

87. Hedging transactions

- (1) A port authority may, for the purpose of managing, limiting or reducing perceived risks or anticipated costs in connection with the exercise of any power conferred by section 85 —
 - (a) enter into an agreement or arrangement to effect any of the following transactions —
 - (i) a foreign exchange transaction;
 - (ii) a forward foreign exchange transaction;
 - (iii) a currency swap;
 - (iv) a forward currency swap;
 - (v) a foreign currency cap, a foreign currency collar or a foreign currency floor;
 - (vi) a forward interest rate agreement;
 - (vii) an interest rate swap;
 - (viii) a forward interest rate swap;
 - (ix) an interest rate cap, an interest rate collar or an interest rate floor;
 - (x) an option for interest rate or currency management purposes;
 - (xi) a futures contract or a futures option; or
 - (xii) a transaction of such other class as is approved in writing by the Minister, with the Treasurer's concurrence, as a class of transactions to which this paragraph applies;
 - or
 - (b) enter into an agreement or arrangement to effect any transaction which is a combination of —
 - (i) 2 or more transactions permitted under paragraph (a); or
 - (ii) one or more transactions permitted under paragraph (a) and one or more transactions permitted under section 85.
- (2) In subsection (1)(a) —

“interest rate” includes coupon rate, discount rate and yield.

[Section 87 amended by No. 10 of 2001 s. 158; No. 21 of 2003 s. 19.]