



Paris, 27 February 2013

## **ACI significantly and successfully supported in ,unsettled FX transactions‘**

June 2009, ACI became contacted by an international acting bank (IAB/zzz) asking for support and advice in an unsettled FX transaction with an Icelandic Bank (IB/xxx). After internal consultation with its members ACI disagreed on the unfair treatment and supported the claim and delivered its expertise.

Over the years, ACI pushed tirelessly the affair when talking to Senior officials at several Central Banks or addressed letters to some authorities. When losing at the District Court bank IB appealed against. February 25<sup>th</sup> 2013, the Supreme Court published its judgment in *‘amending the appealed ruling of the District Court, that the amount is to be repaid’*.

LOGOS Legal Services recorded the following way:

### **LOGOS NEWS ALERT – SUPREME COURT RULES ON ARTICLE 109 CLAIM CONCERNING CURRENCY SWAP AGREEMENT**

#### **SUPREME COURT RULES ON ARTICLE 109 CLAIM CONCERNING CURRENCY SWAP AGREEMENT**

Yesterday, 25 February 2013, the Supreme Court published its judgment in a case between xxx and zzz.

The essential facts were that xxx and zzz had entered into a Currency-swap Agreement in September 2008. The parties were to swap certain amounts of currencies on 25 September 2008 and on 9 October 2008. The first swap was made as agreed. Before the second swap was made, on the night before 9 October 2008, the Financial Supervisory Authority (FME) appointed a Resolution Committee to take over the operations of xxx. On the morning of 9 October 2008 zzz however transferred its payment of USD due for the second swap to xxx’s account. The counter-payment of JPY was however never made, neither was the USD amount repaid.

zzz requested on 10 October 2008 to have the USD amount repaid to its account. The Resolution Committee of xxx rejected payment and the dispute was taken to court. By the Supreme Court’s judgment, the duty of xxx to repay the USD amount (in USD as an asset) has been confirmed. The Supreme Court did amend the appealed ruling of the District Court to read that the amount is to be repaid without interest. Default interest are not applied according to the Supreme Court’s decision as the claim is for a delivery of an asset rather than cash payment.

For further information on the above, please contact Máni Atlason at [mani@logos.is](mailto:mani@logos.is) / [www-logos.is](http://www-logos.is)

ACI welcomes the decision of the Supreme Court bringing justice into the financial markets.

***ACI’s Executive Board & Committee for Professionalism***