest accepted bid may be allotted in full or in part only. When allotted in part, a pro-rata percentage may be applied to the amount tendered by each applicant and rounded to the nearest multiple of AED or USD 1,000,000, as the case may be.
Frequency of Operations	Any Business Day subject to the discretion of the Seller (CBUAE/ Party B).
Announcement	By 10:30 hours on the day of intended operations. Announcement shall include all relevant terms related to the auction, in addition to information pertaining to liquidity stance in the market and CBUAE forecasts for the day ahead.
Exercise for the Designated Future Transaction	Two Business Days prior to the Settlement Date.
Settlement	a) T+0 for Spot Transactions (the near transaction) b) Subject to the tenor of the open market operations the CBUAE intends to conduct for the Designated Future Transaction (the far transaction). In all cases, this shall be T+2 from the Exercise Date and the execution of the Offer and Acceptance.
Enquiries	Monetary.Management@cbuae.gov.ae Treasury.Operations@cbuae.gov.ae

Annex B

DIRHAM MONETARY FRAMEWORK
FOREIGN EXCHANGE MUQAYADAH FACILITY

Form of Undertaking

[Letterhead of the Buyer (Eligible Counterparty/ Party A), the Undertaking provider]

[Insert Date]

[Buyer Transaction Reference]

To: The CBUAE (the "Seller"/ "Party B")

We refer to the Foreign Exchange Muqayadah Terms and Conditions entered into by you and us dated as per the effective date referred to in this document (the "Foreign Exchange Muqayadah Terms and Conditions"). Unless the context requires otherwise, capitalized terms used in this Undertaking and not defined herein will have the same meaning as in the Foreign Exchange Muqayadah Terms and Conditions.

This Undertaking, together with the Foreign Exchange Muqayadah Terms and Conditions, constitutes a "DFT Terms confirmation" as referred to herein, and supplements, forms part of and is subject to the ISDA/IIFM Tahawwut Master Agreement.

1. **Undertaking**

The Buyer unilaterally, irrevocably and unconditionally hereby undertakes to the Seller, in respect of the Settlement Date, that if (i) the Exercise Condition with respect to the Exercise Date is satisfied (if applicable) and (ii) the Seller delivers to the Buyer an Exercise Notice on or prior to, and with respect to, the Exercise Date, the Buyer will:

a) Purchase from the Seller for delivery to the Buyer on the Settlement Date the First Currency Amount of the First Currency; and

b) Pay to the Seller on such Settlement Date the Second Currency Amount of the Second Currency.

2. **Exercise Condition**

a) Not applicable (in the case of a bilateral arrangement); or

b) Satisfied [in the case of a tender arrangement] where all successful bids are allotted at the forward rates corresponding to each successful bidder (in a multiple-rate auction) or at a common auction clearing rate (in a uniform-rate auction).

3. **General Terms**

a) Trade Date:	[●]
b) Buyer:	[Eligible Counterparty/ Party A]
c) Seller:	[CBUAE/ Party B]
d) Exercise Date(s):	The date which falls two [2] Business Days prior to the Settlement Date
e) Settlement Date:	[●] subject to adjustment in accordance with the [Following, Modified Following, or Preceding] Business Day Convention
f) First Currency:	[currency to be purchased by the Buyer]
g) First Currency Amount:	[amount to be purchased by the Buyer]
h) Second Currency:	[currency to be delivered to the Seller]
i) Second Currency Amount:	[amount to be delivered to the Seller]
j) Forward Rate:	[●]
k) Business Days:	Abu Dhabi / New York or as instructed by CBUAE
l) Business Day Convention:	[Following, Modified Following, or Preceding]

4. **Account Details**

a) Account(s) for payments to Buyer:	[●]
b) Account(s) for payments to Seller:	[●]

5. **Offices**

a) The Office of the Buyer for the DFT Terms Agreement documented pursuant to this Undertaking and each Transaction entered into pursuant thereto as referred to ISDA/IIFM Tahawwut Master Agreement; and

b) The Office of the Seller for the DFT Terms Agreement documented pursuant to this Undertaking and each Transaction entered into pursuant thereto as referred to ISDA/IIFM Tahawwut Master Agreement.

6. **Buyer's Confirmation**

The Buyer confirms that it has reviewed the Foreign Exchange Muqayadah Terms and Conditions governing the sale and purchase of currencies and undertakes to be bound

by them and, following receipt of the Offer and Acceptance from the Seller, to execute the Offer and Acceptance on the Exercise Date.

IN WITNESS WHEREOF this Undertaking has been executed as a deed by the Buyer and is intended to be and is hereby delivered on the day first before written.

EXECUTED as a deed by **[Eligible Counterparty] (the "Buyer" / "Party A")**

Authorized Signatory [name], [Title]

7. **Acknowledgement**

The **Seller** hereby acknowledges reception of this Undertaking and confirms the terms therein.

EXECUTED as a deed by **CBUAE (the "Seller" / "Party B")**

Authorized Signatory [name], [Title]

Annex C

DIRHAM MONETARY FRAMEWORK
FOREIGN EXCHANGE MUQAYADAH FACILITY

Form of Exercise Notice

[Letterhead of the Seller (CBUAE/ Party B), the Undertaking recipient]

[Insert Date]

[Seller Transaction Reference]

To: [Eligible Counterparty] (the "Buyer" / "Party A")

We refer to the DFT Terms confirmation for the Foreign Exchange Muqayadah Facility, entered into by you and us dated [*the date of the relevant Undertaking*] (the "DFT Terms confirmation") which supplements, forms part of, and is subject to, the ISDA/IIFM Tahawwut Master Agreement dated as of [*date*], as amended and supplemented from time to time, between you and us ("the Agreement").

Unless the context requires otherwise, capitalized terms used in this Exercise Notice and not defined herein will have the same meaning as in the DFT Terms confirmation.

The Seller hereby confirms to the Buyer that:

1. The undersigned is duly authorized to execute and deliver this Exercise Notice on behalf of the Seller;

2. The Seller is hereby exercising the Undertaking granted by the Buyer [*date*] in respect of the Exercise Date specified below and accordingly the Buyer is hereby required to execute the Offer and Acceptance in order to purchase from the Seller the First Currency Amount of the First Currency for the Second Currency Amount of the Second Currency and deliver the same on the Settlement Date on the following terms:

   a) Exercise Date: [●]

   b) First Currency and First Currency Amount: [●]

   c) Second Currency and Second Currency Amount: [●]

   d) Settlement Date: [●]

3. Attached are two copies of the Offer and Acceptance to execute the above transaction which the Buyer should arrange to be countersigned and for one executed original of such Offer and Acceptance to then be returned to us on the same day as the date on

which this Exercise Notice is effective (in accordance with Section 12 of the Agreement) (and the Offer and Acceptance will constitute a **"confirmation"** for the purposes of the Agreement).

4. This Exercise Notice shall be governed by and construed in accordance with the laws of the United Arab Emirates.

The CBUAE ("Seller" / "Party B")

Executed by [Name], [Title]

Annex D

DIRHAM MONETARY FRAMEWORK
FOREIGN EXCHANGE MUQAYADAH FACILITY

Form of Offer and Acceptance

[Letterhead of the Seller (CBUAE/ Party B), the Undertaking recipient]

[Insert Date]

[Transaction Reference]

To: [Eligible Counterparty] (the "Buyer" / "Party A")

The purpose of this letter (this "**Offer and Acceptance**") is to confirm the terms and conditions of the Sale Transaction entered into between us pursuant to the terms of a DFT Terms Agreement evidenced by a DFT Terms confirmation dated [*the date of the relevant Undertaking*] (the "**DFT Terms confirmation**").

The definitions and provisions contained in the DFT Terms confirmation are incorporated in this Offer and Acceptance.

This Offer and Acceptance constitutes a Confirmation as referred to herein, and supplements, forms part of, and is subject to, the ISDA/IIFM *Tahawwut* Master Agreement dated as of [date], as amended and supplemented from time to time (the "**Agreement**"), between [Eligible Counterparty] ("**Party A**") and the CBUAE ("**Party B**"). All provisions contained in the Agreement govern this Offer and Acceptance.

Pursuant to the DFT Terms Agreement evidenced by the DFT Terms confirmation, the Seller has delivered to the Buyer an Exercise Notice dated [●] (the "**Exercise Notice**") and the Buyer has granted the Seller an undertaking under which the Buyer has undertaken to purchase from the Seller the First Currency Amount of the First Currency for the Second Currency Amount of the Second Currency specified in the Exercise Notice.

The terms of this Transaction are as follows:

Sale of Currencies

1. The Seller offers to sell to the Buyer the First Currency Amount of the First Currency in exchange for payment by the Buyer of the Second Currency Amount of the Second Currency, in each case, on the Settlement Date, where:

   a) First Currency and First Currency Amount is [●]; and

   b) Second Currency and Second Currency Amount is [●].

2. Following acceptance of the Seller's offer by the Buyer in accordance with Clause 25 of these Terms and Conditions, the Buyer shall transfer to the Seller the Second Currency Amount of the Second Currency and the Seller shall transfer to the Buyer the First Currency Amount of the First Currency, in each case, on the Settlement Date.

3. The account details of the Buyer and the Seller are as follows: [details]

   To accept the Seller's offer to enter into the Sale Transaction, the Buyer communicate that to the Seller via Swift message or by email at [*treasury.operations@cbuae.gov.ae*].

   In addition, please confirm that the foregoing correctly sets forth the terms of the Sale Transaction by executing this confirmation for that purpose and submitting to us as required by the DFT Terms confirmation. **Acceptance of the terms of the Sale Transaction shall be assumed should we have not received an explicit rejection of this communication within 30 minutes**.

The CBUAE ("Seller" / "Party B")

Executed by [Name], [Title]

[Eligible Counterparty] ("Buyer" / "Party A"

Countersigned by [Name], [Title]

Annex E

DIRHAM MONETARY FRAMEWORK
FOREIGN EXCHANGE MUQAYADAH FACILITY

Settlement Procedures

Activation of the Facility

1. Should the Seller (CBUAE/ Party B) intend to activate the Foreign Exchange Muqayadah Facility via auction, it shall announce the type of operation via Bloomberg to market participants by 10:30 hours of its intention to do so on the same Business Day of intended operations. Each potential Buyer (Eligible Counterparty/ Party A) may then access this facility via Bloomberg AUPD.

2. When a Foreign Exchange Muqayadah operation is intended to be conducted on a bilateral basis, the Seller (CBUAE/ Party B) shall submit a request for quote via Bloomberg FXGO.

3. Following conclusion of the allocation and subsequent announcement, the Seller (CBUAE/ Party B) shall send trade confirmation via SWIFT (MT300) for the near transaction. In turn, each Buyer (Eligible Counterparty/ Party A) shall exchange similar trade confirmation to match the near transaction

4. In respect of Designated Future Transaction (the far transaction), the Buyer (Eligible Counterparty/ Party A) shall deliver to the Seller (CBUAE/ Party B) an Undertaking by 15:30 UAE time, as specified in Annex B to these Terms and Conditions, to purchase from the Seller (CBUAE/ Party B) a specified amount of the First Currency, based on auction results and announced allotment or the bilateral arrangement (as the case may be), by payment of the specified amount of the Second Currency on the relevant Settlement Date. The Seller (CBUAE/ Party B) shall send an acceptance notice via SWIFT (MT199/299) to acknowledge receipt of undertaking.

5. The Seller (CBUAE/ Party B), as the recipient of the Undertaking, shall deliver to the Buyer (Eligible Counterparty/ Party A), on the Exercise Date, an Exercise Notice, as specified in Annex C to these Terms and Conditions. This Exercise Notice shall be accompanied by an Offer and Acceptance, as specified in Annex D to these Terms and Conditions, to proceed with the execution of the relevant Sale Transaction.

Spot Transaction (the near transaction)

For Liquidity Providing Operations, the Seller (CBUAE/ Party B) sells AED against USD in the near transaction:

a) The Seller (CBUAE/ Party B) shall send Notice to Receive instructions if requested by its USD account servicing institution via SWIFT (MT210 or camt.057) to inform it that it will receive USD funds from the Buyer (Eligible Counterparty/ Party A).

b) The Seller (CBUAE/ Party B) shall subsequently credit AED reserves equal to the allocation amount to the Buyer (Eligible Counterparty/ Party A)'s Settlement Account on the same day.

For Liquidity Absorbing Operation, the Seller (CBUAE/ Party B) sells USD against AED in the near transaction:

a) The Seller (CBUAE/ Party B) shall send payment instructions to its USD account servicing institution via SWIFT (pacs.009) to remit the settlement amount to the Buyer (Eligible Counterparty/ Party A)'s USD account servicing institution.

b) The Seller (CBUAE/ Party B) shall subsequently debit AED reserves equal to the settlement amount from the Buyer (Eligible Counterparty/ Party A)'s Settlement account on the settlement date of the near transaction.

Designated Future Transaction (the far transaction)

For Liquidity Providing Operations, the Seller (CBUAE/ Party B) sells USD against AED in the far transaction:

a) On the Exercise Date of the far transaction, the Seller (CBUAE/ Party B) shall send a payment instruction to its USD account servicing institution via SWIFT (pacs.009) to remit the settlement amount, on the far transaction Settlement Date, to the Buyer (Eligible Counterparty/ Party A)'s USD account servicing institution.

b) In parallel, the Buyer (Eligible Counterparty/ Party A) may, if required, send a Notice to Receive instruction to its USD account servicing institution via SWIFT (MT210 or camt.057) that it will receive funds, on the Settlement Date, from the Seller (CBUAE/ Party B).

c) The Seller (CBUAE/ Party B) shall then debit, on the Settlement Date, the applicable AED reserves (accounting for the Forward Rate specified in the allocation announcement) from the Buyer (Eligible Counterparty/ Party A)'s Settlement Account.

For Liquidity Absorbing Operations, the Seller (CBUAE/ Party B) sells AED against USD in the far transaction:

a) On the Exercise Date of the far transaction, the Seller (CBUAE/ Party B) shall send a Notice to Receive instruction if requested by its USD account servicing institution via SWIFT (MT210 or camt.057) to inform it that it will receive, on the Settlement Date, USD funds from the Buyer (Eligible Counterparty/ Party A).

b) In parallel, the Buyer (Eligible Counterparty/ Party A) shall send an instruction to its USD account servicing institution via SWIFT (pacs.009) to remit the settlement amount, on the Settlement Date, to the Seller (CBUAE/ Party B)'s USD account servicing institution.

c) the Seller (CBUAE/ Party B) shall then credit the Buyer (Eligible Counterparty/ Party A)'s Settlement Account, on the Settlement Date, with the applicable AED

reserves (accounting for the Forward Rate specified in the allocation announcement).