



Update from the **Market Practice Committee** to ITFA Members

The role of the Market Practice Committee (MPC) is to support ITFA members through:

- Understanding issues that may have a direct or indirect impact on our activity
- Navigating the regulatory landscape
- Staying up to date with developments in the industry
- Creating white papers or commissioning opinions on matters that are open to interpretation
- Developing FAQs
- Supporting the development of standardised documentation to facilitate our business
- Providing industry input into working groups led by other associations

Below is an update from the MPC regarding current projects as of February 2022.

// STANDARD DOCUMENTS AND TEMPLATES

BAFT MPA

We keep a constant monitor on how changing market practice or regulation may affect use of the MPA, or where this may introduce the need for clarifications, amendments or revisions.

Current Status: The latest amended version of the MPA introduces fall-back wording to cover IBOR transition, as well as a handful of minor drafting fixes.

- The latest versions of both 2008 and 2018 English law MPAs are available via BAFT and ITFA websites, along with the latest versions of both 2010 and 2019 New York law MPAs
- A new legal opinion on CRR is being commissioned
- Live FAQs for the 2018 MPA are being published on the ITFA website (see below)

ITFA NDA

This is a mutual NDA for use by ITFA members, framed as a master agreement which can be applied by the main parties as well as their branches / affiliates as required.

Current Status: The NDA is ready to be published in next couple of weeks

'eURF' – Standardised rules for digital payment instruments

This is a project to modernise the existing Uniform Rules for Forfaiting (URF) and optimise these for use in fully digital end-to-end transactions. The principles have application beyond 'forfaiting' for negotiable payment instruments, which need to adapt to changes in both the legal environment and market practice.

We will look at both the instruments and processes, and will aim to draft a set of rules that will co-exist with the existing URF, without making changes to the fundamental architecture.

Current Status: A working group is being formed with input from a diverse range of companies and we expect to schedule a kick-off call for early March

// GUIDANCE ON MARKET PRACTICE

Trade Finance Product Classification

The MPC is working to produce a comprehensive overview of trade finance products and instruments which will be published on the ITFA website and used to inform and educate other stakeholders about our industry

Current Status: We expect to publish this on the ITFA website in March

IBOR Transition

The MPC is monitoring the transition away from IBOR, and impact on trade finance products, in order to provide clarification and guidance to members.

- During the last year we have issued several briefing notes and links to external resources regarding the development of new forward-looking RFRs



- In partnership with Trade Finance Global, ITFA has launched a LIBOR-Transition Hub for trade finance professionals, including up to date timelines, reference materials and FAQs
- A webinar took place on 7th Feb 2022 – you can access a recording [here](#)
- We will continue to provide memos and updates and create further guidance resources as the transition timeline progresses

FAQs for 2018 BAFT MPA

Based on questions submitted by ITFA and BAFT members, the MPC has prepared an FAQ which to assist market participants to adapt to the new concepts and structure in this version. This document is intended to complement existing forms of guidance (guidance notes and comparison paper), by providing a business perspective on intended market practice and practical use scenarios.

Current Status: We will publish the FAQs on the ITFA website and announce this to Members. This will be a live document with updates periodically added. We encourage Members to contact us about any general matters arising from use of the MPA which could benefit from clarification in these FAQs (i.e. not relating to issues which must by their nature be determined on a case by case basis).

// GENERAL

Input from ITFA Members

We encourage Members to [contact us](#) about any market developments which you feel could benefit from our attention, including: standardised documentation; uniformity approaches; regulatory concerns / clarifications or advocacy opportunities; guidance on changing trade relationships and processes.

Please also contact us if you have an interest in any of the topics we are currently looking at, if you would like to provide any input or have any questions about these.