

## (VIII) CDS PROCEDURES

### INDEX

	<b>Page</b>
1. ADDITIONAL DEFINITIONS_____	2
2. ADDITIONAL MEMBERSHIP REQUIREMENTS FOR CDS CLEARING MEMBERS_____	11
3. CERTAIN PROVISIONS RELATING TO MARGIN AND OTHER PROCEDURES_____	12
4. SUBMISSION AND ACCEPTANCE OF CDS CONTRACTS_____	12
5. CDS DEFAULT COMMITTEE_____	<del>23</del> <u>22</u>
6. CREDIT EVENTS AND PHYSICAL SETTLEMENT_____	<del>25</del> <u>24</u>
7. CLEARED CDS PRODUCTS: ELIGIBLE SETS_____	<del>41</del> <u>40</u>
8. CONTRACT TERMS FOR ALL CDS CONTRACTS_____	41
9. CONTRACT TERMS FOR ITRAXX EUROPE CONTRACTS_____	<del>54</del> <u>53</u>
10. CONTRACT TERMS FOR CDX NORTH AMERICA CONTRACTS_____	67
11. CONTRACT TERMS FOR SINGLE NAME CDS CONTRACTS_____	74

~~8 November 2019~~

## 1. ADDITIONAL DEFINITIONS

- 1.1 In connection with a 2003-type CDS Contract, the terms "2005 Matrix Supplement", "Auction", "Auction Cancellation Date", "Auction Final Price Determination Date", "Auction Settlement Date", "Bankruptcy", "Calculation Agent", "Confirmation", "Credit Derivatives Determinations Committees", "Credit Derivative Transaction", "Credit Event", "Credit Event Backstop Date", "Credit Event Notice", "Credit Event Resolution Request Date", "Dealer", "Deliverable Obligation", "Delivery", "Delivery Date", "Exercise Cut-Off Date", "Failure to Pay", "Fallback Settlement Method", "Final List", "Final Price", "Fixed Rate", "Fixed Rate Payer", "Floating Rate Payer", "Floating Rate Payer Calculation Amount", "Highest", "Initial Payment Payer", "Loan", "Movement Option Cut-off Date", "No Auction Announcement Date", "NOPS Amendment Notice", "Notice of Physical Settlement", "Notice to Exercise Movement Option", "Obligation", "Physical Settlement Amount", "Quotation", "Reference Entity", "Reference Obligation", "Restructuring", "Scheduled Termination Date", "Substitute Reference Obligation", "Succession Event", "Succession Event Backstop Date", "Succession Event Resolution Request Date", "Successor", "Trade Date", "Transaction Auction Settlement Terms", "Transaction Type", "Valuation Date" and "Weighted Average Quotation" each have the meanings given to those terms in the 2003 Credit Derivatives Definitions and the terms "Relevant City Business Day", "Resolve", "Resolved" and "Resolves", each have the meanings given to or used for those terms in the DC Rules.
- 1.2 In connection with a 2014-type CDS Contract, the terms "Auction", "Auction Cancellation Date", "Auction Final Price Determination Date", "Auction Settlement Date", "Bankruptcy", "Calculation Agent", "Confirmation", "Credit Derivatives Determinations Committee", "Credit Derivative Transaction", "Credit Event", "Credit Event Backstop Date", "Credit Event Notice", "Credit Event Resolution Request Date", "Dealer", "Deliverable Obligation", "Delivery", "Delivery Date", "Exercise Cut-Off Date", "Failure to Pay", "Fallback Settlement Method", "Final List", "Final Price", "Fixed Rate", "Fixed Rate Payer", "Floating Rate Payer", "Floating Rate Payer Calculation Amount", "Governmental Intervention", "Highest", "Initial Payment Payer", "Loan", "Movement Option Cut-off Date", "M(M)R Restructuring", "No Auction Announcement Date", "NOPS Amendment Notice", "NOPS Cut-off Date", "Notice of Physical Settlement", "Notice to Exercise Movement Option", "Obligation", "Physical Settlement Amount", "Quotation", "Reference Entity", "Reference Obligation", "Relevant City Business Day", "Resolve", "Resolved", "Resolves", "Restructuring", "Scheduled Termination Date", "Substitute Reference Obligation", "Successor", "Succession Date", "Trade Date", "Transaction Auction Settlement Terms", "Transaction Type", "Valuation Date" and "Weighted Average Quotation" each have the meanings given to those terms in the 2014 Credit Derivatives Definitions.
- 1.3 The term "2014 CDD Implementation Date" means 22 September 2014.
- 1.4 The term "2014 CDD Protocol" means the 2014 ISDA Credit Derivatives Definitions Protocol published by the International Swaps and Derivatives Association, Inc., as amended and/or supplemented as at 22 September 2014.
- 1.5 [The term "2019 NTCE Protocol" means the ISDA 2019 NTCE Protocol published on 27 August 2019 and supplemented on 25 October 2019.](#)
- 1.6 [The term "2019 NTCE Supplement" means the 2019 Narrowly Tailored Credit Event Supplement to the 2014 ISDA Credit Derivatives Definitions \(published on July 15, 2019\).](#)
- 1.7 ~~1.5~~ The term "Acceptance Notice" has the meaning set out in paragraph 4.4(a).
- 1.8 ~~1.6~~ The term "Acceptance Time" means the time specified pursuant to these CDS Procedures for the acceptance of CDS Contracts, as referred to in Rules 401(a)(ix) and (xi), being:

- (a) except as set out in (b) below, the time on a Business Day at which the Acceptance Notice was given, which time will be recorded in the Acceptance Notice;
- (b) for CDS Contracts arising pursuant to Rule 401(a)(x), the time specified by the Clearing House in the relevant notice to the affected Clearing Members.

1.9 ~~1.7~~ The term "**Affected CDS Clearing Member**" has the meaning set out in paragraph 11.5.

1.10 ~~1.8~~ The term "**Affected Customer**" has the meaning defined in paragraph 11.5.

1.11 ~~1.9~~ The term "**Affected SR Contract**" has the meaning defined in paragraph 11.5.

1.12 ~~1.10~~ The term "**Annex Date**" has the meaning set out in paragraph 9.6.

1.13 ~~1.11~~ The term "**Automatic Early Termination Provisions**" has the meaning specified in paragraph 8.2(b)(ii).

1.14 ~~1.12~~ The term "**CDS Committee-Eligible Clearing Member**" means a Clearing Member that has been approved by the Clearing House, following consultation with the CDS Risk Committee, for participation in the CDS Default Committee. The Clearing House may revoke (or reinstate) its approval of any Clearing Member as a CDS Committee-Eligible Clearing Member from time to time based on its determination as to whether a particular Clearing Member has been in compliance with the Rules.

1.15 ~~1.13~~ The term "**CDS Default Committee**" means a committee established pursuant to paragraph 5.1.

1.16 ~~1.14~~ The term "**CDS Default Committee Member**" has the meaning set out in paragraph 5.1.

1.17 ~~1.15~~ The term "**CDS Default Committee Participant**" has the meaning set out in paragraph 5.1.

1.18 ~~1.16~~ The term "**CDS Default Committee Participant List**" has the meaning set out in paragraph 5.2.

1.19 ~~1.17~~ The term "**CDS Risk Committee**" means the committee of that name established by the board of the Clearing House.

1.20 ~~1.18~~ The term "**CDX.NA Contract**" has the meaning set out in paragraph 10.

1.21 ~~1.19~~ The term "**CEN Triggering Period**" means, in relation to any CDS Contracts of a Set in respect of which a Relevant Restructuring Credit Event has occurred, the period during which a CDS Buyer or CDS Seller may deliver a Restructuring Credit Event Notice in relation to all or part of such CDS Contract in accordance with the Contract Terms. Such period will start on the earliest of:

- (a) the date and time at which the RMP Matched Table is uploaded to Deriv/SERV (as referred to in paragraph 6.3(e)(vi)); and
- (b) the day after the RMP Deadline Time,

and will end on the relevant Exercise Cut-off Date.

1.22 ~~1.20~~ The term "**CH Reversioning Date**" means, if the reversioning as referred to in the definition of the term "DTCC Reversioning Date" has not been completed and notified by the Clearing House to Matched CDS Buyers and Matched CDS Sellers, prior to the opening of business on the second Business Day following the DC Restructuring Announcement Date, the later of:

- (a) such second Business Day; or

(b) the Business Day after the Business Day on which the relevant index publisher provides a new version of the relevant index.

1.23 ~~1.21~~ The term "**Change in Tax Law**" means (other than for the purpose of paragraph 8.2(a)(ii)(C)) the enactment, promulgation, execution or ratification of, or any change in or amendment to, any law (or in the application or official interpretation of any law) that occurs after the parties enter into the relevant CDS Contract.

1.24 ~~1.22~~ The term "**Consent**" in paragraph 8.2 means any consent, approval, action, authorisation, exemption, notice, filing, registration or exchange control consent.

1.25 ~~1.23~~ The term "**Contractual Currency**" has the meaning set out in paragraph 8.2.

1.26 ~~1.24~~ The term "**Daily Aggregate MTM Interest Amount**" means, for any CDS Clearing Member or Sponsored Principal for each currency on any day, the sum of the Mark-to-Market Interest on all Mark-to-Market Margin Balances in such currency for that day in respect of that CDS Clearing Member or Sponsored Principal. The Daily Aggregate MTM Interest Amount will be determined separately in respect of each Account. Where the Daily Aggregate MTM Interest Amount is positive, it will be owed by the Clearing House to the relevant CDS Clearing Member or Sponsored Principal; where it is negative, the relevant CDS Clearing Member or Sponsored Principal will owe the absolute value of the Daily Aggregate MTM Interest Amount to the Clearing House.

1.27 ~~1.25~~ The term "**DC Restructuring Announcement Date**" means the date on which the DC Credit Event Announcement of a Relevant Restructuring Credit Event is made, provided that where such DC Credit Event Announcement is made after 6.30 p.m. on a Business Day or on a day which is not a Business Day, the DC Restructuring Announcement Date (only) will, for the purposes of the Rules, be the first following Business Day.

1.28 ~~1.26~~ The term "**DC Rules**" means, in relation to a 2003-type CDS Contract, the Credit Derivatives Determinations Committees Rules, as defined as the "Rules" in Section 1.22 of the 2003 Credit Derivatives Definitions. For the avoidance of doubt, the term "Rules" as defined in the Rules shall not replace, or otherwise affect the interpretation of, the term "Rules" in the 2003 Credit Derivatives Definitions.

1.29 ~~1.27~~ The term "**DC Secretary**" means ISDA or such other secretary of the Credit Derivatives Determinations Committees as may be appointed from time to time under the Credit Derivatives Determinations Committees Rules to carry out the functions required thereunder.

1.30 ~~1.28~~ The term "**DTCC**" means The Depository Trust and Clearing Corporation or any successor thereto.

1.31 ~~1.29~~ The term "**DTCC Accounts**" means the accounts in Deriv/SERV for the recording of transaction data in relation to CDS Contracts.

1.32 ~~1.30~~ The term "**DTCC Failure**" means any circumstances in which DTCC is unable to process all or substantially all Restructuring Credit Event Notices or Notices to Exercise Movement Option, if any, relating to a particular Relevant Restructuring Credit Event in the DTCC Accounts in a timely manner, where such failure affects all or substantially:

- (i) all Matched CDS Buyers and Matched CDS Sellers; or
- (ii) the Clearing House.

1.33 ~~1.31~~ The term "**DTCC Process**" means the process (if any) provided or to be provided by DTCC permitting the Clearing House alone to input to Deriv/SERV all relevant information in relation to a CDS Contract and any related Customer-CM CDS Transaction in order to establish, match and make

"certain" the record of such CDS Contract and Customer-CM CDS Transaction in the relevant DTCC Account(s).

1.34 ~~1.32~~ The term "**DTCC Reversioning Date**" means the date on which the Clearing House notifies Matched CDS Buyers and Matched CDS Sellers that it has completed the reversioning process and updated records in Deriv/SERV in respect of all Old Index CDS transactions to record them as excluding the Component Transaction relating to a Reference Entity in respect of which a Relevant Restructuring Credit Event has occurred.

1.35 ~~1.33~~ The term "**Electronic Notice**" is a kind of MP Notice and means a Restructuring Credit Event Notice or Notice to Exercise Movement Option delivered pursuant to the Electronic Notice Process.

1.36 ~~1.34~~ The term "**Electronic Notice Process**" means the process for the delivery and receipt of Restructuring Credit Event Notices and Notices to Exercise Movement Option pursuant to paragraphs 6.3(f)(i) and 6.3(f)(ii).

1.37 ~~1.35~~ The term "**Excess Net Capital**" (i) in respect of a CDS Clearing Member or applicant that is or would become an FCM/BD Clearing Member shall equal its "excess net capital" as reported on its Form 1-FR-FCM or FOCUS report or as otherwise reported to the CFTC under CFTC Rule 1.12 or (ii) in respect of any other CDS Clearing Member or applicant that is or would become a US CDS Clearing Member, the amount, if any, by which its Capital (determined as set forth in paragraph 2.2(a)) exceeds the capital requirement that would be applicable to it if it were an FCM/BD, as determined pursuant to a methodology acceptable to the Clearing House.

1.38 ~~1.36~~ The term "**iTraxx Contract**" has the meaning set out in paragraph 9.

1.39 ~~1.37~~ The term "**Manual MP Notice**" is a kind of MP Notice and means any notice delivered pursuant to the terms of a CDS Contract under the Manual Notice Process.

1.40 ~~1.38~~ The term "**Manual Notifier**" has the meaning set out in paragraph 6.3(f)(v)(A).

1.41 ~~1.39~~ The term "**Manual Notice Process**" means the process for the delivery, receipt and copying to the Clearing House of notices pursuant to paragraph 6.3(g).

1.42 ~~1.40~~ The term "**Mark-to-Market Interest**" means interest calculated daily in accordance with the market convention for the relevant currency by applying the applicable overnight rate referred to in paragraph 3.1 to the Mark-to-Market Margin Balance for the relevant period.

1.43 ~~1.41~~ The term "**Mark-to-Market Margin Balance**", in respect of CDS Contract(s) and an Account on any day, means the sum of all Mark-to-Market Margin delivered up to but excluding that day by the relevant CDS Clearing Member or Sponsored Principal in respect of such CDS Contract(s) to the Clearing House less all Mark-to-Market Margin delivered up to but excluding that day by the Clearing House in respect of such CDS Contract(s) to such CDS Clearing Member or Sponsored Principal, as determined at the close of business on such day.

1.44 ~~1.42~~ The term "**MCA/STS Changeover Time**" means midnight on 29 November 2010.

1.45 ~~1.43~~ The term "**NEMO Triggering Period**" means:

(a) in relation to any 2003-type CDS Contracts of a Set in respect of which a Restructuring Credit Event has occurred and for which either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is applicable, the period starting as follows:

(i) where, in relation to the related CEN Triggering Period, a Restructuring Credit Event Notice was given pursuant to the Manual Notice Process at a time before the

"Notify" function to be provided by Deriv/SERV has been made generally available to CDS Clearing Members, at 9 a.m. on the day falling one Business Day prior to the relevant Movement Option Cut-off Date for the Set of CDS Contracts; and

- (ii) otherwise at 9 a.m. on the Business Day immediately following the Exercise Cut-off Date applicable to the Buyer in relation to the related CEN Triggering Period,

and ending on the Movement Option Cut-off Date; and

- (b) in relation to any 2014-type CDS Contracts of a Set in respect of which an M(M)R Restructuring has occurred, the period starting at the close of business on the Exercise Cut-off Date and ending on the Movement Option Cut-off Date.

1.46 ~~1.44~~ The term "**New Trade**", in respect of a CDS Contract, has the meaning set out in the applicable Contract Terms.

1.47 ~~1.45~~ The term "**Notification Cut-Off Time**" means

(a)

- (i) with respect to delivery of a Restructuring Credit Event Notice in relation to a CDS Contract of a Set, 5:00 p.m. on the Exercise Cut-off Date applicable to the Buyer;

- (ii) with respect to raising a dispute in respect of a Restructuring Credit Event Notice in relation to a CDS Contract of a Set, the later of:

- (A) one hour after the Clearing House notifies the Matched CDS Buyers and Matched CDS Sellers of the Restructuring Credit Event Notices they have served or had served on them; or

- (B) 7:00 p.m. on the Exercise Cut-off Date applicable to the Matched CDS Buyer;

(b)

- (i) with respect to delivery of a Notice to Exercise Movement Option, 5:00 p.m. on the Movement Option Cut-off Date;

- (ii) with respect to raising a dispute in respect of a Notice to Exercise Movement Option, the later of:

- (A) one hour after the Clearing House notifies the Matched CDS Buyers and Matched CDS Sellers of the Notices to Exercise Movement Option they have served or had served on them; or

- (B) 7:00 p.m. on the Movement Option Cut-off Date; and

- (c) with respect to delivery of a Notice of Physical Settlement or a NOPS Amendment Notice in relation to a Set of CDS Contracts, 4:30 p.m. on the second Business Day after:

- (i) in relation to a 2003-type CDS Contract, the last date on which a Notice of Physical Settlement or a NOPS Amendment Notice, as applicable, may be served in respect of the Credit Event in question, pursuant to Section 3.2(c) of the 2003 Credit Derivatives Definitions; and

- (ii) in relation to a 2014-type CDS Contract, the NOPS Cut-off Date.

- 1.48 The term "NTCE Protocol Effective Date" means 27 January 2020 (or such later date as may be designated by the Clearing House by Circular).
- 1.49 ~~1.46~~ The term "**Office**" means a branch or office of a party, which may be such party's head or home office.
- 1.50 ~~1.47~~ The term "**Old Index CDS**" means a CDS transaction based on an index where an Applicable Credit Event has occurred in relation to a Component Transaction.
- 1.51 ~~1.48~~ The term "**Original Annex Date**" means:
- (a) in respect of an iTraxx Contract, the first date of publication of the series of the Eligible iTraxx Index referred to in the relevant CDS Trade Particulars submitted for Clearing or, with respect to each iTraxx Contract arising pursuant to Rule 401(a)(vi) or (xi), determined from the data provided by the Clearing House to the Clearing Member or Sponsored Principal, as the case may be, prior to the time at which such CDS Contract arose; and
  - (b) in respect of a CDX.NA Contract, the first date of publication of the series of the Eligible CDX.NA Index referred to in the relevant CDS Trade Particulars submitted for Clearing or, with respect to each CDX.NA Contract arising pursuant to Rule 401(a)(vi) or (xi), determined from the data provided by the Clearing House to the Clearing Member or Sponsored Principal, as the case may be, prior to the time at which such CDS Contract arose.
- 1.52 ~~1.49~~ The term "**Original Notional Amount**", in relation to any CDS Contract, has the meaning given to that term in the Contract Terms.
- 1.53 ~~1.50~~ The term "**Party**", in paragraph 8.2, means a party to a CDS Contract.
- 1.54 ~~1.51~~ The term "**Permitted Deliverable Obligation**" means, in respect of a 2003-type CDS Contract, a Deliverable Obligation that satisfies Section 2.32(a) or 2.33(a) of the 2003 Credit Derivatives Definitions, if applicable and, in respect of a 2014-type CDS Contract, a Deliverable Obligation that satisfies Section 3.31(a) or 3.32(a) of the 2014 Credit Derivatives Definitions, if applicable.
- 1.55 ~~1.52~~ The term "**Protocol Effective Date**" means the first "Amendment Effective Date", as such term is defined in the 2014 CDD Protocol.
- 1.56 ~~1.53~~ The term "**Protocol Excluded Corporate Reference Entity**" means each Eligible Single Name Reference Entity that is a Standard European Corporate (as specified in the List of Eligible Single Name Reference Entities) and is an Excluded Reference Entity (as defined in the 2014 CDD Protocol).
- 1.57 ~~1.54~~ The term "**Rate of Exchange**" means the rate of exchange for the purchase of or conversion into the Contractual Currency, including any associated premiums or costs of exchange payable in connection with the same.
- 1.58 ~~1.55~~ The term "**Relevant CDS Default Committee Period**" has the meaning set out in paragraph 5.3.
- 1.59 ~~1.56~~ The term "**any Relevant Jurisdiction**" means, with respect to a party, each jurisdiction (a) in which the party is incorporated, organised, managed and controlled or considered to have its seat, (b) where an Office through which the party is acting for purposes of a CDS Contract is located, (c) in or from which the party submits CDS Trade Particulars to the Clearing House for Clearing and (d) in relation to any payment, from or through which such payment is made.
- 1.60 ~~1.57~~ The term "**Relevant Restructuring Credit Event**" means, in respect of a 2003-type CDS Contract, any Restructuring and, in respect of a 2014-type CDS Contract, an M(M)R Restructuring.
- 1.61 ~~1.58~~ The term "**Restructured Entity**" has the meaning set out in paragraph 9.5.

- 1.62 ~~1.59~~ The term "**Restructuring Credit Event Notice**" means a Credit Event Notice in respect of a Relevant Restructuring Credit Event.
- 1.63 ~~1.60~~ The term "**Restructuring Matched Pair**" or "**RMP**" means a Matched Pair created pursuant to Rule 1508 in respect of a Relevant Restructuring Credit Event.
- 1.64 ~~1.61~~ The term "**Revocation Right**" will apply in respect of the submission of CDS Trade Particulars for Clearing:
- (a) if one of the Clearing Members or Sponsored Principals for whose account the submission for Clearing is made is a Defaulter;
  - (b) if and to the extent that either CDS Contract which would arise at the Acceptance Time would have been void under Rule 403 (if Rule 403 applied to CDS Contracts in addition to F&O Contracts) or capable of being treated as voidable under Rule 404(a) (if Rule 404(a) applied to CDS Contracts in addition to F&O Contracts and the latter being read for purposes of this definition as if the words "in relation only to F&O Contracts" were not set out in any part of Rule 404(a) and "Energy Clearing Members" were read as "CDS Clearing Members" and including Sponsored Principals) or Rule 404(b); or
  - (c) if CDS Trade Particulars submitted by a Clearing Member or Sponsored Principal do not correspond in all material respects with the CDS Trade Particulars submitted by the other Clearing Member or Sponsored Principal.
- 1.65 ~~1.62~~ The term "**RMP Deadline Time**" means:
- (a) subject to (b) below, 11.59 p.m. on the latest of:
    - (i) the third Business Day following the DC Restructuring Announcement Date;
    - (ii) the second Business Day following the DTCC Reversioning Date, if any or, if earlier, the first Business Day following the CH Reversioning Date, if any; and
    - (iii) the date of publication by ISDA or DC Secretary of the Final List; or
  - (b) with respect to:
    - (i) a Set of 2003-type CDS Contracts for which either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is applicable, if a No Auction Announcement Date has been announced pursuant to section 12.12(a) of the 2003 Credit Derivatives Definitions;
    - (ii) a Set of 2014-type CDS Contracts for which the relevant Credit Event is an M(M)R Restructuring, if a No Auction Announcement Date has been announced pursuant to section 6.11(a) of the 2014 Credit Derivatives Definitions; or
    - (iii) a Set of 2003-type CDS Contracts for which neither "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" nor "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is applicable, if a No Auction Announcement Date has been announced pursuant to section 12.12 of the 2003 Credit Derivatives Definitions, the later of:
      - (A) 11.59 p.m. on the ninth calendar day following the No Auction Announcement Date; and



(B) the second Business Day following the DTCC Reversioning Date, if any, or, if earlier, the first Business Day following the CH Reversioning Date, if any.

- 1.66 ~~1.63~~ The term "**RMP Matched Table**" means the data file, in computer-readable format, containing details of all RMPs, Matched Pairs and MP Amounts and the CDS Contracts and Matched CDS Buyers and Matched CDS Sellers to which they relate and reflecting the RMP Matching Reports, all in relation to the allocation of Matched Pairs pursuant to Rule 1508 following a Relevant Restructuring Credit Event.
- 1.67 ~~1.64~~ The term "**RMP Matching Report**" means the report given by the Clearing House, as referred to in paragraph 6.3(e), to each Matched CDS Buyer and Matched CDS Seller, respectively, identifying the RMPs and allocations of Matched Pairs and the associated MP Amounts affecting the Open Contract Position of that Matched CDS Buyer and Matched CDS Seller, respectively, which report comprises Matched Pair Notices for purposes of Rule 1508 in respect of each Matched Pair.
- 1.68 ~~1.65~~ The term "**Scheduled Settlement Date**" means a date on which a payment or delivery is to be made under paragraph 8.2 with respect to a CDS Contract.
- 1.69 ~~1.66~~ The term "**Short Selling Regulation**" means Regulation (EU) no. 236/2012 of the European Parliament and of the Council dated 14 March 2012 on short selling and certain aspects of credit default swaps.
- 1.70 ~~1.67~~ The term "**Single Name Contract**" means a CDS Contract having, as the Reference Entity, an Eligible Single Name Reference Entity.
- 1.71 ~~1.68~~ The term "**Stamp Tax**" means any stamp, registration, documentation or similar tax.
- 1.72 ~~1.69~~ The term "**Tax**" means any present or future tax, levy, impost, duty, charge, assessment or fee of any nature (including interest, penalties and additions thereto) that is imposed by any government or other taxing authority in respect of any payment under a CDS Contract other than a Stamp Tax.
- 1.73 ~~1.70~~ The term "**Tax Event**" has the meaning specified in paragraph 8.2(e)(ii).
- 1.74 ~~1.71~~ The term "**Tax Event Upon Merger**" has the meaning specified in paragraph 8.2(e)(ii).
- 1.75 ~~1.72~~ The term "**Tier 1**" has the meaning given to that term in Banking Consolidation Directive.
- 1.76 ~~1.73~~ The term "**Triggering Period**" means the CEN Triggering Period ending on the Exercise Cut-Off Date applicable to a Buyer or NEMO Triggering Period, as applicable.
- 1.77 ~~1.74~~ The term "**US CDS Clearing Member**" means a CDS Clearing Member or applicant that would become a CDS Clearing Member that is (i) an FCM/BD or (ii) any other Person organised or incorporated under the laws of the United States of America or a state thereof.
- 1.78 ~~1.75~~ These CDS Procedures are 'Procedures' as defined in the ICE Clear Europe rules (the "**Rules**") and are subject to the Rules, including, without limitation, Rule 102. Capitalised terms used in these CDS Procedures but not defined in this paragraph 1 shall have the meaning given to such terms in the Rules, the relevant CDS Contract (including the Applicable Credit Derivatives Definitions) or elsewhere in these CDS Procedures (in that order of priority in the event of any conflict).
- 1.79 ~~1.76~~ Subject to paragraph ~~1.78~~1.81 below, these CDS Procedures, and all non-contractual obligations arising out of or in connection with them, are governed by and shall be construed in accordance with English law and any Dispute under these CDS Procedures will be subject to arbitration under Rule 117.

1.80 ~~1.77~~ Solely as between an FCM/BD Clearing Member and the Clearing House, paragraphs 3 and 6.7 of these CDS Procedures inasmuch as they relate solely to an issue or matter concerning:

- (a) the pledging, transfer, holding, use and segregation of Pledged Collateral provided by an FCM/BD Clearing Member (or other property, excluding for the avoidance of doubt the Contracts themselves recorded in such an Account, recorded in a Customer Account or Proprietary Account that is designated as an account in respect of which Pledged Collateral may be provided by an FCM/BD Clearing Member); and/or
- (b) the application of any net sum owed in favour of the FCM/BD Clearing Member in respect of a Customer Account or Proprietary Account that is designated as an account in respect of which Pledged Collateral may be provided,

and, solely to the extent relevant to interpreting the foregoing provisions in such circumstances, relevant definitions and interpretative provisions in paragraph 1 of these CDS Procedures (such provisions, together or separately "Pledged Collateral Matters") shall be governed by and construed in accordance with the laws of the State of New York and, as applicable, the federal law of the United States of America.

1.81 ~~1.78~~ For the avoidance of doubt, paragraph ~~1.77~~1.80 is an exception to paragraph ~~1.76~~1.79 and Rule 102(s) which provide that the CDS Procedures and Rules respectively shall be governed by and construed in accordance with the laws of England and Wales. For the avoidance of doubt, without limitation and notwithstanding paragraph ~~1.77~~1.80, the following are governed by and shall be construed in accordance with the laws of England and Wales in their entirety without any exception and shall in no circumstances constitute a Pledged Collateral Matter:

- (a) all of the provisions of these CDS Procedures relating to the Designated System;
- (b) any Dispute or issue arising as between a Non-FCM/BD Clearing Member or Sponsored Principal on the one hand and the Clearing House on the other hand;
- (c) any Dispute or issue arising in respect of a Customer Account or Proprietary Account that is not designated as an account in respect of which Pledged Collateral may be provided;
- (d) any matter relating to Pledged Collateral of a Non-FCM/BD Clearing Member or Sponsored Principal;
- (e) any Pledged Collateral provided by an FCM/BD Clearing Member or Sponsored Principal pursuant to an English law Pledged Collateral Addendum; and
- (f) the Contract Terms of all Contracts.

1.82 ~~1.79~~ Where a dispute between an FCM/BD Clearing Member and the Clearing House relates to one or more Pledged Collateral Matters, notwithstanding the provisions of Rule 117, solely the allegations or claims relating to the Pledged Collateral Matters in such dispute shall be heard and determined exclusively in any New York federal court sitting in the Borough of Manhattan of the City of New York, provided, however, that if such federal court does not have jurisdiction over such allegations or claims, such allegations or claims shall be heard and determined exclusively in any New York state court sitting in the Borough of Manhattan of the City of New York (such Courts, together, "**New York Courts**"). Consistent with the preceding sentence, the Clearing House and each FCM/BD Clearing Member hereby:

- (a) submits to the exclusive jurisdiction of the New York Courts solely in respect of allegations or claims relating to Pledged Collateral Matters; and

- (b) agrees that service of process will be validly effected by sending notice in accordance with Rule 113.

1.83 ~~1.80~~ All allegations or claims other than those over which the New York Courts have exclusive jurisdiction pursuant to paragraph ~~1.79~~1.82 shall be finally and exclusively determined by way of arbitration pursuant to Rule 117. It is expressly recognised that for Disputes between an FCM/BD Clearing Member and the Clearing House containing both allegations or claims over which the New York Courts have exclusive jurisdiction pursuant to paragraph ~~1.79~~1.82 and other allegations or claims, it may be necessary to have both New York Court proceedings and arbitral proceedings. The submission of a party to the jurisdiction of a New York Court and/or the taking of a step by a party in proceedings before a New York Court, where in any such instance the New York Court has exclusive jurisdiction pursuant to paragraph ~~1.79~~1.82 does not amount to a waiver by that party of its right to commence or participate in arbitral proceedings in accordance with Rule 117. The submission of a party to arbitration under Rule 117 or in respect of any Dispute does not amount to a waiver by that party of its right to have allegations or claims in relation to which the New York Courts have exclusive jurisdiction pursuant to paragraph ~~1.79~~1.82 heard in the New York Courts.

1.84 ~~1.81~~ Nothing in paragraphs ~~1.76 to 1.82~~1.79 to 1.85 precludes the Clearing House from bringing an action to enforce a judgment from any New York Court or award of any arbitral tribunal in any court of competent jurisdiction.

1.85 ~~1.82~~ EACH CLEARING MEMBER AND THE CLEARING HOUSE HEREBY IRREVOCABLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY DISPUTE ARISING OUT OF, UNDER OR IN CONNECTION WITH THESE CDS PROCEDURES OR ANY MATTER CONTEMPLATED BY THEM. EACH CLEARING MEMBER AND THE CLEARING HOUSE HEREBY:

- (a) CERTIFIES THAT NO REPRESENTATIVE OF ANY OTHER PERSON BOUND BY THESE RULES HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF ANY SUCH DISPUTE, SEEK TO ENFORCE THE FOREGOING WAIVER; AND
- (b) ACKNOWLEDGES THAT IT HAS BEEN INDUCED TO ENTER INTO THESE RULES, ALL CONTRACTS AND ALL OTHER TRANSACTIONS CONTEMPLATED BY THESE RULES, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN PARAGRAPHS ~~1.76~~1.79 TO ~~1.82~~1.85.

## 2. ADDITIONAL MEMBERSHIP REQUIREMENTS FOR CDS CLEARING MEMBERS

2.1 Rule 201(i) provides that CDS Clearing Members must meet such additional requirements applicable to CDS Clearing Members as are specified in the Procedures.

2.2 The following additional requirements are specified for the purposes of Rule 201(i) as requirements that a CDS Clearing Member must satisfy in order to attain or maintain such status:

- (a) It must have a minimum of \$50 million of Capital, such requirement being satisfied in accordance with Rule 206 and the Finance Procedures (which allow Capital requirements, at the discretion of the Clearing House, to be met by a Controller which has executed a Controller Guarantee). For purposes of the application of this paragraph 2.2(a) to a US CDS Clearing Member that is not an FCM/BD, Capital shall be its net capital as determined pursuant to a risk adjusted capital calculation methodology acceptable to the Clearing House.
- (b) If it is or would be a US CDS Clearing Member, it is regulated for capital adequacy (the "**Regulatory Capital Requirement**") by a competent authority such as the FCA, PRA, CFTC, SEC, Banque de France, Bundesbank, Bundesanstalt für

- 7.2 The Clearing House may add to, amend or make deletions from the list of index series for CDS Contracts eligible for Clearing by issuing a Circular. Any such addition, amendment or deletion, other than the updating of any index series following the occurrence of an Applicable Credit Event or Succession Event, shall be made following consultation with the CDS Risk Committee, by issuing a further Circular, provided that the Clearing House shall not be required to consult in advance with the CDS Risk Committee for a deletion or suspension of a Set from such list in circumstances in which issuance of an Acceptance Notice in respect of CDS Trade Particulars or Clearing of CDS Contracts referring to such Set would be in breach of a restriction made under the Short Selling Regulation or of any other Applicable Law.
- 7.3 CDS Contracts on certain single names are eligible for Clearing, as set out in Circulars published by the Clearing House from time to time, each item mentioned as eligible in any such Circular initially forming a Set. The Clearing House may add to, amend or make deletions from such list, following consultation with the CDS Risk Committee, by issuing a further Circular, provided that the Clearing House shall not be required to consult in advance with the CDS Risk Committee for a deletion or suspension of a Set from such list in circumstances in which issuance of an Acceptance Notice in respect of CDS Trade Particulars or Clearing of CDS Contracts referring to such Set would be in breach of a restriction made under the Short Selling Regulation or of any other Applicable Law.
- 7.4 CDS Contracts in relation to an index series comprise a number of separate Component Transactions, each of which may, subject to the Rules and Procedures, be a 2003-type CDS Contract or a 2014-type CDS Contract. Where there is a distinction in the application of the Rules and Procedures or the Applicable Credit Derivatives Definitions as between a 2003-type CDS Contract and a 2014-type CDS Contract, the Rules and Procedures shall apply separately to each such Component Transaction that is a 2003-type CDS Contract or a 2014-type CDS Contract, respectively.

## 8. CONTRACT TERMS FOR ALL CDS CONTRACTS

- 8.1 This paragraph 8 specifies additional Contract Terms applicable to all CDS Contracts cleared by the Clearing House to which the Applicable Credit Derivatives Definitions apply by virtue of the Contract Terms:
- (a) Subject to Rule 109, if a Convened DC (as defined in the DC Rules) resolves, pursuant to Section 3.8(a) of 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 affects a 2003-type CDS Contract, the Clearing House shall, as promptly as practicable, make conforming changes to these CDS Procedures in order to implement such resolutions in respect of 2003-type CDS Contracts.
  - (b) Any reference in a 2003-type CDS Contract to the 2003 ISDA Credit Derivatives Definitions (including any reference to the 2003 ISDA Credit Derivatives Definitions as supplemented or otherwise modified, including by incorporation of any additional provisions thereto (howsoever described) shall be deemed to be a reference to the 2003 ISDA Credit Derivatives Definitions as so supplemented and as further supplemented by the July 2009 Supplement.
  - (c) With respect to:
    - (i) any 2003-type CDS Contract, Section 1.8(a)(ii)(A)(I)(3)(y) of the 2003 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"; ~~and~~
    - (ii) any 2014-type CDS Contract, for the purposes only of Section 1.16(a)(ii)(A)(II) of the 2014 Credit Derivatives Definitions, Section 1.17 of the 2014 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" ~~and~~ and

- (iii) in respect of any 2014-type CDS Contract which forms part of an Open Contract Position of a Clearing Member as at the NTCE Protocol Effective Date or is cleared on or after the NTCE Protocol Effective Date, the Applicable Credit Derivatives Definitions shall be deemed to include the 2019 NTCE Supplement.
- (d) Section 1.30 of the 2003 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".
- (e) Section 4.6(d) of the Applicable Credit Derivatives Definitions is hereby modified by the deletion of "(i)" and by the deletion of the entirety of sub-section (ii) thereof.
- (f) The Settlement Method will be "Auction Settlement" and the Fallback Settlement Method will be "Physical Settlement" in accordance with paragraph 6 and the Rules.
- (g) Where a DC Credit Event Announcement has occurred in respect of a CDS Contract, neither the CDS Buyer nor any relevant Customer (if any) of the CDS Buyer may deliver a Notice of Physical Settlement, and delivery of any Notice of Physical Settlement will not be effective, until such time as the method of settlement for a particular Credit Event becomes the Fallback Settlement Method due to the occurrence of one of the events set out in, with respect to 2003-type CDS Contracts, Section 12.1 of the 2003 Credit Derivatives Definitions or, with respect to 2014-type CDS Contracts, Section 6.1 of the 2014 Credit Derivatives Definitions and, as referred to in Rule 1505(b), the Clearing House has (or, pursuant to Rule 1508, should have) notified CDS Buyers and CDS Sellers of their Matched Pairs and associated MP Amounts. For the avoidance of doubt, the effectiveness of any Notice of Physical Settlement and obligations relating thereto is subject to the suspension and finality provisions of, in respect of any 2003-type CDS Contract, Sections 6.5 and 9.1(c)(iii) of the 2003 Credit Derivatives Definitions and, in respect of any 2014-type CDS Contract, Sections 10.1 and 10.2 of the 2014 Credit Derivatives Definitions. This is in addition to the restrictions on the delivery of a Notice of Physical Settlement set out in paragraph 6.
- (h) For the purposes of Rules 1509 and 1510 and without prejudice to the representations given by the Clearing House and Clearing Members or Sponsored Principals to one another pursuant to the Contract Terms and the Rules, with respect to any 2003-type CDS Contract, Sections 9.2(a), 9.2(b), 9.2(c)(i) and 9.2(c)(iv) of the 2003 Credit Derivatives Definitions and, with respect to any 2014-type CDS Contract, Sections 11.2(a), 11.2(b), 11.2(c)(i) and 11.2(c)(iv) of the 2014 Credit Derivatives Definitions shall apply as between the Matched CDS Buyer and the Matched CDS Seller in a Matched Pair, such Matched CDS Buyer and Matched CDS Seller thereby having rights in respect of such provisions for the purposes of the Contracts (Rights of Third Parties) Act 1999, as though they were the Buyer and Seller respectively and Section 9.2(c)(iv) of the 2003 Credit Derivatives Definitions as incorporated in any 2003-type CDS Contract and Section 11.2(c)(iv) of the 2014 Credit Derivatives Definitions as incorporated in any 2014-type CDS Contract shall be amended such that:
  - (i) where the Clearing House is the designator, it is permitted to designate any CDS Clearing Member or Sponsored Principal specified in Rule 1509 as its designee, notwithstanding that it is not an Affiliate (as defined therein);
  - (ii) the phrase "deliver or receive any Notice of Physical Settlement (or NOPS Amendment Notice or Asset Package Delivery Notice), Credit Event Notice, or Notice to Exercise Movement Option, or Deliver or take Delivery or pay or receive

**(h) Part 8: General Terms**

Each CDS Contract shall include the following terms and conditions set out in the General Contract Terms Procedures as part of its Contract Terms as if the same were set out herein and applied to CDS Contracts, *mutatis mutandis*: paragraphs 3.3, 3.4(d), 3.5, 3.9, 3.10, 3.15 and 3.16. In the event of any conflict or inconsistency between any two provisions of the terms set out or referred to herein, the following order of priority shall apply:

- (i) first, these CDS Procedures other than the portion of these CDS Procedures referred to in (ii) below; and
- (ii) second, the relevant paragraph of the General Contract Terms Procedures.

**9. CONTRACT TERMS FOR ITRAXX EUROPE CONTRACTS**

9.1 This paragraph 9.1 specifies the additional Contract Terms applicable to all iTraxx Contracts cleared by the Clearing House of a nature described in paragraph 7.1:

- (a) The provisions of paragraph 9.2 will apply in respect of all such CDS Contracts for which the Original Annex Date falls on or after the Protocol Effective Date.
- (b) The provisions of paragraph 9.3 will apply in respect of all such CDS Contracts for which the Acceptance Time falls on or after the Protocol Effective Date but for which the Original Annex Date falls before the Protocol Effective Date.
- (c) The provisions of paragraph 9.4 will apply in respect of all such CDS Contracts for which the Acceptance Time falls on or after the MCA/STS Changeover Time and before the Protocol Effective Date, for the period up to the Protocol Effective Date.
- (d) The provisions of paragraph 9.5 will apply in respect of all such CDS Contracts for which the Acceptance Time falls before the MCA/STS Changeover Time, for the period up to the MCS/STS Changeover Time.
- (e) The provisions of paragraph 9.6 will apply in respect of all such CDS Contracts for which the Acceptance Time falls before the MCA/STS Changeover Time, for the period on and after the MCA/STS Changeover Time up to the Protocol Effective Date.
- (f) The provisions of paragraph 9.7 will apply in respect of all such CDS Contracts for which the Acceptance Time falls before the Protocol Effective Date, for the period on and after the Protocol Effective Date.
- (g) [The provisions of paragraph 9.8 will apply to all such CDS Contracts as at the NTCE Protocol Effective Date.](#)
- (h) ~~(g)~~ The provisions of paragraph ~~9-89.9~~ will apply to all such CDS Contracts, irrespective of the date of the related Acceptance Time.

**9.2 iTraxx Europe (CDS Contracts with Original Annex Date on or after the Protocol Effective Date)**

- (a) Definitions specific to this paragraph 9.2:
  - (i) "iTraxx Contract" means a CDS Contract in respect of any Eligible iTraxx Index and governed by any iTraxx Terms Supplement. Subject to the other requirements of these CDS Procedures, a CDS Contract will be an iTraxx Contract where the related CDS Trade Particulars submitted for Clearing specify, as the relevant index,

any Eligible iTraxx Index, whether or not those CDS Trade Particulars themselves incorporated or are governed by an iTraxx Terms Supplement.

(ii) **"iTraxx Publisher"** means Markit Group Limited or one of its subsidiaries, or any successor sponsor of the Eligible iTraxx Indices it publishes.

(iii) **"iTraxx Terms Supplement" means:**

(A) In relation to any CDS Trade Particulars in respect of an iTraxx Contract submitted for Clearing on or after the NTCE Protocol Effective Date, each of the following: (a) a confirmation in the form of the confirmation (the "**iTraxx 2020 Confirmation**") published December 2019 or January 2020 incorporating the iTraxx Europe Untranch Standard Terms Supplement as published on the same date (the "**Standard iTraxx 2020 CDS Supplement**") or such electronic equivalent thereto as is used by Deriv/SERV and (b) such other document or supplement as may be specified in relation to any Eligible iTraxx Index by the Clearing House including any successor to any of the documents listed in sub-paragraphs (a) or (b) of this definition.

(B) ~~(iii) "iTraxx Terms Supplement" means~~ In relation to any other iTraxx Contract to which this paragraph 9.2 applies, each of the following: (a) a confirmation in the form of the confirmation (the "**iTraxx 2014 Confirmation**") published on or about 20 September 2014 incorporating the iTraxx Europe Untranch Standard Terms Supplement as published on the same date (the "**Standard iTraxx 2014 CDS Supplement**") or such electronic equivalent thereto as is used by Deriv/SERV and (b) such other document or supplement as may be specified in relation to any Eligible iTraxx Index by the Clearing House including any successor to any of the documents listed in sub-paragraphs (a) or (b) of this definition.

(C) For the purpose of each iTraxx Contract, reference in the iTraxx Terms Supplement and the 2014 Credit Derivatives Definitions to a "Credit Derivative Transaction" shall be deemed to be references to a CDS Contract and references to an "iTraxx® Master Transaction" shall be deemed references to an iTraxx Contract.

(iv) **"Eligible iTraxx Index"** means each particular series and version (of a Set which is eligible for Clearing) of an iTraxx index or sub-index, as published by the iTraxx Publisher, included from time to time in the List of Eligible iTraxx Indices.

(v) **"List of Eligible iTraxx Indices"** means the list of Eligible iTraxx Indices, maintained, updated and published from time to time by the Clearing House, specifying the following information with respect to each index: (a) the name 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 Terms Supplement; (e) the versions (and related annex dates) eligible for Clearing; and (f) any inactive versions (and related annex dates), i.e., those that have been determined to be fungible with later versions.

(vi) **"Relevant iTraxx Terms Supplement"** means, with respect to an Eligible iTraxx Index, the iTraxx Terms Supplement specified for such Eligible iTraxx Index in the List of Eligible iTraxx Indices.

(b) **Terms of the Cleared iTraxx Contract**

- (i) Any capitalised term used in paragraph 9.2 but not defined in paragraph 9.2 or elsewhere in the Rules or Procedures shall have the meaning provided in the Relevant iTraxx Terms Supplement.
- (ii) Each iTraxx Contract will be governed by the Relevant iTraxx Terms Supplement, as modified by this paragraph 9.2, whether or not the relevant CDS Trade Particulars were in a form comprising the Relevant iTraxx Terms Supplement. In the event of any inconsistency between the Relevant iTraxx Terms Supplement or the Confirmation (including in electronic form) for an iTraxx Contract and this paragraph 9.2, this paragraph 9.2 will govern.

(c) **Terms of iTraxx Contracts Governed by Standard iTraxx [2020 CDS Supplement](#) or [Standard iTraxx 2014 CDS Supplement](#)**

With respect to each iTraxx Contract for which [the iTraxx 2020 Confirmation and the Standard iTraxx 2020 CDS Supplement](#) or the iTraxx 2014 Confirmation and the Standard iTraxx 2014 CDS Supplement forms the Relevant iTraxx Terms Supplement, the following terms will apply:

- (i) The terms of the Standard iTraxx [2020 CDS Supplement](#) or the [Standard iTraxx 2014 CDS Supplement](#), as applicable, are hereby amended as follows:
  - (A) by the deletion of paragraph 2 thereof in relation to CDS Contracts arising pursuant to the Clearing of CDS Trade Particulars in respect of Bilateral CDS Transactions already recorded in Deriv/SERV;
  - (B) by the addition in paragraph 2 thereof, in relation to CDS Contracts arising other than pursuant to the Clearing of CDS Trade Particulars in respect of Bilateral CDS Transactions already recorded in Deriv/SERV, of the line entry: "**Initial Payment Date**: the first Business Day immediately following the Trade Date or, if later, the first Business Day immediately following the issuance of the Acceptance Notice by the Clearing House in relation to this Transaction";
  - (C) the provisions of paragraph 5.2 (a) thereof relating to the transfer of Component Transactions shall be subject to any transfers of or other dealings with the relevant iTraxx Contract (including in particular the provisions of paragraph 6 hereof) by the Clearing House permitted or authorised by the Rules;
  - (D) the provisions of paragraph 5.2(b)(ii) thereof shall be amended by adding at the end, immediately after "(such new Transaction, a **New Trade**)" the following: "and except that the Reference Obligation for the purposes of the New Trade will be the preferred Single Name Contract Reference Obligation for the Restructured Entity in question, if so specified by the Clearing House following consultation with the CDS Risk Committee.";
  - (E) by the deletion of paragraph 5.5 (*De Minimis Cash Settlement*) thereof; and
  - (F) by the deletion of paragraph 5.7 (*Restriction on Delivery of Credit Event Notice and Successor Notice*) thereof.
- (ii) The terms of the iTraxx [2020 Confirmation](#) or the [iTraxx 2014 Confirmation](#), as applicable, are hereby amended as follows:



where the related CDS Trade Particulars submitted for Clearing specify, as the relevant index, any Eligible iTraxx Index, whether or not those CDS Trade Particulars themselves incorporated or are governed by an iTraxx Legacy Terms Supplement.

- (ii) **"iTraxx Publisher"** means Markit Group Limited or one of its subsidiaries, or any successor sponsor of the Eligible iTraxx Indices it publishes.
- (iii) **"iTraxx Legacy Terms Supplement" means**
  - (A) In relation to any CDS Trade Particulars in respect of an iTraxx Contract submitted for Clearing on or after the NTCE Protocol Effective Date, each of the following: (a) a confirmation in the form of the confirmation (the "iTraxx 2020 Legacy Confirmation") published December 2019 or January 2020 incorporating the iTraxx Europe Legacy Untranch Standard Terms Supplement as published on the same date (the "Standard iTraxx 2020 Legacy CDS Supplement") or such electronic equivalent thereto as is used by Deriv/SERV and (b) such other document or supplement as may be specified in relation to any Eligible iTraxx Index by the Clearing House including any successor to any of the documents listed in sub-paragraphs (a) or (b) of this definition.
  - (B) ~~(iii) "iTraxx Legacy Terms Supplement" means~~ In relation to any other iTraxx Contract to which this paragraph 9.3 applies, each of the following: (a) a confirmation in the form of the confirmation (the "iTraxx 2014 Legacy Confirmation") published on or about 20 September 2014 incorporating the iTraxx Europe Legacy Untranch Standard Terms Supplement as published on the same date (the "Standard iTraxx 2014 Legacy CDS Supplement") or such electronic equivalent thereto as is used by Deriv/SERV and (b) such other document or supplement as may be specified in relation to any Eligible iTraxx Index by the Clearing House including any successor to any of the documents listed in sub-paragraphs (a) or (b) of this definition. ~~For the purpose of each iTraxx Contract, reference in the iTraxx Legacy Terms Supplement and the Applicable Credit Derivatives Definitions to a "Credit Derivative Transaction" shall be deemed to be references to a CDS Contract and references to an "iTraxx® Master Transaction" shall be deemed references to an iTraxx Contract.~~
  - (C) For the purpose of each iTraxx Contract, reference in the iTraxx Legacy Terms Supplement and the Applicable Credit Derivatives Definitions to a "Credit Derivative Transaction" shall be deemed to be references to a CDS Contract and references to an "iTraxx® Master Transaction" shall be deemed references to an iTraxx Contract.
- (iv) **"Eligible iTraxx Index"** means each particular series and version (of a Set which is eligible for Clearing) of an iTraxx index or sub-index, as published by the iTraxx Publisher, included from time to time in the List of Eligible iTraxx Indices.
- (v) **"List of Eligible iTraxx Indices"** means the list of Eligible iTraxx Indices, maintained, updated and published from time to time by the Clearing House, specifying the following information with respect to each index: (a) the name 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 Legacy Terms Supplement; (e) the versions (and related annex dates) eligible for Clearing; and (f) any inactive versions

(and related annex dates), i.e., those that have been determined to be fungible with later versions.

(vi) **"Relevant iTraxx Legacy Terms Supplement"** means, with respect to an Eligible iTraxx Index, the iTraxx Legacy Terms Supplement specified for such Eligible iTraxx Index in the List of Eligible iTraxx Indices.

(b) Terms of the Cleared iTraxx Contract

(i) Any capitalised term used in paragraph 9.3 but not defined in paragraph 9.3 or elsewhere in the Rules or Procedures shall have the meaning provided in the Relevant iTraxx Legacy Terms Supplement.

(ii) Each iTraxx Contract will be governed by the Relevant iTraxx Legacy Terms Supplement, as modified by this paragraph 9.3, whether or not the relevant CDS Trade Particulars were in a form comprising the Relevant iTraxx Legacy Terms Supplement. In the event of any inconsistency between the Relevant iTraxx Legacy Terms Supplement or the Confirmation (including in electronic form) for an iTraxx Contract and this paragraph 9.3, this paragraph 9.3 will govern.

(c) Terms of iTraxx Contracts Governed by Standard iTraxx [2020 Legacy CDS Supplement](#) or the Standard iTraxx 2014 Legacy CDS Supplement

With respect to each iTraxx Contract for which the iTraxx [2020 Legacy Confirmation](#) and the Standard iTraxx [2020 Legacy CDS Supplement or the iTraxx 2014 Legacy Confirmation and the Standard iTraxx 2014 Legacy CDS Supplement](#) forms the Relevant iTraxx Legacy Terms Supplement, the following terms will apply:

(i) The terms of the Standard iTraxx [2020 Legacy CDS Supplement](#) or the Standard iTraxx 2014 Legacy CDS Supplement, as applicable, are hereby amended as follows:

(A) by the deletion of paragraph 2 in both Section A and Section B thereof in relation to CDS Contracts arising pursuant to the Clearing of CDS Trade Particulars in respect of Bilateral CDS Transactions already recorded in Deriv/SERV;

(B) by the addition in paragraph 2 in both Section A and Section B thereof, in relation to CDS Contracts arising other than pursuant to the Clearing of CDS Trade Particulars in respect of Bilateral CDS Transactions already recorded in Deriv/SERV, of the line entry: "**Initial Payment Date**: the first Business Day immediately following the Trade Date or, if later, the first Business Day immediately following the issuance of the Acceptance Notice by the Clearing House in relation to this Transaction";

(C) the provisions of paragraph 5.2(a) in both Section A and Section B thereof relating to the transfer of Component Transactions shall be subject to any transfers of or other dealings with the relevant iTraxx Contract (including in particular the provisions of paragraph 6 hereof) by the Clearing House permitted or authorised by the Rules;

(D) the provisions of paragraph 5.2(b)(ii) in both Sections A and B thereof shall be amended by adding at the end, immediately after "(such new Transaction, a New Trade)" the following: "and except that the Reference Obligation for the purposes of the New Trade will be the preferred Single Name Contract Reference Obligation for the Restructured Entity in

question, if so specified by the Clearing House following consultation with the CDS Risk Committee.";

- (E) by the deletion of paragraph 5.4 (*De Minimis Cash Settlement*) in both Section A and Section B thereof; and
  - (F) by the deletion of paragraph 3 (*Restriction on Delivery of Credit Event Notice, Successor Notice and Succession Event Notice*) in Section C thereof.
- (ii) The terms of the iTraxx [2020 Legacy Confirmation](#) or the iTraxx 2014 Legacy Confirmation, as applicable, are hereby amended as follows:
- (A) Deleting the words "ISDA Master Agreement" in the fourth line of the first paragraph and replacing it with "Rules and Procedures of ICE Clear Europe";
  - (B) Treating the 2003 Credit Derivatives Definitions and the 2014 Credit Derivatives Definitions (each as defined therein) as though they had the meanings ascribed to those terms in the Rules and Procedures of the Clearing House;
  - (C) Deleting the fifth paragraph thereof and replacing it with the following: "This Confirmation supplements, forms a part of and is subject to the Rules and Procedures of ICE Clear Europe (the "**Agreement**"). All provisions contained in, or incorporated by reference in, the Agreement shall govern this Confirmation except as expressly modified below.";
  - (D) The "Calculation Agent" is the Clearing House, except as expressly provided otherwise in the Rules or the CDS Procedures;
  - (E) There are no "Additional terms"; and
  - (F) Deleting the contact details for notices and the account details.
- (iii) The following terms will be determined from the relevant CDS Trade Particulars submitted for Clearing or, with respect to each iTraxx Contract arising pursuant to Rule 401(a)(vi) or (xi), determined from the data provided by the Clearing House to the Clearing Member or Sponsored Principal, as the case may be, prior to the time at which such CDS Contract arose:
- (A) Which of the Eligible iTraxx Indices is the "Index", including its version and series number;
  - (B) Which of the eligible Scheduled Termination Dates specified for the Index in the List of Eligible iTraxx Indices is the "Scheduled Termination Date";
  - (C) The "Original Notional Amount";
  - (D) The "Floating Rate Payer";
  - (E) The "Fixed Rate Payer";
  - (F) The "Annex Date";

submitted for Clearing (as referred to in paragraph 9.4(c)) will instead be determined by reference to the CDS Contracts forming the relevant Open Contract Position of the relevant Clearing Member as at the MCA/STS Changeover Time.

- (c) From the MCA/STS Changeover Time up to the Protocol Effective Date, all CDS Contracts of a Set referencing a particular version and series of a particular Eligible iTraxx Index and having a particular Scheduled Termination Date and fixed rate and to which paragraph 9.5 had, up to that moment applied, shall be, and shall be treated as, fully fungible with all CDS Contracts of a Set referencing the same version and series of the same Eligible iTraxx Index having the same Scheduled Termination Date and fixed rate to which paragraph 9.4 applies.

**9.7 iTraxx Europe (CDS Contracts with Acceptance Time before the Protocol Effective Date; provisions applying after the Protocol Effective Date).**

- (a) All CDS Contracts to which paragraph 9.4 or paragraph 9.6 applies and which form part of the Open Contract Position of a Clearing Member as at the Protocol Effective Date will be deemed thereafter to be CDS Contracts on the terms set out in paragraph 9.3 and for which the Relevant iTraxx Legacy Terms Supplement is described in paragraph 9.3(a)(iii)(B), as modified below and as may be amended by the provisions of paragraph 9.8 on and following the NTCE Protocol Effective Date.
- (b) For the purposes of paragraph 9.7(a), the information in respect of each CDS Contract which would be determined (had the CDS Contract been one falling within paragraph 9.1(b)) for the purposes of the iTraxx 2014 Confirmation by reference to the CDS Trade Particulars submitted for Clearing (as referred to in paragraph 9.3(c)) will instead be determined by reference to the CDS Contracts forming the relevant Open Contract Position of the relevant Clearing Member or Sponsored Principal, as the case may be, as at the Protocol Effective Date.
- (c) From the Protocol Effective Date, all CDS Contracts of a Set referencing a particular version and series of a particular Eligible iTraxx Index and having a particular Scheduled Termination Date and fixed rate and to which paragraph 9.4 or paragraph 9.6 had, up to that moment, applied shall be, and shall be treated as, fully fungible with all CDS Contracts of a Set referencing the same version and series of the same Eligible iTraxx Index and having the same Scheduled Termination Date and fixed rate to which paragraph 9.3 applies.

**9.8 iTraxx Contracts that are or include Component Transactions that are 2014-type CDS Contracts as at the NTCE Protocol Effective Date**

Notwithstanding anything to the contrary herein, each iTraxx Contract which is or is deemed to be a 2014-type CDS Contract or which includes a Component Transaction which is or is deemed to be a 2014-type CDS Contract and forms part of the Open Contract Position of a Clearing Member as at the NTCE Protocol Effective Date will be deemed on and following the NTCE Protocol Effective Date to be amended to reference, in the case of an iTraxx Contract falling within paragraph 9.1(a), the iTraxx 2020 Confirmation and the Standard iTraxx 2020 CDS Supplement as the Relevant iTraxx Terms Supplement and, in the case of an iTraxx Contract falling within paragraph 9.1(b) or deemed to be on the terms set out in paragraph 9.3, the iTraxx 2020 Legacy Confirmation and the Standard iTraxx 2020 Legacy CDS Supplement as the Relevant iTraxx Legacy Terms Supplement, in each case in lieu of the Relevant iTraxx Terms Supplement or Relevant iTraxx Legacy Terms Supplement applicable before the NTCE Protocol Effective Date

**9.9 ~~9.8~~ Updating Index Version of Fungible Contracts After a Credit Event or a Succession Event**

- (a) Where the iTraxx Publisher of an Eligible iTraxx Index publishes one or more subsequent versions or annexes of the relevant series following a Credit Event or, in respect of a Component Transaction which is a 2003-type CDS Contract, a Succession Event or, in respect of a Component Transaction which is a 2014-type CDS Contract, the determination of

a Successor with respect to a Reference Entity included in such series, and the Clearing House determines that iTraxx Contracts referencing the earlier version or annex of such series are fungible with iTraxx Contracts referencing a later version or annex of such series that is an Eligible iTraxx Index and so notifies CDS Clearing Members and Sponsored Principals by Circular, iTraxx Contracts referencing the earlier version or annex of such series shall become iTraxx Contracts referencing such later version or annex of such series on the date determined by the Clearing House (the "**Fungibility Date**"). Any iTraxx Contracts referencing the earlier version or annex of such series submitted for Clearing after the related Fungibility Date shall, upon acceptance for Clearing, become an iTraxx Contract referencing the latest version or annex of such series, as the case may be, that the Clearing House has determined is fungible with such earlier version or annex.

- (b) The Clearing House may determine a different Fungibility Date applicable to individual iTraxx Contracts or groups of iTraxx Contracts or may determine a Fungibility Date applicable to all iTraxx Contracts referencing the earlier version or annex of a series described in paragraph ~~9.8~~9(a), as it deems appropriate.

## 10. CONTRACT TERMS FOR CDX NORTH AMERICA CONTRACTS

10.1 This paragraph 10.1 specifies the additional Contract Terms applicable to all CDX.NA Contracts cleared by the Clearing House of a nature described in paragraph 7.1:

- (a) The provisions of paragraph 10.2 will apply in respect of all such CDS Contracts for which the Original Annex Date falls on or after the Protocol Effective Date.
- (b) The provisions of paragraph 10.3 will apply in respect of all such CDS Contracts for which the Acceptance Time falls on or after the Protocol Effective Date but for which the Original Annex Date falls before the Protocol Effective Date.
- (c) The provisions of paragraph 10.4 will apply to all such CDS Contracts that are 2014-type CDS Contracts as at the NTCE Protocol Effective Date.
- (d) ~~(e)~~ The provisions of paragraph ~~10.4~~10.5 will apply to all such CDS Contracts, irrespective of the date of the related Acceptance Time.

### 10.2 CDX North America (CDS Contracts with Original Annex Date on or after the Protocol Effective Date)

- (a) Definitions specific to this paragraph 10.2:
  - (i) "**CDX.NA Contract**" means a CDS Contract in respect of any Eligible CDX.NA Index and governed by any CDX.NA Terms Supplement. Subject to the other requirements of these CDS Procedures, a CDS Contract will be a CDX.NA Contract where the related CDS Trade Particulars submitted for Clearing specify, as the relevant index, any Eligible CDX.NA Index, whether or not those CDS Trade Particulars themselves incorporated or are governed by a CDX.NA Terms Supplement.
  - (ii) "**CDX.NA Publisher**" means Markit North America, Inc., as successor to CDX IndexCo LLC, or any successor sponsor of the Eligible CDX Indices it publishes.
  - (iii) "CDX.NA Terms Supplement" means:
    - (A) In relation to any CDS Trade Particulars in respect of a CDX.NA Contract submitted for Clearing on or after the NTCE Protocol Effective Date, each of the following: (a) a confirmation in the form of the confirmation (the "CDX.NA 2020 Confirmation") published December 2019 or January

2020 incorporating the CDX Untranchured Transactions Standard Terms Supplement as published on the same date (the "Standard CDX.NA 2020 CDS Supplement") or such electronic equivalent thereto as is used by Deriv/SERV and (b) such other document or supplement as may be specified in relation to any Eligible CDX.NA Index by the Clearing House including any successor to any of the documents listed in sub-paragraphs (a) or (b) of this definition

(B) ~~(iii) "CDX.NA Terms Supplement" means~~ In relation to any other CDX.NA Contract to which this paragraph 10.2 applies, each of the following: (a) a confirmation in the form of the confirmation (the "CDX.NA 2014 Confirmation") published on 22 September 2014 incorporating the CDX Untranchured Transactions Standard Terms Supplement as published on the same date (the "Standard CDX.NA 2014 CDS Supplement") or such electronic equivalent thereto as is used by Deriv/SERV and (b) such other document or supplement as may be specified in relation to any Eligible CDX.NA Index by the Clearing House including any successor to any of the documents listed in sub-paragraphs

(a) or (b) of this definition. ~~For the purpose of each CDX.NA Contract, reference in the CDX.NA Terms Supplement and the 2014 Credit Derivatives Definitions to a "Credit Derivative Transaction" shall be deemed to be references to a CDS Contract and references to a "Master Transaction" shall be deemed references to a CDX.NA Contract.~~

(C) For the purpose of each CDX.NA Contract, reference in the CDX.NA Terms Supplement and the 2014 Credit Derivatives Definitions to a "Credit Derivative Transaction" shall be deemed to be references to a CDS Contract and references to a "Master Transaction" shall be deemed references to a CDX.NA Contract.

(iv) **"Eligible CDX.NA Index"** means each particular series and version (of a Set which is eligible for Clearing) of a CDX.NA index or sub-index, as published by the CDX.NA Publisher, included from time to time in the List of Eligible CDX.NA Indices.

(v) **"List of Eligible CDX.NA Indices"** means the list of Eligible CDX.NA Indices, maintained, updated and published from time to time by the Clearing House, specifying the following information with respect to each index: (a) the name 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 CDX.NA Terms Supplement; (e) the versions (and related annex dates) eligible for Clearing; and (f) any inactive versions (and related annex dates), i.e., those that have been determined to be fungible with later versions.

(vi) **"Relevant CDX.NA Terms Supplement"** means, with respect to an Eligible CDX.NA Index, the CDX.NA Terms Supplement specified for such Eligible CDX.NA Index in the List of Eligible CDX.NA Indices.

(b) **Terms of the Cleared CDX.NA Contract**

(i) Any capitalised term used in paragraph 10.2 but not defined in paragraph 10.2 or elsewhere in the Rules or Procedures shall have the meaning provided in the Relevant CDX.NA Terms Supplement.

- (ii) Each CDX.NA Contract will be governed by the Relevant CDX.NA Terms Supplement, as modified by this paragraph 10.2, whether or not the relevant CDS Trade Particulars were in a form comprising the Relevant CDX.NA Terms Supplement. In the event of any inconsistency between the Relevant CDX.NA Terms Supplement or the Confirmation (including in electronic form) for a CDX.NA Contract and this paragraph 10.2, this paragraph 10.2 will govern.

(c) **Terms of CDX.NA Contracts Governed by Standard CDX.NA [2020 CDS Supplement](#) or [Standard CDX.NA 2014 CDS Supplement](#)**

With respect to each CDX.NA Contract for which [the CDX.NA 2020 Confirmation and the Standard CDX.NA 2020 CDS Supplement](#) or the CDX.NA 2014 Confirmation and the Standard CDX.NA 2014 CDS Supplement forms the Relevant CDX.NA Terms Supplement, the following terms will apply:

- (i) The terms of the Standard CDX.NA [2020 CDS Supplement](#) or the [Standard CDX.NA 2014 CDS Supplement](#), as applicable, are hereby amended as follows:
  - (A) by the deletion of paragraph 2 thereof in relation to CDS Contracts arising pursuant to the Clearing of CDS Trade Particulars in respect of Bilateral CDS Transactions already recorded in Deriv/SERV;
  - (B) by the addition in paragraph 2 thereof, in relation to CDS Contracts arising other than pursuant to the Clearing of CDS Trade Particulars in respect of Bilateral CDS Transactions already recorded in Deriv/SERV, of the line entry: "**Initial Payment Date**: the first Business Day immediately following the Trade Date or, if later, the first Business Day immediately following the issuance of the Acceptance Notice by the Clearing House in relation to this Transaction";
  - (C) the provisions of paragraph 5.5 thereof relating to the transfer of Component Transactions shall be subject to any transfers of or other dealings with the relevant CDX.NA Contract (including in particular the provisions of paragraph 6 hereof) by the Clearing House permitted or authorised by the Rules;
  - (D) by the deletion of paragraph 5.8 (*Restriction on Delivery of Credit Event Notice and Successor Notice*) thereof; and
  - (E) The Clearing House is deemed to be an "Index Party" for the purposes of the [Standard CDX.NA 2020 CDS Supplement](#) or the [Standard CDX.NA 2014 CDS Supplement](#), as the case may be.
- (ii) The terms of the CDX.NA [2020 Confirmation and the CDX.NA 2014 Confirmation](#), as applicable, are hereby amended as follows:
  - (A) Deleting the words "ISDA Master Agreement" in the fourth and fifth line of the first paragraph and replacing it with "Rules and Procedures of ICE Clear Europe";
  - (B) Treating the 2014 Credit Derivatives Definitions (as defined therein) as though it had the meaning ascribed to it in the Rules and Procedures of the Clearing House;
  - (C) Deleting the third paragraph thereof and replacing it with the following: "This Confirmation supplements, forms a part of and is subject to the Rules and Procedures of ICE Clear Europe (the "**Agreement**"). All provisions

Particulars themselves incorporated or are governed by a CDX.NA Legacy Terms Supplement.

(ii) **"CDX.NA Publisher"** means Markit North America, Inc., as successor to CDX IndexCo LLC, or any successor sponsor of the Eligible CDX Indices it publishes.

(iii) **"CDX.NA Legacy Terms Supplement" means:**

(A) In relation to any CDS Trade Particulars in respect of a CDX.NA Contract submitted for Clearing on or after the NTCE Protocol Effective Date, each of the following: (a) a confirmation in the form of the confirmation (the "**CDX.NA 2020 Legacy Confirmation**") published December 2019 or January 2020 incorporating the CDX Legacy Untranching Transaction Standard Terms Supplement as published on the same date (the "**Standard CDX.NA 2020 Legacy CDS Supplement**") or such electronic equivalent thereto as is used by Deriv/SERV and (b) such other document or supplement as may be specified in relation to any Eligible CDX.NA Index by the Clearing House including any successor to any of the documents listed in sub-paragraphs (a) or (b) of this definition.

(B) ~~(iii) "**CDX.NA Legacy Terms Supplement**" means~~ In relation to any other CDX.NA Contract to which this paragraph 10.3 applies, each of the following: (a) a confirmation in the form of the confirmation (the "**CDX.NA 2014 Legacy Confirmation**") published on 22 September 2014 incorporating the CDX Legacy Untranching Transaction Standard Terms Supplement as published on the same date (the "**Standard CDX.NA 2014 Legacy CDS Supplement**") or such electronic equivalent thereto as is used by Deriv/SERV and (b) such other document or supplement as may be specified in relation to any Eligible CDX.NA Index by the Clearing House including any successor to any of the documents listed in sub-paragraphs (a) or (b) of this definition. ~~For the purpose of each CDX.NA Contract, reference in the CDX.NA Legacy Terms Supplement and the Applicable Credit Derivatives Definitions to a "Credit Derivative Transaction" shall be deemed to be references to a CDS Contract and references to a "Master Transaction" shall be deemed references to a CDX.NA Contract.~~

(C) For the purpose of each CDX.NA Contract, reference in the CDX.NA Legacy Terms Supplement and the Applicable Credit Derivatives Definitions to a "Credit Derivative Transaction" shall be deemed to be references to a CDS Contract and references to a "Master Transaction" shall be deemed references to a CDX.NA Contract.

(iv) **"Eligible CDX.NA Index"** means each particular series and version (of a Set which is eligible for Clearing) of a CDX.NA index or sub-index, as published by the CDX.NA Publisher, included from time to time in the List of Eligible CDX.NA Indices.

(v) **"List of Eligible CDX.NA Indices"** means the list of Eligible CDX.NA Indices, maintained, updated and published from time to time by the Clearing House, specifying the following information with respect to each index: (a) the name 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 CDX.NA Legacy Terms Supplement; (e) the versions (and related annex dates) eligible for Clearing; and (f) any inactive versions



(and related annex dates), i.e., those that have been determined to be fungible with later versions.

(vi) **"Relevant CDX.NA Legacy Terms Supplement"** means, with respect to an Eligible CDX.NA Index, the CDX.NA Legacy Terms Supplement specified for such Eligible CDX.NA Index in the List of Eligible CDX.NA Indices.

(b) Terms of the Cleared CDX.NA Contract

(i) Any capitalised term used in paragraph 10.3 but not defined in paragraph 10.3 or elsewhere in the Rules or Procedures shall have the meaning provided in the Relevant CDX.NA Legacy Terms Supplement.

(ii) Each CDX.NA Contract will be governed by the Relevant CDX.NA Legacy Terms Supplement, as modified by this paragraph 10.3, whether or not the relevant CDS Trade Particulars were in a form comprising the Relevant CDX.NA Legacy Terms Supplement. In the event of any inconsistency between the Relevant CDX.NA Legacy Terms Supplement or the Confirmation (including in electronic form) for a CDX.NA Contract and this paragraph 10.3, this paragraph 10.3 will govern.

(c) Terms of CDX.NA Contracts Governed by Standard CDX.NA [2020](#) Legacy CDS Supplement or Standard CDX.NA 2014 Legacy CDS Supplement

With respect to each CDX.NA Contract for which the CDX.NA [2020](#) Legacy Confirmation and the Standard CDX.NA [2020](#) Legacy CDS Supplement or the CDX.NA 2014 Legacy Confirmation and the Standard CDX.NA 2014 Legacy CDS Supplement, forms the Relevant CDX.NA Legacy Terms Supplement, the following terms will apply:

(i) The terms of the Standard CDX.NA [2020](#) Legacy CDS Supplement or the Standard CDX.NA 2014 Legacy CDS Supplement, as applicable, are hereby amended as follows:

(A) by the deletion of paragraph 2 in both Section A and Section B thereof in relation to CDS Contracts arising pursuant to the Clearing of CDS Trade Particulars in respect of Bilateral CDS Transactions already recorded in Deriv/SERV;

(B) by the addition in paragraph 2 in both Section A and Section B thereof, in relation to CDS Contracts arising other than pursuant to the Clearing of CDS Trade Particulars in respect of Bilateral CDS Transactions already recorded in Deriv/SERV, of the line entry: "**Initial Payment Date**: the first Business Day immediately following the Trade Date or, if later, the first Business Day immediately following the issuance of the Acceptance Notice by the Clearing House in relation to this Transaction";

(C) the provisions of paragraph 3 in Section C thereof relating to the transfer of Component Transactions shall be subject to any transfers of or other dealings with the relevant CDX.NA Contract (including in particular the provisions of paragraph 6 hereof) by the Clearing House permitted or authorised by the Rules;

(D) by the deletion of paragraph 5 (*Restriction on Delivery of Credit Event Notice, Successor Notice and Succession Event Notice*) in Section C thereof; and

- (E) The Clearing House is deemed to be an “Index Party” for the purposes of the [Standard CDX.NA 2020 Legacy CDS Supplement](#) or the Standard CDX.NA 2014 Legacy CDS Supplement, as the case may be.
- (ii) The terms of the CDX.NA [2020 Legacy Confirmation](#) or the CDX.NA 2014 Legacy Confirmation, as applicable, are hereby amended as follows:
  - (A) Deleting the words "ISDA Master Agreement" in the fifth line of the first paragraph and replacing it with "Rules and Procedures of ICE Clear Europe";
  - (B) Treating the 2003 Credit Derivatives Definitions and the 2014 Credit Derivatives Definitions (each as defined therein) as though they had the meanings ascribed to those terms in the Rules and Procedures of the Clearing House;
  - (C) Deleting the third paragraph thereof and replacing it with the following: "This Confirmation supplements, forms a part of and is subject to the Rules and Procedures of ICE Clear Europe (the "**Agreement**"). All provisions contained in, or incorporated by reference in, the Agreement shall govern this Confirmation except as expressly modified below.";
  - (D) The "Calculation Agent" is the Clearing House, except as expressly provided otherwise in the Rules or the CDS Procedures;
  - (E) The “Effective Date” is the date specified in the list of Eligible CDX.NA Indices for the relevant Index;
  - (F) The “Fixed Rate” is the rate specified in the List of Eligible CDX.NA Indices for the relevant Index and Scheduled Termination Date;
  - (G) “De Minimis Cash Settlement” is not applicable;
  - (H) There are no "Additional terms"; and
  - (I) Deleting the contact details for notices and the account details.
- (iii) The following terms will be determined from the relevant CDS Trade Particulars submitted for Clearing or, with respect to each CDX.NA Contract arising pursuant to Rule 401(a)(vi) or (xi), determined from the data provided by the Clearing House to the Clearing Member or Sponsored Principal, as the case may be, prior to the time at which such CDS Contract arose:
  - (A) Which of the Eligible CDX.NA Indices is the "Index", including its version and series number;
  - (B) Which of the eligible Scheduled Termination Dates specified for the Index in the List of Eligible CDX.NA Indices is the "Scheduled Termination Date";
  - (C) The "Original Notional Amount";
  - (D) The "Floating Rate Payer";
  - (E) The "Fixed Rate Payer";

- (F) The "Annex Date";
- (G) The "Initial Payment Payer", other than in relation to CDS Contracts arising pursuant to the Clearing of CDS Trade Particulars in respect of Bilateral CDS Transactions already recorded in Deriv/SERV; and
- (H) The "Initial Payment Amount", other than in relation to CDS Contracts arising pursuant to the Clearing of CDS Trade Particulars in respect of Bilateral CDS Transactions already recorded in Deriv/SERV.

**10.4** **CDX.NA Contracts that are or include Component Transactions that are 2014-type CDS Contracts as at the NTCE Protocol Effective Date**

Notwithstanding anything to the contrary herein, each CDX.NA Contract which is or is deemed to be a 2014-type CDS Contract or which includes a Component Transaction which is or is deemed to be a 2014-type CDS Contract and forms part of the Open Contract Position of a Clearing Member as at the NTCE Protocol Effective Date will be deemed on and following the NTCE Protocol Effective Date to be amended to reference, in the case of a CDX.NA Contract falling within paragraph 10.1(a), the CDX.NA 2020 Confirmation and the Standard CDX.NA 2020 CDS Supplement as the Relevant CDX.NA Terms Supplement and, in the case of a CDX.NA Contract falling within paragraph 10.1(b), the CDX.NA 2020 Legacy Confirmation and the Standard CDX.NA 2020 Legacy CDS Supplement as the Relevant CDX.NA Legacy Terms Supplement, in each case in lieu of the Relevant CDX.NA Terms Supplement or Relevant CDX.NA Legacy Terms Supplement applicable before the NTCE Protocol Effective Date

**10.5** **10.4 Updating Index Version of Fungible Contracts after a Credit Event or a Succession Event**

- (a) Where the CDX.NA Publisher of an Eligible CDX.NA Index publishes one or more subsequent versions or annexes of the relevant series following a Credit Event or, in respect of a Component Transaction which is a 2003-type CDS Contract, a Succession Event or, in respect of a Component Transaction which is a 2014-type CDS Contract, the determination of a Successor with respect to a Reference Entity included in such series, and the Clearing House determines that CDX.NA Contracts referencing the earlier version or annex of such series are fungible with CDX.NA Contracts referencing a later version or annex of such series that is an Eligible CDX.NA Index and so notifies CDS Clearing Members and Sponsored Principals by Circular, CDX.NA Contracts referencing the earlier version or annex of such series shall become CDX.NA Contracts referencing such later version or annex of such series on the date determined by the Clearing House (the "**Fungibility Date**"). Any CDX.NA 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 CDX.NA Contract referencing the latest version or annex of such series, as the case may be, that the Clearing House has determined is fungible with such earlier version or annex.
- (b) Where a new version of the CDX.NA 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 CDX.NA Terms Supplement for any CDX.NA Contract(s) (the "**Existing Standard Terms**"), and the Clearing House determines that CDX.NA Contracts referencing the Existing Standard Terms are fungible with CDX.NA Contracts referencing the New Standard Terms, and so notifies CDS Clearing Members and Sponsored Principals by Circular, CDX.NA Contracts referencing the Existing Standard Terms shall become CDX.NA Contracts referencing the New Standard Terms on the date determined by the Clearing House (the "**Standard Terms Update Date**" and each prior CDX.NA Terms Supplement subject to such determination, a "**Superseded Standard Terms**"). Any CDS Trade Particulars referencing a Superseded Standard Terms submitted for clearing as a CDX.NA Contract shall, upon acceptance for clearing, become a CDX.NA Contract referencing the New Standard Terms.

- (c) The Clearing House may determine a different Fungibility Date or Standard Terms Update Date applicable to individual CDX.NA Contracts or groups of CDX.NA Contracts or may determine a Fungibility Date or Standard Terms Update Date applicable to all CDX.NA Contracts referencing the earlier version or annex of a series described in paragraphs ~~10.4~~[10.5](#)(a) or ~~10.4~~[10.5](#)(b), as it deems appropriate.

## 11. CONTRACT TERMS FOR SINGLE NAME CDS CONTRACTS

11.1 This paragraph 11.1 specifies the additional Contract Terms applicable to all Single Name Contracts cleared by the Clearing House:

- (a) The provisions of paragraph 11.6 will apply in respect of all Single Name CDS Contracts.
- (b) The provisions of paragraph 11.7 will apply in respect of STEC Contracts that are 2003-type CDS Contracts immediately prior to the Protocol Effective Date.
- (c) [The provisions of paragraph 11.8 will apply in respect of all Single Name Contracts \(other than Single Name Contracts for which the Relevant Transaction Type is "Standard Western European Sovereign"\) that are 2014-type CDS Contracts and form part of the Open Contract Position of a Clearing Member as at the NTCE Protocol Effective Date.](#)

And for these purposes:

- (d) ~~(e)~~ All STEC Contracts with Acceptance Time prior to the Protocol Effective Date will be 2003-type CDS Contracts prior to Protocol Effective Date.
- (e) ~~(f)~~ All STEC Contracts with Acceptance Time on or following the Protocol Effective Date will be 2014-type CDS Contracts.
- (f) ~~(g)~~ All Non-STEC Contracts with Acceptance Time prior to the 2014 CDD Implementation Date will be 2003-type CDS Contracts and will remain 2003-type CDS Contracts on and following the 2014 CDD Implementation Date.
- (g) ~~(h)~~ All Non-STEC Contracts with Acceptance Time on or following the 2014 CDD Implementation Date will be 2014-type CDS Contracts, unless the 2003 Credit Derivatives Definitions are specified as applying in the CDS Trade Particulars, in which case they will be 2003-type CDS Contracts.

The provisions of paragraphs 11.2, 11.3, 11.4 and 11.5 will apply to all Single Name Contracts, irrespective of the date of the related Acceptance Time.

11.2 In the event of any inconsistency between the relevant data in CDS Trade Particulars submitted for Clearing and this paragraph 11, this paragraph 11 will govern.

### 11.3 Definitions specific to this paragraph 11.

- (a) **"Eligible Single Name Reference Entities"** means each particular Reference Entity included from time to time in the List of Eligible Single Name Reference Entities by reference to a RED Code. Each RED Code shall be treated as referring to a separate Eligible Single Name Reference Entity.
- (b) **"Eligible Single Name Reference Obligations"** means, with respect to any Single Name Contract Reference Obligation for any Eligible Single Name Reference Entity, the Reference Obligations listed under the heading "Eligible Reference Obligations" (which may include "No Reference Obligation" or "NoRefOb", indicating that no obligation is specified as a

- (G) The "Initial Payment Payer", other than in relation to CDS Contracts arising pursuant to the Clearing of CDS Trade Particulars in respect of Bilateral CDS Transactions already recorded in Deriv/SERV; and
  - (H) The "Initial Payment Amount", other than in relation to CDS Contracts arising pursuant to the Clearing of CDS Trade Particulars in respect of Bilateral CDS Transactions already recorded in Deriv/SERV.
- (iv) Each Single Name Contract will be governed by the terms set out in paragraph 8 and this paragraph 11, whether or not the relevant CDS Trade Particulars were in an equivalent form.

**11.7 STEC Contracts that are 2003-type CDS Contracts; provisions applying on and after the Protocol Effective Date.**

- (a) All STEC Contracts that are 2003-type CDS Contracts and which form part of the Open Contract Position of a Clearing Member as at the Protocol Effective Date will be deemed thereafter to be STEC Contracts that are 2014-type CDS Contracts, and the Standard Single Name Confirmation for each such STEC Contract shall be the Credit Derivatives Confirmation for use with the Relevant Physical Settlement Matrix as specified in respect of the relevant Eligible Single Reference Entity in the List of Eligible Single Name Reference Entities immediately following the Protocol Effective Date, as modified below.
- (b) For the purposes of paragraph 11.7(a), the information in respect of each STEC Contract which would be determined (had the STEC Contract been one falling within paragraph 11.1(d)) for the purposes of the Standard Single Name Confirmation by reference to the CDS Trade Particulars submitted for Clearing (as referred to in paragraph 11.6(a)) will instead be determined by reference to the STEC Contracts forming the relevant Open Contract Position of the relevant Clearing Member or Sponsored Principal, as the case may be, as at the Protocol Effective Date.
- (c) From the Protocol Effective Date, all STEC Contracts of a Set referencing a particular Single Name Reference Entity and particular Single Name Contract Reference Obligation(s) and having a particular Scheduled Termination Date and fixed rate and to which paragraph 11.1(c) had, up to that moment applied, shall be, and shall be treated as, fully fungible with all STEC Contracts of a Set referencing the same Single Name Reference Entity and particular Single Name Contract Reference Obligation(s) and having the same Scheduled Termination Date and fixed rate to which paragraph 11.1(d) applies.

**11.8 Single Name Contracts (other than Single Name Contracts for which the Relevant Transaction Type is "Standard Western European Sovereign") that are 2014-type CDS Contracts as at the NTCE Protocol Effective Date**

Each Single Name Contract which (i) is not a Single Name Contract for which the Relevant Transaction Type is "Standard Western European Sovereign", (ii) is or is deemed to be a 2014-type CDS Contract and (iii) forms part of the Open Contract Position of a Clearing Member as at the NTCE Protocol Effective Date will be deemed on and following the NTCE Protocol Effective Date to be a Single Name Contract referencing the Relevant Physical Settlement Matrix which would have applied to it if CDS Trade Particulars in respect of such Single Name Contract had been submitted for Clearing on the NTCE Protocol Effective Date, subject to any later New Matrix that may be treated as referenced by such Single Name Contract pursuant to paragraph 11.9. This paragraph will take effect regardless of whether any relevant transaction record in Deriv/SERV is updated to reflect it.

**11.9 ~~11.8~~ Relevant Physical Settlement Matrix Updates**

- (a) Where ISDA publishes a version of the Credit Derivatives Physical Settlement Matrix (a "**New Matrix**") and/or a new version of a Credit Derivatives Confirmation for use with a version of a Credit Derivatives Physical Settlement Matrix (a "**New Confirmation**") that is subsequent to the version that is specified as a Relevant Physical Settlement Matrix and/or Standard Single Name Confirmation, respectively for any Single Name Contract(s) (the "**Existing Matrix**" and "**Existing Confirmation**", respectively), and the Clearing House determines, subject to consultation with the CDS Risk Committee, that a Single Name Contract referring to the New Matrix and/or New Confirmation would be fungible with a Single Name Contract referring to the Existing Matrix and/or Existing Confirmation respectively (the date of such determination, the "**Matrix Update Date**" and "**Confirmation Update Date**", respectively and each prior Credit Derivatives Physical Settlement Matrix and/or Credit Derivatives Confirmation subject to such determination, a "**Superseded Matrix**" and "**Superseded Confirmation**", respectively) and so notifies CDS Clearing Members and Sponsored Principals by Circular, such Single Name Contracts shall, as of the close of business on the Matrix Update Date and/or Confirmation Update Date, respectively, become Single Name Contracts referencing the New Matrix as the Relevant Physical Settlement Matrix and/or the New Confirmation as the Standard Single Name Confirmation, respectively, and the List of Eligible Single Name Reference Entities shall be updated accordingly, provided that the Clearing House shall not make any such determination where the New Matrix and/or New Confirmation, when compared with the Existing Matrix and/or Existing Confirmation, respectively, contains any change to a term that would apply to such Single Name Contract. Any CDS Trade Particulars referencing a Superseded Matrix and/or Superseded Confirmation submitted for Clearing as a Single Name Contract shall, upon acceptance for Clearing, give rise to a Single Name Contract referencing the New Matrix and/or New Confirmation, respectively.
- (b) The Clearing House may determine a different Matrix Update Date and/or Confirmation Update Date applicable to individual Single Name Contracts or groups of Single Name Contracts or may determine a Matrix Update Date and/or Confirmation Update Date applicable to all Single Name Contracts referencing a Superseded Matrix and/or Superseded Confirmation, respectively, as it deems appropriate.

#### 11.10 ~~11.9~~ Amendments

- (a) Where CDS Trade Particulars, after the Acceptance Time, would give rise to two CDS Contracts which would be Single Name Contracts but for the specification of an Eligible Single Name Reference Obligation as the "Reference Obligation", then the Clearing House shall be entitled at its discretion to treat such CDS Trade Particulars, at the Acceptance Time, as though they had specified the Single Name Contract Reference Obligation specified for such Eligible Single Name Reference Obligation in the List of Eligible Single Name Reference Entities.
- (b) In addition to the acceptance process described in paragraph 4, the Clearing House's Acceptance Notice to the relevant CDS Clearing Member(s) or Sponsored Principal(s) in relation to the relevant CDS Trade Particulars shall include details of any adjustment that will be made by the Clearing House pursuant to this paragraph. Submission of data in relation to CDS Contracts to Deriv/SERV under paragraph 4.4 shall take account of any such adjustments set out by the Clearing House in the Acceptance Notice.