



Clearing Rules

Table of Contents

PREAMBLE.....	3
1. INTERPRETATION	4
2. MEMBERSHIP	13
3. CLEARING OF CONTRACTS.....	25
4. MARGIN	35
5. RISK COMMITTEE.....	53
6. MISCELLANEOUS.....	65
7. DISCIPLINARY RULES.....	79
8. GENERAL GUARANTY FUND	90
9. ARBITRATION RULES	105
10-19. [RESERVED].....	115
20. CREDIT DEFAULT SWAPS.....	116
20A. CDS PORTABILITY RULES.....	133
21. REGIONAL CDS COMMITTEES AND DISPUTE RESOLUTION PROCEDURES.....	137
22. CDS PHYSICAL SETTLEMENT	156
23-25. [RESERVED].....	172
26. CLEARED CDS PRODUCTS.....	173
Schedule 401: Eligible Collateral & Thresholds.....	282
Schedule 503: Form of Risk Committee Confidentiality Agreement.....	283
Schedule 511: Form of Risk Management Subcommittee Confidentiality Agreement	288
Schedule 702: Schedule of Assessments for Missed Price Submissions	291
PREAMBLE.....	2
1. INTERPRETATION	3
2. MEMBERSHIP	12
3. CLEARING OF CONTRACTS.....	24
4. MARGIN	34
5. RISK COMMITTEE.....	52
6. MISCELLANEOUS.....	64
7. DISCIPLINARY RULES.....	78
8. GENERAL GUARANTY FUND	89
9. ARBITRATION RULES	104
10-19. [RESERVED].....	114
20. CREDIT DEFAULT SWAPS.....	115

<u>20A. CDS PORTABILITY RULES</u>	132
<u>21. REGIONAL CDS COMMITTEES AND DISPUTE RESOLUTION PROCEDURES</u>	136
<u>22. CDS PHYSICAL SETTLEMENT</u>	155
<u>23-25. [RESERVED]</u>	171
<u>26. CLEARED CDS PRODUCTS</u>	172
<u>Schedule 401: Eligible Collateral & Thresholds</u>	260
<u>Schedule 503: Form of Risk Committee Confidentiality Agreement</u>	261
<u>Schedule 511: Form of Risk Management Subcommittee Confidentiality Agreement</u>	266
<u>Schedule 702: Schedule of Assessments for Missed Price Submissions</u>	269

26J. iTraxx Asia/Pacific.

The rules in this Subchapter 26J apply to the clearance of iTraxx Asia/Pacific Untranching Contracts.

26J-102. Definitions.

iTraxx Asia/Pacific Untranching Contract

A credit default swap in respect of any Eligible iTraxx Asia/Pacific Untranching Index and governed by any iTraxx Asia/Pacific Untranching Terms Supplement. An iTraxx Asia/Pacific Untranching Contract is a CDS Contract for purposes of Chapter 20.

iTraxx Asia/Pacific Untranching Publisher

Markit Group Limited or its successor, or any successor sponsor of the Eligible iTraxx Asia/Pacific Untranching Indexes it publishes.

iTraxx Asia/Pacific Untranching Rules

The rules set forth in Chapters 1 through 8 and 20 through 22, inclusive, as modified by the provisions of Subchapter 26E and this Subchapter 26J.

iTraxx Asia/Pacific Untranching Terms Supplement

Any one of the following:

(a) The iTraxx Asia/Pacific Legacy Untranching Standard Terms Supplement as published on September 20, 2014 together with the fourth paragraph of the form of confirmation published on September 20, 2014 with respect to such standard terms supplement (or any relevant electronic equivalent thereof) (the “**Legacy 2014 Supplement**”).

(b) The iTraxx Asia/Pacific Untranching Standard Terms Supplement as published on September 20, 2014 together with the third paragraph of the form of confirmation published on September 20, 2014 with respect to such standard terms supplement (or any relevant electronic equivalent thereof) (the “**New 2014 Supplement**”, and together with the Legacy 2014 Supplement, the “**2014 Supplements**”).

(c) Such other supplement as may be specified in relation to any Eligible iTraxx Asia/Pacific Untranching Index by ICE Clear Credit, including any successor to any of the documents listed in subparagraphs (a) or (b) of this definition.

For purposes of each iTraxx Asia/Pacific Untranching Contract, a reference in the iTraxx Asia/Pacific Untranching Terms Supplement to an “iTraxx Master Transaction” shall be deemed a reference to an iTraxx Asia/Pacific Untranching Contract.

Eligible iTraxx Asia/Pacific Untranching Index

Each particular series and version of an iTraxx Asia ex-Japan or iTraxx Australia index or sub-index, as published by the iTraxx Asia/Pacific Untranching Publisher, determined by ICE Clear Credit to be eligible and included in the List of Eligible iTraxx Asia/Pacific Untranching Indexes.

List of Eligible iTraxx Asia/Pacific Untranching Indexes

The list of Eligible iTraxx Asia/Pacific Untranching Indexes, maintained, updated and published by the Board or its designee on the ICE Clear Credit website, specifying the following information with respect to each index:

- (a) the name (either iTraxx Asia ex-Japan or iTraxx Australia) and series, including any applicable sub-index designation;
- (b) the “Effective Date”;
- (c) one or more eligible “Scheduled Termination Dates” and the applicable “Fixed Rate” for each such date;
- (d) the Relevant iTraxx Asia/Pacific Untranching Terms Supplement;
- (e) the versions (and related annex dates) eligible for clearing (and, if applicable for the relevant index, the Applicable Credit Derivatives Definitions for each component); and
- (f) any inactive versions (and related annex dates), i.e., those that have been determined to be fungible with later versions.

Relevant iTraxx Asia/Pacific Untranching Terms Supplement

With respect to an Eligible iTraxx Asia/Pacific Untranching Index, the iTraxx Asia/Pacific Untranching Terms Supplement specified for such Eligible iTraxx Asia/Pacific Untranching Index in the List of Eligible iTraxx Asia/Pacific Untranching Indexes.

26J-309. Acceptance of iTraxx Asia/Pacific Untranching Contracts by ICE Clear Credit.

(a) A CDS Participant shall make all reasonable efforts to not submit a Trade for clearance as a iTraxx Asia/Pacific Untranch ed Contract, and any such Trade shall not be a Conforming Trade, if the Novation Time would be:

(i) at a time when the Fallback Settlement Method is applicable to a Credit Event with respect to such iTraxx Asia/Pacific Untranch ed Contract; or

(ii) at or after the close of business on the calendar day following the Auction Final Price Determination Date for a Credit Event with respect to such iTraxx Asia/Pacific Untranch ed Contract;

(such time with respect to any iTraxx Asia/Pacific Untranch ed Contract, the “Clearance Cut-off Time”); provided that ICE Clear Credit may, by written notice to all CDS Participants following consultation with the Risk Committee, designate a time other than the time determined pursuant to clause (i) or (ii) above as the Clearance Cut-off Time with respect to any iTraxx Asia/Pacific Untranch ed Contract. CDS Participants may again submit Trades for clearance as such iTraxx Asia/Pacific Untranch ed Contract, and such Trades shall again be Conforming Trades, following receipt of notice from ICE Clear Credit that a Fungibility Date (as defined in Rule 26J-316) has occurred with respect to such iTraxx Asia/Pacific Untranch ed Contract.

(b) A CDS Participant shall as soon as reasonably practicable notify ICE Clear Credit if any Trade it has submitted for clearance was not at the time of submission, or ceases to be prior to the Novation Time, a Conforming Trade.

26J-315. Terms of the Cleared iTraxx Asia/Pacific Untranch ed Contract.

(a) Any capitalized term used in this Subchapter 26J but not defined in these iTraxx Asia/Pacific Untranch ed Rules shall have the meaning provided in the Relevant iTraxx Asia/Pacific Untranch ed Terms Supplement.

(b) For purposes of the CDS Committee Rules, the CDS Region for each iTraxx Asia/Pacific Untranch ed Contract is the Asian Region.

(c) Each iTraxx Asia/Pacific Untranch ed Contract will be governed by the Relevant iTraxx Asia/Pacific Untranch ed Terms Supplement, as modified by these iTraxx Asia/Pacific Untranch ed Rules. In the event of any inconsistency between the Relevant iTraxx Asia/Pacific Untranch ed Terms Supplement or the Confirmation (including in electronic form) for a iTraxx Asia/Pacific Untranch ed Contract and these iTraxx Asia/Pacific Untranch ed Rules, these iTraxx Asia/Pacific Untranch ed Rules will govern.

26J-316. Updating Index Version of Fungible Contracts After a Credit Event or a Succession Event; Updating Relevant Untranch ed Standard Terms Supplement.

- (a) Where the iTraxx Asia/Pacific Untranching Publisher of an Eligible iTraxx Asia/Pacific Untranching Index publishes one or more subsequent versions or annexes of the relevant series following a Credit Event or a Succession Event or circumstances giving rise to a Successor and Succession Date with respect to a Reference Entity included in such series, and the Board or its designee determines that iTraxx Asia/Pacific Untranching Contracts referencing the earlier version or annex of such series are fungible with iTraxx Asia/Pacific Untranching Contracts referencing a later version or annex of such series that is an Eligible iTraxx Asia/Pacific Untranching Index and so notifies CDS Participants, iTraxx Asia/Pacific Untranching Contracts referencing the earlier version or annex of such series shall become iTraxx Asia/Pacific Untranching Contracts referencing such later version or annex of such series on the date determined by the Board or its designee (the “**Fungibility Date**”). Any iTraxx Asia/Pacific Untranching Contracts referencing the earlier version or annex of such series submitted for clearing after the related Fungibility Date shall, upon acceptance for clearing, become a iTraxx Asia/Pacific Untranching Contract referencing the latest version or annex of such series that the Board or its designee has determined is fungible with such earlier version or annex.
- (b) Where a new version of the iTraxx Asia/Pacific Untranching Terms Supplement (a “**New Standard Terms**”) is published as of a date that is subsequent to the date of the version that is specified as the Relevant iTraxx Asia/Pacific Untranching Terms Supplement for any iTraxx Asia/Pacific Untranching Contract(s) (the “**Existing Standard Terms**”), and the Board or its designee determines that iTraxx Asia/Pacific Untranching Contracts referencing the Existing Standard Terms are fungible with iTraxx Asia/Pacific Untranching Contracts referencing the New Standard Terms, and so notifies CDS Participants, iTraxx Asia/Pacific Untranching Contracts referencing the Existing Standard Terms shall become iTraxx Asia/Pacific Untranching Contracts referencing the New Standard Terms on the date determined by the Board or its designee (the “**Standard Terms Update Date**” and each prior iTraxx Asia/Pacific Untranching Terms Supplement subject to such determination, a “**Superseded Standard Terms**”). Any Trade referencing a Superseded Standard Terms submitted for clearing as a iTraxx Asia/Pacific Untranching Contract shall, upon acceptance for clearing, become a iTraxx Asia/Pacific Untranching Contract referencing the New Standard Terms.
- (c) The Board or its designee may determine a different Fungibility Date or Standard Terms Update Date applicable to individual iTraxx Asia/Pacific Untranching Contracts or groups of iTraxx Asia/Pacific Untranching Contracts or may determine a Fungibility Date or Standard Terms Update Date applicable to all iTraxx Asia/Pacific Untranching Contracts referencing the earlier version or annex of a series described in clauses (a) or (b) of this Rule, as it deems appropriate.

26J-317. Terms of iTraxx Asia/Pacific Untranching Contracts.

With respect to each iTraxx Asia/Pacific Untranching Contract, the following terms will apply:

(a) The following provisions will apply to each iTraxx Asia/Pacific Untranching Contract or component thereof to which the 2003 Definitions apply under the Relevant iTraxx Asia/Pacific Untranching Terms Supplement:

(i) Section 3.2(c)(i) of the 2003 Definitions is hereby amended by replacing the "or" at the end of subparagraph (B) thereof with an "and" and adding the following as a new subparagraph (C):

"(C) the tenth calendar day after the date of the actual decision by the relevant Regional CDS Committee (or Dispute Resolver) to Resolve (i.e., determined without regard to any Effectiveness Convention or any time of effectiveness specified in a Presented Position) that a Credit Event has occurred for which there is Publicly Available Information, as described in CDS Committee Rule 2101-02(a)(iii), with respect to such iTraxx Asia/Pacific Untranching Contracts; or"

(ii) For the purposes of any determination as to whether a Credit Event has occurred in respect of a Reference Entity or an Obligation thereof:

(A) at any time up to but excluding June 20, 2009; or

(B) if (1) a Credit Event Resolution Request Date occurs or (2) a Credit Event Notice and a Notice of Publicly Available Information are deemed delivered pursuant to Rule 2101-02(f) by a Notifying Party, in either case before June 20, 2009,

the Credit Event Backstop Date with respect to such determination shall be deemed to be the Effective Date.

(iii) For the purposes of any determination as to whether a Succession Event has occurred in respect of a Reference Entity:

(A) at any time up to but excluding June 20, 2009; or

(B) if (1) a Succession Event Resolution Request Date occurs or (2) a Succession Event Notice is deemed delivered pursuant to Rule 2101-02(f), in either case before June 20, 2009,

the Succession Event Backstop Date with respect to such Reference Entity shall be deemed to be the Effective Date.

(iv) Except for purposes of Rule 26J-317(a)(ii) and Section 1.23 of the 2003 Definitions, a Credit Event Notice and Notice of Publicly Available Information with respect to a iTraxx Asia/Pacific Untranching Contract for a

Credit Event other than Restructuring will be deemed to have been effectively delivered by the Notifying Party on the relevant Event Determination Date determined under the CDS Committee Rules only when the Resolution is effective, under the CDS Committee Rules, that a Credit Event other than Restructuring has occurred for which there is Publicly Available Information, as described in CDS Committee Rule 2101-02(a)(iii), with respect to such iTraxx Asia/Pacific Untranch Contract. Notwithstanding anything to the contrary in the 2003 Definitions or any Relevant iTraxx Asia/Pacific Untranch Terms Supplement, any delivery of a Credit Event Notice and/or Notice of Publicly Available Information by a CDS Participant (other than (i) the deemed delivery as provided in this Rule 26J-317(a)(iv) or (ii) notices with respect to a Relevant Restructuring Credit Event as provided in the CDS Restructuring Rules) shall not be valid.

(v) Section 1.8(a)(ii)(A)(I)(3)(y) of the 2003 Definitions is hereby modified by replacing the term "Auction Final Price Determination Date" with the phrase "date that is one Relevant City Business Day prior to the Auction Settlement Date".

(vi) Section 1.30 of the 2003 Definitions is hereby modified by replacing the term "Auction Final Price Determination Date" in clause (ii) of the last sentence thereof with the phrase "date that is one Relevant City Business Day prior to the Auction Settlement Date".

(vii) With respect to iTraxx Asia/Pacific Untranch Contracts for which it is Resolved by the Regional CDS Committee (or applicable Dispute Resolver) or Credit Derivatives Determinations Committee that a Credit Event has occurred for which there is Publicly Available Information, as described in CDS Committee Rule 2101-02(a)(iii) or the DC Rules, as applicable, Buyer may not deliver a Notice of Physical Settlement until after it is determined that the method of settlement for a particular Credit Event is the Fallback Settlement Method due to the occurrence of one of the events in Section 12.1 of the 2003 Definitions and as further provided in the CDS Physical Settlement Rules. For the avoidance of doubt, the effectiveness of any Notice of Physical Settlement and obligations relating thereto are subject to the suspension and finality provisions of Sections 6.5 and 9.1(c)(iii) of the 2003 Definitions.

(b) The following provisions will apply to each iTraxx Asia/Pacific Untranch Contract or component thereof to which the 2014 Definitions apply under the Relevant iTraxx Asia/Pacific Untranch Terms Supplement:

(i) Section 8.10(a) of the 2014 Definitions is hereby amended by replacing the "." at the end of subparagraph (B) thereof with "; and" and adding the following as a new subparagraph (C):

"(C) the tenth calendar day after the date of the actual decision by the relevant Regional CDS Committee (or Dispute Resolver) to Resolve (i.e., determined without regard to any Effectiveness Convention or any time of effectiveness specified in a Presented Position) that a Credit Event has occurred for which there is Publicly Available Information, as described in CDS Committee Rule 2101-02(a)(iii), with respect to such iTraxx Asia/Pacific Untranching Contracts."

- (ii) Except for purposes of Section 1.39 of the 2014 Definitions, a Credit Event Notice and Notice of Publicly Available Information with respect to a iTraxx Asia/Pacific Untranching Contract for a Credit Event other than M(M)R Restructuring will be deemed to have been effectively delivered by the Notifying Party on the relevant Event Determination Date determined under the CDS Committee Rules only when the Resolution is effective, under the CDS Committee Rules, that a Credit Event other than M(M)R Restructuring has occurred for which there is Publicly Available Information, as described in CDS Committee Rule 2101-02(a)(iii), with respect to such iTraxx Asia/Pacific Untranching Contract. Notwithstanding anything to the contrary in the 2014 Definitions or the Relevant iTraxx Asia/Pacific Untranching Terms Supplement, any delivery of a Credit Event Notice and/or Notice of Publicly Available Information by a CDS Participant (other than (i) the deemed delivery as provided in this Rule 26J-317(b)(ii) or (ii) notices with respect to a Relevant Restructuring Credit Event as provided in the CDS Restructuring Rules) shall not be valid. For the avoidance of doubt, Section C.2 of the Legacy 2014 Supplement and Section 5.7 of the New 2014 Supplement shall not apply.
- (iii) For the purposes only of Section 1.16(a)(ii)(A)(II) of the 2014 Definitions, Section 1.17 of the 2014 Definitions is hereby modified by replacing the term "Auction Final Price Determination Date" with the phrase "date that is one Relevant City Business Day prior to the Auction Settlement Date".
- (iv) With respect to iTraxx Asia/Pacific Untranching Contracts for which it is Resolved by the Regional CDS Committee (or applicable Dispute Resolver) or Credit Derivatives Determinations Committee that a Credit Event has occurred for which there is Publicly Available Information, as described in CDS Committee Rule 2101-02(a)(iii) or the DC Rules, as applicable, Buyer may not deliver a Notice of Physical Settlement until after it is determined that the method of settlement for a particular Credit Event is the Fallback Settlement Method due to the occurrence of one of the events in Section 6.1 of the 2014 Definitions, and as further provided in the CDS Physical Settlement Rules. For the avoidance of doubt, the effectiveness of any Notice of Physical Settlement and obligations relating thereto are subject to the suspension and finality provisions of Sections 10.1 and 10.2 of the 2014 Definitions.

- (c) The Settlement Method for particular iTraxx Asia/Pacific Untranch ed Contracts will be Auction Settlement and the Fallback Settlement Method will be Physical Settlement in accordance with the CDS Physical Settlement Rules.
- (d) Notwithstanding anything to the contrary in the Relevant iTraxx Asia/Pacific Untranch ed Terms Supplement, the Reference Obligation for purposes of a New Trade (as defined therein) will be the Reference Obligation for the Restructured Entity in question as specified by ICE Clear Credit following consultation with the CDS Risk Committee (which for the avoidance of doubt may be determined by reference to any Standard Reference Obligation).
- (e) The following terms will apply to each iTraxx Asia/Pacific Untranch ed Contract:
- (i) The “Agreement” is the Participant Agreement between the relevant CDS Participant and ICE Clear Credit.
 - (ii) The “Effective Date” is the date specified in the List of Eligible iTraxx Asia/Pacific Indexes for the relevant Index.
 - (iii) The “Calculation Agent” is ICE Clear Credit, except as provided in the CDS Committee Rules.
 - (iv) “De Minimis Cash Settlement” under the Relevant iTraxx Asia/Pacific Untranch ed Terms Supplement is not applicable.
 - (v) The “Fixed Rate” is the rate specified in the List of Eligible iTraxx Asia/Pacific Indexes for the relevant Index and Scheduled Termination Date.
 - (vi) The “Initial Payment Date” will be the date that is the first Business Day immediately following the Trade Date; provided that with respect to a iTraxx Asia/Pacific Untranch ed Contract that is accepted for clearing pursuant to Rule 309 after the Trade Date thereof, the “Initial Payment Date” will be the date that is the first Business Day following the date as of which such iTraxx Asia/Pacific Untranch ed Contract is accepted for clearing pursuant to Rule 309.
- (f) For each iTraxx Asia/Pacific Untranch ed Contract, the following terms will be determined according to the particular iTraxx Asia/Pacific Untranch ed Contract submitted for clearing:
- (i) Which of the Eligible iTraxx Asia/Pacific Untranch ed Indexes is the “Index”.
 - (ii) The “Annex Date”.
 - (iii) The “Trade Date”.

(iv) Which of the eligible Scheduled Termination Dates specified for the Index in the List of Eligible iTraxx Asia/Pacific Untranching Indexes is the "Scheduled Termination Date".

(v) The "Original Notional Amount".

(vi) The "Floating Rate Payer".

(vii) The "Fixed Rate Payer".

(viii) The "Initial Payment Payer".

(ix) The "Initial Payment Amount".

26K. Reserved.

26L. Asia/Pacific Sovereign (“SAS”) Single Name.

The rules in this Subchapter 26L apply to the clearance of SAS Contracts.

26L-102. Definitions.

Eligible SAS Reference Entities

Each particular Reference Entity included in the List of Eligible SAS Reference Entities as determined by ICE Clear Credit to be eligible (specifically the Commonwealth of Australia, the Malaysian Federation, the People’s Republic of China, the Republic of Indonesia, the Republic of Korea and the Republic of the Philippines). For the avoidance of doubt, if there are multiple Reference Entity Database codes (as published by Markit Group Limited or any successor thereto, such codes “RED Codes”) for a particular Reference Entity listed in the List of Eligible SAS Reference Entities, each such RED Code shall be treated as a separate Eligible SAS Reference Entity.

Eligible SAS Reference Obligations

With respect to any SAS Contract Reference Obligation for any Eligible SAS Reference Entity, the Reference Obligations determined by ICE Clear Credit to be eligible and listed under the heading “Eligible Reference Obligations” for such SAS Contract Reference Obligation and Eligible SAS Reference Entity in the List of Eligible SAS Reference Entities. In the case of a 2014-Type CDS Contract where “Standard Reference Obligation” is applicable to the SAS Reference Entity and ICE Clear Credit has implemented the Standard Reference Obligation, the Standard Reference Obligation shall be an Eligible SAS Reference Obligation.

List of Eligible SAS Reference Entities

The list of Eligible SAS Reference Entities, maintained, updated and published by the Board or its designee on the ICE Clear Credit website, specifying the following information (and the permissible combinations thereof, which may distinguish, where applicable, between 2003-Type CDS Contracts and 2014-Type CDS Contracts)) with respect to each Eligible SAS Reference Entity:

- (a) the name of such Eligible SAS Reference Entity and the RED Code(s) for such Eligible SAS Reference Entity;
- (b) each Relevant Physical Settlement Matrix and Transaction Type for such Eligible SAS Reference Entity, which shall be Standard Australia Sovereign, in the case of the Commonwealth of Australia, and Standard Asia Sovereign, in the case of other Eligible SAS Reference Entities;

- (c) each SAS Contract Reference Obligation and each Eligible SAS Reference Obligation for each such SAS Contract Reference Obligation;
- (d) each eligible “Scheduled Termination Date”; and
- (e) the Sector “Government” (as published by Markit Group Limited or any successor thereto);
- (f) the currency in which the Floating Rate Payer Calculation Amount must be denominated and the currency to be used for the calculation of Margin, which shall be USD;
- (g) the Applicable Credit Derivatives Definitions;
- (h) in the case of a 2014-Type CDS Contract, the eligible Seniority Levels; and
- (i) in the case of a 2014-Type CDS Contract, whether “Standard Reference Obligation” is applicable.

Permitted SAS Fixed Rates

The Fixed Rates permitted for a SAS Contract, as determined from time to time by the Board or its designee and notified to CDS Participants.

Relevant Physical Settlement Matrix

With respect to a SAS Contract, the “Credit Derivatives Physical Settlement Matrix” applicable to such SAS Contract, as specified in the combination of characteristics listed as eligible for the relevant Eligible SAS Reference Entity in, and permitted by, the List of Eligible SAS Reference Entities.

SAS Contract

A credit default swap in respect of any Eligible SAS Reference Entity having a combination of characteristics listed as eligible for such Eligible SAS Reference Entity in, and permitted by, the List of Eligible SAS Reference Entities. A SAS Contract is a CDS Contract for purposes of Chapter 20.

SAS Contract Reference Obligations

With respect to any Eligible SAS Reference Entity, the Reference Obligation(s) listed under the heading “SAS Contract Reference Obligations” for such Eligible SAS Reference Entity in the List of Eligible SAS Reference Entities (which, for the avoidance of doubt, may indicate “No Reference Obligation”, indicating that no obligation is specified as a Reference Obligation). In the case of a 2014-Type CDS Contract where “Standard Reference Obligation” is applicable to the SAS

Reference Entity and ICE Clear Credit has implemented the Standard Reference Obligation, the SAS Contract Reference Obligation shall thereafter be such Standard Reference Obligation, subject to Section 2.9 of the 2014 Definitions.

SAS Rules

The rules set forth in Chapters 1 through 8, 20 through 22, inclusive, and the CDS Restructuring Rules, as modified by the provisions of this Subchapter 26L.

26L-203. Restriction on Activity.

- (a) In addition to the other rights granted to ICE Clear Credit in Rule 203, in the event a CDS Participant (or a Non-Participant Party for whom such CDS Participant is acting) is subject to an event or agreement described in Rule 26L-206 or in the event such CDS Participant submits a Trade of the type described in Rule 26L-309(c) that is not a Conforming Trade and such Trade is cleared pursuant to these Rules (in each case, an “SR CDS Participant”), ICE Clear Credit may conduct an auction process to replace all of the SR CDS Participant’s Open CDS Positions in the affected CDS Contracts (including, if applicable, those on behalf of any such Non-Participant Party) (each auction in such process, an “SR Auction”). ICE Clear Credit shall have the authority to determine the timing and other particular characteristics of each SR Auction in consultation with the CDS Default Committee, including determining the size of the bid/offer spread and/or of the CDS Contracts to be auctioned, whether one or more SR Auctions are to be held and the timing and structure of such auctions and whether CDS Participants other than the SR CDS Participant will be required to submit actionable quotations in an SR Auction.
- (b) ICE Clear Credit shall enter into Trades in one or more CDS Contracts with the CDS Participant(s) and in the amount determined pursuant to the SR Auction, at which time the corresponding Open CDS Positions of the SR CDS Participant shall be reduced or terminated, as applicable. The SR CDS Participant and the other CDS Participants shall be obligated to submit to Deriv/SERV or another service specified by ICE Clear Credit the terms of such reduction, termination or Trade, as applicable. Amounts owed by the SR CDS Participant to (or receivable by the SR CDS Participant from) ICE Clear Credit in connection with any such reduction or termination shall be determined by ICE Clear Credit using the prices determined pursuant to the SR Auctions. In addition, any Initial Payments, Margin, or other payments or deliveries owed (including the dates of settlement with respect thereto) relating to the Open CDS Positions increased, created, reduced or terminated pursuant to this Rule 26L-203(b) shall be as determined by ICE Clear Credit with reference to the SR Auction and, notwithstanding Rules 301 or 303, Initial Payments may be owed in respect to CDS Contracts entered into by ICE Clear Credit pursuant to an SR Auction.

26L-206. Notices Required of Participants with respect to SAS Contracts.

In addition to the notice requirements contained in Rule 206, a CDS Participant shall provide notice to ICE Clear Credit in the event that such CDS Participant (or a Non-Participant Party for whom such CDS Participant is acting) or an Eligible SAS Reference Entity consolidates or amalgamates with, or merges into, or transfers all or substantially all of its assets to, the Eligible SAS Reference Entity or such CDS Participant (or Non-Participant Party for whom such CDS Participant is acting), as applicable, or such CDS Participant (or Non-Participant Party for whom such CDS Participant is acting) and an Eligible SAS Reference Entity are the same entity or are or become Affiliates, or, subject to any restrictions on such disclosure imposed by law or regulation, such CDS Participant (or Non-Participant Party for whom such CDS Participant is acting) is subject to an agreement pursuant to which any of the foregoing is reasonably likely to occur.

26L-303. SAS Contract Adjustments.

In addition to the adjustments described in Rule 303, upon clearance of a Trade otherwise equivalent to a SAS Contract but that:

- (a) specifies an Eligible SAS Reference Obligation as the “Reference Obligation”, such Trade shall become an Open CDS Position in the SAS Contract with the SAS Contract Reference Obligation specified for such Eligible SAS Reference Obligation in the List of Eligible SAS Reference Entities;
- (b) an Event Determination Date has occurred with respect to a Restructuring, such Trade shall become an Open CDS Position in the SAS Contract for which no such Event Determination Date has occurred; and/or
- (c) specifies a Transaction Type other than Standard Australia Sovereign or Standard Asia Sovereign, as applicable, such Trade shall become an Open CDS Position in the SAS Contract otherwise equivalent to such Trade but specifying Standard Australia Sovereign or Standard Asia Sovereign, as applicable, as the Transaction Type.

26L-309. Acceptance of SAS Contracts by ICE Clear Credit.

- (a) In addition to the acceptance process described in Rule 309, ICE Clear Credit’s notice to the relevant CDS Participants that it has accepted a Trade submitted for clearance shall include any adjustment that will be made by ICE Clear Credit pursuant to Rule 26L-303. Such CDS Participants’ resubmission of the terms of such Trade, as provided in Rule 309, shall include the adjustments described by ICE Clear Credit in such notice.
- (b) A CDS Participant shall make all reasonable efforts to not submit a Trade for clearance as a SAS Contract, and any such Trade shall not be a Conforming Trade, if the Novation Time would be:

- (i) at a time when the Fallback Settlement Method is applicable to such SAS Contract;
- (ii) at or after the close of business on the calendar day following the Auction Final Price Determination Date for such SAS Contract; or
- (iii) on or after the calendar day following the day on which the Final List (as defined in the DC Rules) is published for a Restructuring CDS Contract and at or before the close of business on the calendar day following the CDS Regional Business Day following the latest possible Exercise Cut-off Date for the related Relevant Restructuring Credit Event under such Restructuring CDS Contract;

(such time with respect to any SAS Contract, the “**Clearance Cut-off Time**”); provided that ICE Clear Credit may, by written notice to all CDS Participants following consultation with the Risk Committee, designate a time other than the time determined pursuant to clauses (i) through (iii) above as the Clearance Cut-off Time with respect to any SAS Contract.

- (c) A CDS Participant may not submit a Trade for clearance as a SAS Contract, and any such Trade shall not be a Conforming Trade, if the time of submission of the Trade or acceptance or the Novation Time would be at a time when the CDS Participant (or any Non-Participant Party for whom such CDS Participant is acting) is, or is an Affiliate of, the Eligible SAS Reference Entity for such SAS Contract or is subject to an agreement under which it is reasonably likely that the CDS Participant (or any such Non-Participant Party) will become, or will become an Affiliate of, the Eligible SAS Reference Entity for such SAS Contract.
- (d) A CDS Participant shall as soon as reasonably practicable notify ICE Clear Credit if any Trade it has submitted for clearance was not at the time of submission, or ceases to be prior to the Novation Time, a Conforming Trade.
- (e) If ICE Clear Credit determines that any Trade submitted for clearance would have been subject to a Succession Event (in the case of a 2003-Type CDS Contract) or circumstances giving rise to a Successor and a Succession Date (in the case of a 2014-Type CDS Contract) but will no longer be subject to such Succession Event or such circumstances, as the case may be, upon clearance because of the Trade Date that would be specified with respect to the related Open CDS Position, ICE Clear Credit shall take such action as it deems necessary to ensure that such Succession Event is given effect or such circumstances are given effect, as the case may be, with respect to such Trade, including, without limitation, declining to accept such Trade for clearance or specifying an alternate Trade Date for purposes of Section 2.1 of the Applicable Credit Derivatives Definitions with respect to the relevant portion of the related Open CDS Position.

26L-315. Terms of the Cleared SAS Contract.

- (a) Any capitalized term used in this Subchapter 26L but not defined in these SAS Rules shall have the meaning provided in the Credit Derivatives Definitions.
- (b) For purposes of the CDS Committee Rules, the CDS Region for each SAS Contract is the Asian Region.
- (c) The definitions and provisions contained in the Applicable Credit Derivatives Definitions (for the purposes of the SAS Rules only, the “**Credit Derivatives Definitions**”) are incorporated into the SAS Rules. In the event of any inconsistency between the Credit Derivatives Definitions or the Confirmation (including in electronic form) for a SAS Contract and these SAS Rules, these SAS Rules will govern.
- (d) The following provisions shall apply if the Applicable Credit Derivatives Definitions are the 2003 Definitions:
- (i) If a Convened DC (as defined in the DC Rules) resolves, pursuant to the DC Rules, (i) a question of interpretation regarding the provisions of the July 2009 Protocol (as defined in the DC Rules) or (ii) to make any amendments to Schedule 1 of the July 2009 Protocol, in each case that affect a SAS Contract, ICE Clear Credit shall, as promptly as practicable, make conforming changes to these Rules in order to implement such resolutions. Notwithstanding anything to the contrary in Rule 616, any change made to the Rules in accordance with this paragraph (d) shall not constitute a Contract Modification.
- (ii) Section 3.2(c)(i) of the Credit Derivatives Definitions is hereby amended by replacing the “or” at the end of subparagraph (B) thereof with an “and” and adding the following as a new subparagraph (C):
- “(C) the tenth calendar day after the date of the actual decision by the relevant Regional CDS Committee (or Dispute Resolver) to Resolve (i.e., determined without regard to any Effectiveness Convention or any time of effectiveness specified in a Presented Position) that a Credit Event has occurred for which there is Publicly Available Information, as described in CDS Committee Rule 2101-02(a)(iii), with respect to such SAS Contracts; or”.
- (iii) Except for purposes of Section 1.23 of the Credit Derivatives Definitions, a Credit Event Notice and Notice of Publicly Available Information with respect to a SAS Contract will be deemed to have been effectively delivered by the Notifying Party for a Credit Event other than Restructuring on the relevant Event Determination Date determined under the CDS Committee Rules only when the Resolution is effective, under the CDS

Committee Rules, that a Credit Event other than Restructuring has occurred for which there is Publicly Available Information, as described in CDS Committee Rule 2101-02(a)(iii), with respect to such SAS Contract. Notwithstanding anything to the contrary in the Credit Derivatives Definitions, any delivery of a Credit Event Notice and/or Notice of Publicly Available Information by a CDS Participant (other than (i) the deemed delivery as provided in this Rule 26L-315(d)(iii) or (ii) notices with respect to a Relevant Restructuring Credit Event as provided in the CDS Restructuring Rules) shall not be valid.

(iv) (A) Section 1.8(a)(ii)(A)(I)(3)(y) of the Credit Derivatives Definitions is hereby modified by replacing the term “Auction Final Price Determination Date” with the phrase “date that is one Relevant City Business Day prior to the Auction Settlement Date”.

(B) Section 1.30 of the Credit Derivatives Definitions is hereby modified by replacing the term “Auction Final Price Determination Date” in clause (ii) of the last sentence thereof with the phrase “date that is one Relevant City Business Day prior to the Auction Settlement Date”.

(v) With respect to SAS Contracts for which it is Resolved by the applicable Regional CDS Committee (or applicable Dispute Resolver) or Credit Derivatives Determinations Committee that a Credit Event has occurred for which there is Publicly Available Information, as described in CDS Committee Rule 2101-02(a)(iii) or the DC Rules, as applicable, Buyer may not deliver a Notice of Physical Settlement until after it is determined that the method of settlement for a particular Credit Event is the Fallback Settlement Method due to the occurrence of one of the events in Section 12.1 of the Credit Derivatives Definitions and as further provided in the CDS Physical Settlement Rules. For the avoidance of doubt, the effectiveness of any Notice of Physical Settlement and obligations relating thereto are subject to the suspension and finality provisions of Sections 6.5 and 9.1(c)(iii) of the Credit Derivatives Definitions.

(vi) Notwithstanding Section 2.9 of the Credit Derivatives Definitions, the initial Fixed Rate Payer Calculation Period shall commence on, and include, the Fixed Rate Payer Payment Date falling on or immediately prior to the calendar day immediately following the Trade Date.

For purposes of this provision, Section 2.10 of the Credit Derivatives Definitions shall be deemed amended by deleting the words “during the term of the transaction”.

(e) The following provisions shall apply if the Applicable Credit Derivatives Definitions are the 2014 Definitions:

(i) Section 8.10(a) of the 2014 Definitions is hereby amended by replacing the “.” at the end of subparagraph (B) thereof with an “; and” and adding the following as a new subparagraph (C):

“(C) the tenth calendar day after the date of the actual decision by the relevant Regional CDS Committee (or Dispute Resolver) to Resolve (i.e., determined without regard to any Effectiveness Convention or any time of effectiveness specified in a Presented Position) that a Credit Event has occurred for which there is Publicly Available Information, as described in CDS Committee Rule 2101-02(a)(iii), with respect to such SAS Contracts.”.

(ii) Except for purposes of Section 1.39 of the 2014 Definitions, a Credit Event Notice and Notice of Publicly Available Information with respect to a SAS Contract for a Credit Event other than M(M)R Restructuring will be deemed to have been effectively delivered by the Notifying Party on the relevant Event Determination Date determined under the CDS Committee Rules only when the Resolution is effective, under the CDS Committee Rules, that a Credit Event other than M(M)R Restructuring has occurred for which there is Publicly Available Information, as described in CDS Committee Rule 2101-02(a)(iii), with respect to such SAS Contract. Notwithstanding anything to the contrary in the 2014 Definitions, any delivery of a Credit Event Notice and/or Notice of Publicly Available Information by a CDS Participant (other than (i) the deemed delivery as provided in this Rule 26L-315(e)(ii) or (ii) notices with respect to a Relevant Restructuring Credit Event as provided in the CDS Restructuring Rules) shall not be valid.

(iii) For the purposes only of Section 1.16(a)(ii)(A)(II) of the 2014 Definitions, Section 1.17 of the 2014 Definitions is hereby modified by replacing the term “Auction Final Price Determination Date” with the phrase “date that is one Relevant City Business Day prior to the Auction Settlement Date”.

(iv) With respect to SAS Contracts for which it is Resolved by the Regional CDS Committee (or applicable Dispute Resolver) or Credit Derivatives Determinations Committee that a Credit Event has occurred for which there is Publicly Available Information, as described in CDS Committee Rule 2101-02(a)(iii) or the DC Rules, as applicable, Buyer may not deliver a Notice of Physical Settlement until after it is determined that the method of settlement for a particular Credit Event is the Fallback Settlement Method due to the occurrence of one of the events in Section 6.1 of the 2014 Definitions, and as further provided in the CDS Physical Settlement Rules. For the avoidance of doubt, the effectiveness of any Notice of Physical Settlement and obligations relating thereto are subject to the

suspension and finality provisions of Sections 10.1 and 10.2 of the 2014 Definitions.

- (v) Section 11.4 of the Credit Derivatives Definitions shall not apply.
- (f) The Settlement Method for particular SAS Contracts will be Auction Settlement and the Fallback Settlement Method will be Physical Settlement in accordance with the CDS Physical Settlement Rules.
- (g) The following terms will apply to each SAS Contract:
 - (i) The “Agreement” is the Participant Agreement between the relevant CDS Participant and ICE Clear Credit.
 - (ii) The “Calculation Agent” is ICE Clear Credit, except as provided in the CDS Committee Rules.
 - (iii) The “Fixed Rate Payer Payment Dates” will be March 20, June 20, September 20 and December 20.
 - (iv) The “Initial Payment Date” will be the date that is the first Business Day immediately following the Trade Date; provided that with respect to a SAS Contract that is accepted for clearing pursuant to Rule 309 after the Trade Date thereof, the “Initial Payment Date” will be the date that is the first Business Day following the date as of which such SAS Contract is accepted for clearing pursuant to Rule 309.
- (h) For each SAS Contract, the following terms will be determined according to the particular SAS Contract submitted for clearing, subject to Rule 26L-303:
 - (i) Which of the Eligible SAS Reference Entities is the “Reference Entity”.
 - (ii) Which of the SAS Contract Reference Obligations specified for the Reference Entity in the List of Eligible SAS Reference Entities is the “Reference Obligation”.
 - (iii) The “Trade Date”.
 - (iv) The “Effective Date”.
 - (v) Which of the eligible Scheduled Termination Dates specified for the “Reference Entity” in the List of Eligible SAS Reference Entities is the “Scheduled Termination Date”.
 - (vi) The “Floating Rate Payer Calculation Amount”.
 - (vii) The “Floating Rate Payer”.

- (viii) The “Fixed Rate Payer”.
- (ix) The “Fixed Rate”.
- (x) The “Transaction Type”, which must be Standard Australia Sovereign or Standard Asia Sovereign, as applicable.
- (xi) If applicable, the Matrix Publication Date for the Relevant Physical Settlement Matrix.
- (xii) The “Initial Payment Payer”.
- (xiii) The “Initial Payment Amount”.
- (xiv) Which of the eligible Applicable Credit Derivatives Definitions applies.
- (xv) In the case of a 2014-Type CDS Contract, which of the eligible Seniority Levels applies.

26L-316. Relevant Physical Settlement Matrix Updates.

- (a) Where ISDA publishes a version of the Credit Derivatives Physical Settlement Matrix (a “**New SAS Matrix**”) that is subsequent to the version that is specified as the Relevant Physical Settlement Matrix for any SAS Contract(s), and the Board or its designee determines that updating such SAS Contract(s) to reference the New SAS Matrix would not constitute a Contract Modification as provided in Rule 616 (the date of such determination, the “**SAS Matrix Update Date**” and each prior Credit Derivatives Physical Settlement Matrix subject to such determination, a “**Superseded SAS Matrix**”) and so notifies CDS Participants, such SAS Contracts shall, as of the close of business on the SAS Matrix Update Date, become SAS Contracts referencing the New SAS Matrix as the Relevant Physical Settlement Matrix and the List of Eligible SAS Reference Entities shall be updated accordingly. Any Trade referencing a Superseded SAS Matrix submitted for clearing as a SAS Contract shall, upon acceptance for clearing, become a SAS Contract referencing the New SAS Matrix.
- (b) The Board or its designee may determine a different SAS Matrix Update Date applicable to individual SAS Contracts or groups of SAS Contracts or may determine a SAS Matrix Update Date applicable to all SAS Contracts referencing a Superseded SAS Matrix, as it deems appropriate.

26L-502. Specified Actions.

Notwithstanding anything to the contrary in Rule 502(a) but without limiting the application of Rule 616 to any Modification (including the requirement of consultation with the Risk Committee, as provided in Rule 502(a), prior to determining that a Modification is not a Contract Modification), none of the following shall constitute a

Specified Action: (a) adding and/or Modifying Permitted SAS Fixed Rates, (b) adding new Eligible SAS Reference Entities and related Transaction Types, and adding and/or Modifying any other entries in any of the fields in the List of Eligible SAS Reference Entities or (c) an update to the List of Eligible SAS Reference Entities, as described in Rules 26L-316 and 26L-616.

26L-616. Contract Modification.

It shall not constitute a Contract Modification if the Board or its designee updates the List of Eligible SAS Reference Entities (and modifies the terms and conditions of related SAS Contracts) to give effect to determinations by the applicable Regional CDS Committee (or applicable Dispute Resolver) or a Credit Derivatives Determinations Committee, including, without limitation, determinations of Succession Events or circumstances that give rise to Successors and Succession Dates, or Substitute Reference Obligations or implementation of Standard Reference Obligations (or changes thereto). In addition, the determination that "Standard Reference Obligation" will be applicable to an Eligible SAS Reference Entity shall not constitute a Contract Modification.