



CONFIDENTIAL TREATMENT REQUESTED

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**Michelle Weiler**  
*Assistant General Counsel*

July 11, 2014

**Re: ICE Clear Credit LLC Advance Notice of  
Proposed Rule Change Pursuant to  
Commission Rule 40.10**

**VIA E-MAIL**

Ms. Melissa Jurgens  
Secretary  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, NW  
Washington, D.C. 20581

Dear Ms. Jurgens:

ICE Clear Credit LLC ("ICC"), a registered derivatives clearing organization ("DCO") under the Commodity Exchange Act, as amended (the "Act") that has been designated by the Financial Stability Oversight Council as systemically important under Title VIII of the Dodd-Frank Wall Street Reform and Consumer Protection Act, hereby submits to the Commodity Futures Trading Commission (the "Commission"), pursuant to Commission Rule 40.10, the attached amendments to its clearing rules (the "Amended Rules"). ICE Clear Credit intends to implement these rule amendments following completion of the review period under Rule 40.10.

The principal purpose of the proposed changes is to amend the ICC Clearing Rules ("ICC Rules") to incorporate references to revised Credit Derivatives Definitions, as published by the International Swaps and Derivatives Association, Inc. ("ISDA") on February 21, 2014 (the "2014 ISDA Definitions"). Consistent with the approach being taken throughout the CDS market, the industry standard 2014 ISDA Definitions will be applicable to certain products cleared by ICC beginning on September 22, 2014. Certification of the changes to the ICC Rules, the ICC Restructuring Procedures, and the ICC Risk Management Framework pursuant to Section 5c(c)(1) of the Act and Commission Regulation 40.10 also is provided below.

ICC principally proposes to (i) revise the ICC Rules to make proper distinctions between the 2014 ISDA Definitions and the ISDA Credit Derivatives Definitions published previously in 2003 (as amended in 2009, the "2003 ISDA Definitions") and related documentation; and (ii) make conforming changes throughout the ICC Rules to reference provisions from the proper ISDA Definitions. ICC also submits the ICC Restructuring Procedures revised to reflect proper distinctions between the 2003 ISDA Definitions and the 2014 ISDA Definitions. Finally, the ICC Risk Management Framework has been revised to reflect appropriate portfolio treatment between CDS Contracts cleared under the 2003 and 2014 ISDA Definitions.

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As described by ISDA, the 2014 Definitions make a number of changes from the 2003 ISDA Definitions to the standard terms for CDS Contracts, including (i) introduction of new terms applicable to credit events involving financial reference entities and settlement of such credit events, (ii) introduction of new terms applicable to credit events involving sovereign reference entities and settlement of such credit events, (iii) implementation of standard reference obligations applicable to certain reference entities, and (iv) various other improvements and drafting updates that reflect market experience and developments since the 2009 amendments to the 2003 ISDA Definitions.

Commencing on the implementation date of September 22, 2014, ICC intends to accept for clearing new transactions in eligible contracts that reference the 2014 ISDA Definitions. In addition, the amendments will provide for the conversion of certain existing contracts (so-called "Converting Contracts") currently based on the 2003 ISDA Definitions into contracts based on the 2014 ISDA Definitions. (This approach is consistent with expected industry practice for similar contracts not cleared by ICC, which will be subject to a multilateral amendment "protocol" sponsored by ISDA.) For contracts that are not Converting Contracts, ICC expects to continue to accept for clearing both new transactions referencing the 2014 ISDA Definitions and new transactions referencing the 2003 ISDA Definitions (and such contracts based on different definitions will not be fungible). ICC will publish on its website a list of Converting Contracts, which is expected to be the same as the list of contracts subject to the ISDA protocol.

ICC proposes to amend Chapters 20, 21, 22 and 26 of the ICC Rules and the ICC Restructuring Procedures to incorporate references to the 2014 ISDA Definitions. All capitalized terms not defined herein are defined in the ICC Rules. Each of these changes is described in detail as follows.

Chapter 20 of the ICC Rules (Credit Default Swaps), has been amended to provide new definitions for "2003/2014 Changeover Effective Date," "2003 Definitions," "2003-Type CDS Contract," "2014 Definitions," "2014-Type CDS Contract," "Applicable Credit Derivatives Definitions" and "Converting Contracts." The new definitions accommodate the 2014 ISDA Definitions and provide terms that allow for distinctions between the 2014 ISDA Definitions and the 2003 ISDA Definitions. Additionally, the references in the definitions of "CDS Restructuring Rules" and "DC Rules" are updated. Rule 20-103 "Interpretation Relating to Index CDS Contracts" is added to clarify that the determination of whether the 2003 or 2014 ISDA Definitions applies may be made separately for each component transaction in the index. Finally, Rule 20-617(g) is revised to remove a cross-reference to the definition of "SR Auction" because SR Auction is defined as appropriate in multiple Subchapters, specifically, 26B, 26D and 26G.

Chapter 21 (Regional CDS Committees and Dispute Resolution Procedures) and Chapter 22 (CDS Physical Settlement) of the ICC Rules have been revised to include references, as appropriate, to the 2014 ISDA Definitions as well as the current 2003 ISDA Definitions. Within Chapter 21, ICC Rules 2101-02(a), (c), (d), (e), (f), 2103-02(c) and 2106-04 are updated to make reference to the parallel provisions of the 2014 ISDA Definitions in conjunction with the existing references to specific provisions of the 2003 ISDA Definitions. In Chapter 22, ICC Rules 2202(d) and 2203(a) also are updated to make parallel reference to the provisions of the 2014 ISDA Definitions in conjunction with the existing references to specific provisions of the 2003 ISDA Definitions.

Chapter 26 of the ICC Rules (Cleared CDS Products) is revised as applicable to implement the definitional changes in Chapter 20 of the ICC Rules and the 2014 ISDA Definitions. These changes include clarification of reference to provisions within the DC Rules, clarification as to whether previous references to "Credit Derivatives Definitions" are to the 2003 ISDA Definitions or the 2014 ISDA Definitions and the addition of provisions consistent with the 2014 ISDA Definitions. The revisions to Chapter 26 are intended to ensure that all ICC Cleared CDS Products are treated consistently with the ISDA Definitions in effect from time to time, as is in practice today.

Subchapter 26A (CDX Untranch North American IG/HY/XO) is revised as follows. In ICC Rule 26A-102 (Definitions), the definition of "CDX.NA Untranch Terms Supplement" is updated to include a reference to the new "CDX Untranch Standard Terms Supplement" expected to be published by Markit North America, Inc. on or about September 20, 2014 to incorporate the 2014 ISDA Definitions, in addition to the existing references to the CDX Untranch Standard Terms Supplements published on March 20, 2008 and January 31, 2011. Additionally in ICC Rule 26A-102 (Definitions), the definition of "List of Eligible CDX.NA Untranch Indexes" is revised in part (e) to state that the List of Eligible CDX.NA Untranch

Indexes will specify the Applicable Credit Derivatives Definitions for each component of the Index, if applicable. ICC Rule 26A-316 (Updating Index Version of Fungible Contracts After a Credit Event or a Succession Event; Updating Relevant Untranching Standard Terms Supplement) is revised in part (a) to add parallel references to Successor determinations under the 2014 ISDA Definitions and in part (d) to provide that CDX.NA Untranching Contracts that are Converting Contracts will be deemed amended as of the 2003/2014 Changeover Date to reference the updated CDX Untranching Standard Terms Supplement. ICC Rule 26A-317 (Terms of CDX.NA Untranching Contracts) is revised to add references to provisions of the proper ISDA Definitions and Relevant CDX Untranching Terms Supplement versions for the CDX Untranching Contracts that ICC clears. Corresponding changes to provision numbering are made as necessary. Specifically, ICC Rule 26A-317(a) reorganizes and consolidates existing provisions that apply to each CDX.NA Untranching Contract or component thereof to which the 2003 ISDA Definitions apply. ICC Rule 26A-317(a)(ix) was previously 26A-317(j) and has been reproduced with amended reference to the 2003 ISDA Definitions and the correct provisions within the 2003 ISDA Definitions. Correspondingly, ICC Rule 26A-317(b) is added to the ICC Rules to provide analogous terms that apply to each CDX.NA Untranching Contract or component thereof to which the 2014 ISDA Definitions apply. ICC Rule 26A-317(c) was previously the first sentence of 26A-317(i) and is unchanged and applies consistently to each CDX.NA Untranching Contract (whether under the 2003 or 2014 ISDA Definitions). ICC Rule 26A-317(d) is renumbered and the reference to the CDX.NA Untranching Terms Supplement is generalized, but otherwise remains unchanged.

Subchapter 26B (Standard North American Corporate (“SNAC”) Single Name) is revised as follows: In ICC Rule 26B-102 (Definitions), the definitions of “Eligible SNAC Reference Obligations,” “List of Eligible SNAC Reference Entities” and “SNAC Contract Reference Obligations” are updated to include reference to the Applicable Credit Derivatives Definitions and to provide for the use of a Standard Reference Obligation under the 2014, ISDA Definitions, where applicable. The restrictions on “self-referencing” transactions in ICC Rules 26B-203 (Restriction on Activity) and 26B-206 (Notices Required of Participants with Respect to SNAC Contracts) are revised to cover, in addition to transactions referencing CDS Participants, also transactions referencing Non-Participant Parties for whom such CDS Participant is acting. ICC Rule 26B-309 (Acceptance of SNAC Contracts by ICE Clear Credit) is revised in part (b)(iii) to add “Relevant” to the definition of Restructuring Credit Event (reflecting the use of that defined term in Subchapter 26E of the ICC Rules) and in part (e) to address relevant successor or other events under both 2003 and 2014-Type CDS Contracts. ICC Rule 26B-315 (Terms of the Cleared SNAC Contract) is revised to provide reference to provisions of the proper ISDA Definitions, and corresponding changes to provision numbering are made as necessary. Specifically, ICC Rule 26B-315(d) reorganizes and consolidates existing provisions that apply to each SNAC Contract to which the 2003 ISDA Definitions apply. Correspondingly, ICC Rule 26B-315(e) is added to the ICC Rules to provide analogous provisions that apply to each SNAC Contract to which the 2014 ISDA Definitions apply. ICC Rule 26B-315(f) was previously the first sentence of 26B-315(h) and is unchanged (and applies to both SNAC Contracts under both the 2003 and 2014 ISDA Definitions). ICC Rule 26B-315(g) is revised to refer to the Applicable Credit Derivatives Definitions, as appropriate. ICC Rule 26B-616 (Contract Modification) is revised in part (a) to provide for successors to SNAC Contracts and Standard Reference Obligations, as applicable under the ISDA Definitions, and part (b) is added to provide that SNAC Contracts that are Converting Contracts will be deemed amended as of the 2003/2014 Changeover Effective Date to be 2014-Type CDS Contracts.

Subchapter 26C (CDX Untranching Emerging Markets) is revised as follows: In ICC Rule 26C-102 (Definitions), the definition of “CDX.EM Untranching Terms Supplement” is updated to include a reference to the new “CDX Emerging Markets Untranching Transactions Standard Terms Supplement” expected to be published by Markit North America, Inc. on or about September 20, 2014 to incorporate the 2014 ISDA Definitions, in addition to the existing reference to the CDX.EM Untranching Standard Terms Supplement published on January 31, 2011. Additionally in ICC Rule 26C-102 (Definitions), the definition of “List of Eligible CDX.EM Untranching Indexes” is revised in part (e) to state that the List of Eligible CDX.EM Untranching Indexes will specify reference to the Applicable Credit Derivatives Definitions for each component of the Index, if applicable. ICC Rule 26C-316 (Updating Index Version of Fungible Contracts After a Credit Event or a Succession Event; Updating Relevant Untranching Standard Terms Supplement) is revised in part (a) to add parallel references to Successor determinations under the 2014 ISDA Definitions and in part (d) to provide that CDX.EM Untranching Contracts that are Converting Contracts will be deemed amended as of the 2003/2014 Changeover Date to reference the updated CDX.EM

Untranching Terms Supplement. ICC Rule 26C-317 (Terms of CDX.EM Untranching Contracts) is revised to add references to provisions of the proper ISDA Definitions and Relevant CDX.EM Untranching Terms Supplement versions for the CDX.EM Untranching Contracts that ICC clears. Corresponding changes to provision numbering are made as necessary. Specifically, ICC Rule 26C-317(a) reorganizes and consolidates existing provisions that apply to each CDX.EM Untranching Contract or component thereof to which the 2003 ISDA Definitions apply. Correspondingly, ICC Rule 26C-317(b) is added to the ICC Rules to provide analogous terms that apply to each CDX.EM Untranching Contract or component thereof to which the 2014 ISDA Definitions apply. ICC Rule 26C-317(c) was previously the first sentence of 26C-317(g) and is unchanged and applies consistently to each CDX.NA Untranching Contract. ICC Rule 26C-317(d) was previously the first sentence of 26C-317(i) and is generalized to apply consistently to each CDX.EM Untranching Contract (whether under the 2003 or 2014 ISDA Definitions).

Subchapter 26D (Standard Emerging Sovereign (“SES”) Single Name) is revised as follows. In ICC Rule 26D-102 (Definitions), the definition of “Eligible SES Reference Entities” is revised to correct a typo and correctly identify the reference entity for a cleared product as the Bolivarian Republic of Venezuela and the definitions of “Eligible SES Reference Obligations,” “List of Eligible SES Reference Entities” and “SES Contract Reference Obligations” are updated to include reference to the Applicable Credit Derivatives Definitions and to provide for the use of a Standard Reference Obligation under the 2014 ISDA Definitions, where applicable. The restrictions on “self-referencing” transactions in ICC Rules 26D-203 (Restriction on Activity) and 26D-206 (Notices Required of Participants with Respect to SES Contracts) are revised to cover, in addition to transactions referencing CDS Participants, also transactions referencing Non-Participant Parties for whom such CDS Participant is acting. ICC Rule 26D-309 (Acceptance of SES Contracts by ICE Clear Credit) is revised in part (b)(iii) to add “Relevant” to the definition of Restructuring Credit Event (reflecting the use of that defined term in Subchapter 26E of the ICC Rules), in part (c) to, in addition to CDS Participant, also provide for Non-Participant Parties for whom such CDS Participant is acting and in part (e) to address relevant successor or other events under both 2003 and 2014-Type CDS Contracts. ICC Rule 26D-315 (Terms of the Cleared SES Contract) is revised to provide reference to provisions of the proper ISDA Definitions, and corresponding changes to provision numbering are made as necessary. Specifically, ICC Rule 26D-315(d) reorganizes and consolidates existing provisions that apply to each SES Contract to which the 2003 ISDA Definitions apply. Correspondingly, ICC Rule 26D-315(e) is added to the ICC Rules to provide analogous provisions that apply to each SES Contract to which the 2014 ISDA Definitions apply. ICC Rule 26D-315(f) was previously the first sentence of 26D-315(h) and is unchanged (and applies to both 2003 and 2014-Type CDS Contracts. ICC Rule 26D-315(g) remains unchanged; the previous reference was 26D-315(k). ICC Rule 26D-315(h) is revised to refer to the Applicable Credit Derivatives Definitions, as appropriate. ICC Rule 26D-616 (Contract Modification) is revised in part (a) to provide for successors to SES Contracts and Standard Reference Obligations, as applicable under the relevant ISDA Definitions, and part (b) is added to provide that SES Contracts that are Converting Contracts will be deemed amended as of the 2003/2014 Changeover Effective Date to be 2014-Type CDS Contracts.

Subchapter 26E is updated to provide for the differences in the treatment of Relevant Restructuring Contracts under the 2003 ISDA Definitions and 2014 ISDA Definitions. Specifically, in ICC Rule 26E-102 (Definitions) the definitions of “Matched Restructuring Pair,” “Relevant Restructuring Contract,” “Relevant Restructuring Credit Event” and “Restructuring CDS Contract” are updated to allow for application of either the 2003 ISDA Definitions or the 2014 ISDA Definitions as relevant. Additionally, the definition of “Triggered Restructuring CDS Contract” as well as ICC Rules 26E-104(a) and (b) are updated to include provisions consistent with the 2014 ISDA Definitions.

Subchapter 26F (iTraxx Europe) is revised as follows: In ICC Rule 26F-102 (Definitions), the definition of “iTraxx Europe Untranching Terms Supplement” is updated to include reference to the new “iTraxx Europe Untranching Standard Terms Supplement” expected to be published by Markit North America, Inc. on or about September, 20 2014 to incorporate the 2014 ISDA Definitions, in addition to the existing reference to the iTraxx Europe Untranching Standard Terms Supplement published on November 23, 2009. Additionally in ICC Rule 26F-102 (Definitions), the definition of “List of Eligible iTraxx Europe Untranching Indexes” is revised in part (e) to state that the List of Eligible iTraxx Europe Untranching Indexes will include reference to the Applicable Credit Derivatives Definitions for each component of the Index, if applicable. ICC Rule 26F-309 (Acceptance of iTraxx Europe Untranching Contracts by ICE Clear Credit) is revised to correct a typo from “clauses” to “clause.” ICC Rule 26F-316 (Updating Index Version of

Fungible Contracts After a Credit Event or a Succession Event; Updating Relevant Untranching Standard Terms Supplement) is revised in part (a) to add parallel references to Successor determinations under the 2014 ISDA Definitions and in part (d) to provide that iTraxx Europe Untranching Contracts that are Converting Contracts will be deemed amended as of the 2003/2014 Changeover Date to reference the updated iTraxx Europe Untranching Terms Supplement. ICC Rule 26F-317 (Terms of iTraxx Europe Untranching Contracts) is revised to add references to provisions of the proper ISDA Definitions and Relevant iTraxx Europe Untranching Terms Supplement versions for the iTraxx Europe Untranching Contracts that ICC clears. Corresponding changes to provision numbering are made as necessary. Specifically, ICC Rule 26F-317(a) reorganizes and consolidates existing provisions that apply to each iTraxx Europe Untranching Contract or component thereof to which the 2003 ISDA Definitions apply. Correspondingly, ICC Rule 26F-317(b) is added to the ICC Rules to provide analogous terms that apply to each iTraxx Europe Untranching Contract or component thereof to which the 2014 ISDA Definitions apply. ICC Rule 26F-317(c) was previously the first sentence of ICC Rule 26F-317(f) and is unchanged and applies consistently to each iTraxx Europe Untranching Contract (whether under the 2003 or 2014 ISDA Definitions). ICC Rule 26F-317(d), which provides for the determination of a Reference Obligation for a Restructured Entity, is revised slightly to accommodate a Standard Reference Obligation, if applicable. ICC Rule 26F-317(e)(vi) is generalized to provide for the Relevant iTraxx Europe Untranching Terms Supplement.

Subchapter 26G (Standard European Corporate (“STEC”) Single Name) is revised throughout to change “SDEC” to “STEC” to follow the industry standard acronym, and as follows: In ICC Rule 26G-102 (Definitions), the definitions of “Eligible STEC Reference Obligations,” “List of Eligible STEC Reference Entities” and “STEC Contract Reference Obligations” are updated to include reference to the Applicable Credit Derivatives Definitions and to provide for the use of a Standard Reference Obligation under the 2014 ISDA Definitions, where applicable. The restrictions on “self-referencing” transactions in ICC Rules 26G-203 (Restriction on Activity) and 26G-206 (Notices Required of Participants with Respect to STEC Contracts) are revised to cover, in addition to transactions referencing a CDS Participant, also transactions referencing Non-Participant Parties for whom such CDS Participant is acting. ICC Rule 26G-309 (Acceptance of STEC Contracts by ICE Clear Credit) is revised in part (b)(iii) to add “Relevant” to the definition of Restructuring Credit Event (reflecting the use of that defined term in Subchapter 26E of the ICC Rules) and in part (e) to address relevant successor or other events under both 2003 and 2014-Type CDS Contracts. ICC Rule 26G-315 (Terms of the Cleared STEC Contract) is revised to provide reference to provisions of the proper ISDA Definitions, and corresponding changes to provision numbering are made as necessary. Specifically, ICC Rule 26G-315(d) reorganizes and consolidates existing provisions that apply to each STEC Contract to which the 2003 ISDA Definitions apply. Correspondingly, ICC Rule 26G-315(e) is added to the ICC Rules to provide analogous terms that apply to each STEC Contract to which the 2014 ISDA Definitions apply. ICC Rule 26G-315(f) was previously the first sentence of 26G-315(h) and is unchanged (and applies to both 2003 and 2014-Type CDS Contracts). ICC Rule 26G-315(g) remains unchanged; the previous reference was 26G-315(k). ICC Rule 26G-315(h) is revised to refer to the Applicable Credit Derivatives Definitions, as appropriate. ICC Rule 26G-616 (Contract Modification) is revised in part (a) to provide for successors to STEC Contracts and Standard Reference Obligations, as applicable under the relevant ISDA Definitions, and part (b) is added to provide that STEC Contracts that are Converting Contracts will be deemed amended as of the 2003/2014 Changeover Effective Date to be 2014-Type CDS Contracts.

Subchapter 26H (Standard European Financial Corporate (“STFC”) Single Name) is added to the ICC Rules to provide for the clearance of STFC Single Names. Such contracts will be subject only to the 2014 ISDA Definitions. STFC Contracts have similar terms to the Standard European Corporate Single Name CDS contracts (“STEC Contracts”) currently cleared by ICC and governed by Section 26G of the ICC Rules, the Standard Emerging Sovereign CDS contracts (“SES Contracts”) currently cleared by ICC and governed by Section 26D of the Rules. Accordingly, the proposed rules found in Section 26H largely mirror the ICC rules for STEC Contracts in Section 26G, with certain modifications that reflect differences in terms and market conventions between those contracts and STFC Contracts (including that STFC Contracts incorporate additional Financial Reference Entity terms under the 2014 ISDA Definitions). STFC Contracts will be denominated in Euros. Rule 26H-102 (Definitions) sets forth the definitions used for the STFC Contracts. The definitions are substantially similar to the definitions found in Subchapter 26G of the ICC Rulebook, but contain reference only to the 2014 ISDA Definitions and contain other conforming changes. Rules 26H-203 (Restriction on Activity), 26H-206 (Notices Required of Participants

with respect to STEFC Contracts), 26H-303 (STEFC Contract Adjustments), 26H-309 (Acceptance of STEFC Contracts by ICE Clear Credit), 26H-315 (Terms of the Cleared STEFC Contract), 26H-316 (Relevant Physical Settlement Matrix Updates), 26H-502 (Specified Actions), and 26H-616 (Contract Modification) reflect or incorporate the basic contract specifications for STEFC Contracts and are substantially similar to corresponding sections of Subchapter 26G of the ICC Rulebook.

The ICC Restructuring Procedures supplement the provisions of Subchapter 26E of the ICC Rules with respect to Relevant Restructuring Contracts. The ICC Restructuring Procedures are amended throughout to reflect revisions to defined terms in the ICC Rules including “Relevant Restructuring Contract,” “Relevant Restructuring Credit Event,” and “Applicable Credit Derivatives Definitions” as defined in ICC Rules 26E-102 (Definitions) and 20-102 (Definitions) and to make appropriate distinctions between the applicability of the 2003 ISDA Definitions and the 2014 ISDA Definitions and provisions therein.

The ICC Risk Management Framework has been revised to provide for appropriate portfolio treatment between CDS Contracts cleared under the 2003 and 2014 Definitions. In the ICC Risk Management Framework, each index, sub-index or underlying single name is deemed a separate “Risk Factor.” The revisions to the ICC Risk Management Framework introduce a “Risk Sub-Factor” as a specific single name and any unique combination of instrument attributes (e.g., restructuring clause, 2003 or 2014 ISDA Definitions, debt tier, etc). The union of all Risk Sub-Factors that share the same underlying single name form a single name Risk Factor. The portfolio treatment at the Risk Sub-Factor level is provided for in the Risk Management Framework, as appropriate.

#### Core Principle Review:

ICC reviewed the DCO core principles (“Core Principles”) as set forth in the Act. During this review, ICC identified the following Core Principle as being impacted:

Participant and Product Eligibility: The revisions to the ICC Rules are consistent with the participant and product eligibility requirements of Core Principle C.

#### Amended Rules:

The proposed changes consist of amendments to the ICC Rules, the ICC Restructuring Procedures, and the ICC Risk Management Framework to incorporate references to the 2014 ISDA Definitions. ICC has respectfully requested confidential treatment for the ICC Risk Management Framework which was submitted concurrently with this submission.

Annexed as Exhibits hereto are the following:

- A. Proposed amendments to the ICC Rules
- B. ICC Restructuring Procedures

#### Certifications:

ICC hereby certifies that the proposed changes to the ICC Rules, the ICC Restructuring Procedures, and the ICC Risk Management Framework to incorporate references to the 2014 ISDA Definitions comply with the Act and the regulations thereunder. The amended rules were unanimously recommended for approval by the ICC Risk Committee and unanimously approved by the ICC Board of Managers. There were no substantive opposing views to the revisions.

ICC further certifies that, concurrent with this filing, a copy of the submission was posted on ICC’s website, and may be accessed at: [https://www.theice.com/clear\\_credit.jhtml](https://www.theice.com/clear_credit.jhtml)

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ICC would be pleased to respond to any questions the Commission or the staff may have regarding this submission. Please direct any questions or requests for information to the attention of the undersigned at (312) 836-6884.

Sincerely,



Michelle Weiler  
Assistant General Counsel

Enclosures

cc: Board of Governors of the Federal Reserve System (by email)  
Stuart E. Sperry, Board of Governors (by email)  
Jeff Walker, Board of Governors (by email)  
Brian O'Keefe, CFTC (by email)  
Sarah Josephson, CFTC (by email)  
John C. Lawton, CFTC (by email)  
Phyllis Dietz, CFTC (by email)  
Steve Greska, CFTC (by email)  
Julie Mohr, CFTC (by email)  
Kate Meyer, CFTC (by email)  
Tad Polley, CFTC (by email)  
Eric Nield, ICE Clear Credit (by email)  
Sarah Williams, ICE Clear Credit (by email)



## Clearing Rules

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## 20. CREDIT DEFAULT SWAPS

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The rules in this Chapter 20 apply to the clearance of CDS Contracts.

### 20-102. Definitions.

#### 2003/2014 Changeover Effective Date

September 22, 2014.

#### 2003 Definitions

The 2003 ISDA Credit Derivatives Definitions, as supplemented by the 2005 Matrix Supplement and the July 2009 Supplement, each as published by ISDA. In the event of any inconsistency between the terms of the July 2009 Supplement and the terms of any other portion of the 2003 Definitions, the terms of the July 2009 Supplement will govern for purposes of the relevant Contract.

#### **2005 Matrix Supplement**

The “2005 Matrix Supplement to the 2003 ISDA Credit Derivatives Definitions” (published on March 7, 2005), as published by ISDA.

#### 2003-Type CDS Contract

A CDS Contract incorporating the 2003 Definitions; provided that in the case of an index CDS Contract, a 2003-Type CDS Contract shall mean a Component Transaction thereof incorporating the 2003 Definitions.

#### **2005 Monoline Supplement**

The “Additional Provisions for Physically Settled Default Swaps – Monoline Insurer as Reference Entity” (published on January 21, 2005), as published by ISDA.

#### 2014 Definitions

The 2014 ISDA Credit Derivatives Definitions, as published by ISDA.

#### 2014-Type CDS Contract

A CDS Contract incorporating the 2014 Definitions; provided that in the case of an index CDS Contract, a 2014-Type CDS Contract shall mean a Component Transaction thereof incorporating the 2014 Definitions.

### **Applicable Credit Derivatives Definitions**

With respect to a 2014-Type CDS Contract, the 2014 Definitions, and with respect to a 2003-Type CDS Contract, the 2003 Definitions, in each case as identified in the relevant List of Eligible Reference Entities, pursuant to the terms of the submitted Contract or otherwise in a manner to be specified by ICE Clear Credit.

### **CDS Committee Rules**

The rules set forth in Chapter 21. Any reference to a particular CDS Committee Rule shall be a reference to the relevant rule in Chapter 21.

### **CDS Committee-Eligible Participant**

Any CDS Participant that has been approved by the Board or its designee, after consultation with the Risk Committee, for participation in one or more Regional CDS Committees under the CDS Committee Rules and in the CDS Default Committee. The Board or its designee, after consultation with the Risk Committee, may revoke (or reinstate) its approval from time to time based on its determination as to whether a particular CDS Participant has been in compliance with these Rules and the ICE Clear Credit Procedures.

### **CDS Contract**

A credit default swap transaction accepted for clearing that meets the criteria established under these Rules. A CDS Contract is a Contract for purposes of Chapter 1 of these Rules.

### **CDS Participant**

A Participant that has been approved by ICE Clear Credit for the submission of CDS Contracts.

### **CDS Physical Settlement Rules**

The rules set forth in Chapter 22 of these Rules. Any reference to a particular CDS Physical Settlement Rule shall be a reference to the relevant rule in Chapter 22 of these Rules.

## CDS Region

A region for which CDS Contracts are cleared by ICE Clear Credit, as determined by the Board or its designee, after consultation with the Risk Committee.

## CDS Regional Business Day

With respect to a CDS Region, any day determined in accordance with the location and other parameters designated by the Board or its designee as a day on which the business of clearing CDS Contracts may occur in the particular CDS Region.

## CDS Restructuring Rules

~~The rules published and designated as such by ICE Clear Credit that specify the rights and obligations of ICE Clear Credit and the relevant CDS Participants under Restructuring CDS Contracts for which either “Restructuring Maturity Limitation and Fully Transferable Obligation Applicable” or “Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable” is specified.~~

[Subchapter 26E of the Rules.](#)

## [Converting Contracts](#)

[Contracts converted as of the 2003/2014 Changeover Effective Date into 2014-Type CDS Contracts \(including index CDS Contracts that have one or more components transactions converted as of such date into 2014-Type CDS Contracts\) as set forth herein, as specified in a list maintained by ICE Clear Credit on its website as of such time.](#)

## DC Rules

The Credit Derivatives Determinations Committees Rules [as published by ISDA, as defined in Section 1.22 of the July 2009 Supplement as the “Rules” in effect from time to time.](#)

## ISDA

The International Swaps and Derivatives Association, Inc., or any successor thereto.

## July 2009 Supplement

The 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement to the 2003 ISDA Credit Derivatives Definitions, as published by ISDA on July 14, 2009.

## **Open CDS Positions**

A CDS Participant's Open Positions in CDS Contracts.

### **20-103 Interpretation Relating to Index CDS Contracts**

Index CDS Contracts comprise a number of separate Component Transactions, each of which may, subject to the Rules, be a 2003-Type CDS Contract or a 2014-Type CDS Contract. Where there is a distinction in the application of the Rules or ICE Clear Credit Procedures or the Applicable Credit Derivatives Definitions as between a 2003-Type CDS Contract and a 2014-Type CDS Contract, the Rules and ICE Clear Credit Procedures and Applicable Credit Derivatives Definitions, as applicable, shall apply separately to each such Component Transaction that is a 2003-Type CDS Contract or 2014-Type CDS Contract, respectively.

#### **20-402. ICE Clear Credit Lien.**

In addition to the lien described in Rule 402(b), each CDS Participant hereby grants ICE Clear Credit, acting on behalf of the relevant Buyer, a continuing lien and security interest in and to all of such CDS Participant's right, title and interest, whether now owned or existing or hereafter acquired or arising, in and to all Buyer Allocated Collateral (as defined in Rule 2204(b)) as security for all obligations of such CDS Participant to such Buyer under all Allocated CDS Contracts (as defined in Rule 2203(a)) between such CDS Participant and such Buyer.

#### **20-605. CDS Participant Default.**

- (a) ICE Clear Credit may determine, subject to paragraph (g) of this Rule, that a CDS Participant is in "**Default**" if such CDS Participant (i) fails to meet, or appears, in the judgment of ICE Clear Credit, likely to fail to meet, any of the CDS Participant's obligations (other than an obligation to Transfer Margin) with respect to, or is otherwise in default or subject to early termination under, the CDS Participant's Contracts with ICE Clear Credit, (ii) fails to Transfer Margin (whether Initial Margin or Mark-to-Market Margin) by the deadline established under these Rules, (iii) is suspended or expelled or whose privileges are revoked by a Market or by ICE Clear Credit, subject to the requirements of Rule 615(b), or (iv) has a guarantor providing a guarantee pursuant to Rule 205 who fails to meet, or appears, in the judgment of ICE Clear Credit, likely to fail to meet, any obligations with respect to, or who is otherwise in default under, the guarantee. If "Automatic Early Termination" is specified as applying to a CDS Participant under its Participant Agreement, then all Open CDS Positions of such CDS Participant

Replacement Participant without loss to ICE Clear Credit pursuant to Rule 20A-02;

(B) With respect to the Open CDS Positions that are House Positions in any account of such Defaulting CDS Participant, to liquidate, set off and/or apply the following resources, in the following order, to cover any amounts paid by ICE Clear Credit in closing or replacing such House Positions or any related Initial Cover Transactions (or in making payments or providing Mark-to-Market Margin to other Participants in respect of corresponding positions), including any commissions, losses, costs or expenses incurred in connection therewith or in connection with the liquidation of applicable Margin applied thereto pursuant to this subclause, and any other obligations of the Defaulting CDS Participant to ICE Clear Credit, including any obligations arising from any other accounts maintained by the Defaulting CDS Participant with ICE Clear Credit:

- (a) any proceeds received by ICE Clear Credit from closing or replacing such House Positions or any related Initial Cover Transactions,
- (b) any property or proceeds thereof deposited with or held by ICE Clear Credit as Margin for such Defaulting Participant's House Positions,
- (c) the Defaulting Participant's Required Contribution and Specific WWR Guaranty Fund Contribution, if any, to the General Guaranty Fund as provided in Rule 802, and
- (d) any other property of or delivered by the Defaulting CDS Participant within the possession or control of ICE Clear Credit (whether or not related to Open CDS Positions), other than any property or proceeds thereof deposited with or held by ICE Clear Credit as Margin for such Defaulting Participant's Client-Related Positions (including any amounts in the Client Omnibus Margin Account);

(C) Notwithstanding the foregoing, to the extent any (i) property or proceeds thereof deposited with or held by ICE Clear Credit as Margin for such Defaulting Participant's House Positions or (ii) any other property of or delivered by the Defaulting CDS Participant within the possession or control of ICE Clear Credit, whether or not related to Open CDS Positions (other than any property or proceeds thereof deposited with or held by ICE Clear Credit as Margin for such Defaulting Participant's Client-Related Positions and the Defaulting Participant's Required ~~contribution~~Contribution to the General Guaranty Fund as provided in Rule

promptly as practicable under the circumstances, replace it with the next CDS Committee-Eligible Participant on the CDS Default Committee Participant List and, pending such replacement, the remaining CDS Default Committee Members shall continue to perform the responsibilities of the CDS Default Committee.

- (f) No CDS Default Committee Member or CDS Default Committee Participant shall be liable to ICE Clear Credit, any Defaulting CDS Participant, any other CDS Participant or any other person for any actions taken or not taken in good faith in its role as CDS Default Committee Member or CDS Default Committee Participant.
- (g) The CDS Default Committee shall assist ICE Clear Credit in determining and executing any Initial Cover Transactions and in determining and thereafter adjusting any Minimum Target Prices and shall provide ICE Clear Credit with recommendations with respect to (i) how prudently to unwind the Open CDS Positions of a Defaulting CDS Participant (both Client-Related Positions and House Positions) and the related Initial Cover Transactions, if any, (ii) how to implement the Default Portability Rules, if applicable and (iii) the particular structure and characteristics of any SR Auction ~~(as defined in Rule 26B-203(a))~~, in each case in accordance with these Rules and the ICE Clear Credit Procedures.
- (h) Except as may be required by applicable law or court order or by a regulatory, self-regulatory or supervising authority having appropriate jurisdiction, each CDS Default Committee Participant and CDS Default Committee Member (each a **“Covered Party”**) agrees (i) to maintain confidentiality as to all non-public information it obtains in the course of its service including, without limitation, the Open CDS Positions of a Defaulting CDS Participant, Minimum Target Prices (or any adjustments thereto), or any other deliberations or determinations related to the actions of ICE Clear Credit upon the Default of a CDS Participant (the **“Confidential Material”**) and (ii) not to use any Confidential Material for its own benefit or the benefit of any of its Affiliates. In the event that a Covered Party is served with or otherwise subject to legal process (including subpoena or discovery notice) requiring it to testify about, to produce, or otherwise to divulge Confidential Material, to the extent permitted by law the Covered Party subject to such process will as soon as practicable inform ICE Clear Credit so that ICE Clear Credit may seek a protective order or other remedy. In the event that such protective order or other remedy has not been obtained and the Covered Party is advised, in the opinion of counsel, that it is legally compelled to disclose any of the Confidential Material, the Covered Party may disclose only such Confidential Material so advised to be disclosed.
- (i) Each CDS Default Committee Participant and CDS Default Committee Member shall be responsible for its own costs associated with its service in such position.

Committee Member to serve as Chairperson of the relevant Regional CDS Committee for the remainder of the outgoing Chairperson's term. Prior service as Chairperson does not disqualify a Committee Member from subsequent terms of service as Chairperson.

- (e) Each Regional CDS Participant shall be responsible for its own costs associated with its participation as a Regional CDS Participant or as a Committee Member unless these CDS Committee Rules specifically provide otherwise.

## **2101-02. Role of the Regional CDS Committees.**

- (a) For the relevant CDS Region, the Regional CDS Committee shall, subject to Rule 2101-02(d) and (e), be responsible for:
  - (i) determining whether a Reference Entity under a CDS Contract has been the subject of a Succession Event (in the case of a 2003-Type CDS Contract) or circumstances giving rise to a Successor and a Succession Date (in the case of a 2014-Type CDS Contract) and, if so, determining the legally effective date of the Succession Event or such circumstances and the identity of the Reference Entity's Successor(s), if any, *provided* that such determination shall be made only where sufficient information is available to the Regional CDS Committee to make such determination;
  - (ii) where necessary in respect of a CDS Contract to which "Standard Reference Obligation" is not applicable hereunder, determining whether a Reference Obligation no longer satisfies the applicable requirements under asuch CDS Contract and, if so, identifying any Substitute Reference Obligation, *provided* that such determination shall be made only where sufficient information is available to the Regional CDS Committee to make such determination;
  - (iii) determining whether a Credit Event for which there is Publicly Available Information has occurred with respect to a CDS Contract on or after the Credit Event Backstop Date ~~(determined by reference to Greenwich Mean Time)~~ and on or prior to the Extension Date ~~(determined by reference to Greenwich Mean Time)~~ with the timing of such Credit Event determined in accordance with the terms of such CDS Contracts and, if so, determining the relevant Event Determination Date, if any, which shall be the first date on which the relevant Regional CDS Committee both has received effective notice ~~prior to the end of the last day of~~ during the relevant Notice Delivery Period or Post Dismissal Additional Period, as applicable, requesting that the Regional CDS Committee determine the matters described in this clause (iii) and is in possession of Publicly Available Information in respect of the relevant Credit Event; *provided, however*, that an Event Determination Date relating to a Relevant Restructuring Credit

Event shall occur in respect of a Restructuring CDS Contract or part thereof only if a relevant party thereto delivers a Restructuring Credit Event Notice relating thereto on or before the relevant Exercise Cut-off Date, as provided in the CDS Restructuring Rules; provided, further, that in circumstances where Section 4.6(d)(ii) of the Applicable Credit Derivatives Definitions would otherwise apply, the Regional CDS Committee will be responsible for determining whether the Repudiation/Moratorium Extension Condition is satisfied (and delivery of a Repudiation/Moratorium Extension Notice will be of no effect).

- (iv) if the applicable method of settlement under a CDS Contract is Physical Settlement (whether initially or due to the fact that the CDS Contract is to be settled in accordance with the Fallback Settlement Method), resolving any questions presented by one or more Committee Members with respect to such CDS Contract regarding (1) whether a particular obligation is a Deliverable Obligation, (2) whether a particular Deliverable Obligation satisfies Section 2.32(a) or 2.33(a) of the ~~Credit Derivatives Definitions~~ 2003 Definitions (in the case of a 2003-Type CDS Contract) or Section 3.31(a) or 3.32(a) of the 2014 Definitions (in the case of a 2014-Type CDS Contract), if applicable (a Deliverable Obligation that satisfies the relevant Section, a **“Permissible Deliverable Obligation”**), (3) the length of the Physical Settlement Period (unless such period is fixed for purposes of the relevant Delivery pursuant to the Applicable Credit Derivatives Definitions), in the case of a 2003-Type CDS Contract, (4) the Accreted Amount of any Accreting Obligation ~~or (5)~~ (in the case of a 2003-Type CDS Contract) or the Outstanding Principal Balance of any relevant Deliverable Obligation (in the case of a 2014-Type CDS Contract), (5) whether an Asset Package Credit Event has occurred in the case of a 2014-Type CDS Contract, the identification of any relevant Asset Package or Largest Asset Package or the methodology for determining the relevant Asset Market Value with respect to a Non-Transferable Instrument or Non-Financial Instrument (in the case of a 2014-Type CDS Contract); or (6) with respect to a Deliverable Obligation, any specific assignment, novation or other document or any other action that may be necessary, customary or desirable and reasonably requested by either party to an Allocated CDS Contract for the purpose of effecting Physical Settlement and, with respect to a Deliverable Obligation that is a Loan, the documentation customarily used in the relevant market for Delivery of such Loan at that time, including any market advisory, and any amendments to such documentation to the extent necessary in order to preserve the economic equivalent, as closely as practicable, of the delivery and payment obligations of the parties under the Applicable Credit Derivatives Definitions; and



- (v) with respect to a CDS Contract, making any other determination requested of it or resolving any disputes referred to it by ICE Clear Credit or its designee or by any Committee Member, excluding (A) making determinations or resolving disputes relating to withholding, gross-up or reimbursement for or on account of any Tax (as defined in Rule 613) or other Tax matters and (B) resolving disputes that are subject to arbitration pursuant to these Rules.
- (b) Subject to Rule 2101-02(d) and (e), ICE Clear Credit shall be responsible for performing any calculations or other determinations required of the Calculation Agent by a CDS Contract, other than those responsibilities specifically delegated to the Regional CDS Committees as provided in Rule 2101-02(a) or as otherwise delegated to the Regional CDS Committees by the Board or its designee. Any Calculation Agent determination made by ICE Clear Credit under this Rule 2101-02(b) may be disputed by any Committee Member referring the determination to the relevant Regional CDS Committee.
- (c) If there is a question presented to the Regional CDS Committee under Rule 2101-02(a)(iv) with respect to whether a particular obligation is a Deliverable Obligation or a Permissible Deliverable Obligation, as applicable, or, in respect of a 2014-Type CDS Contract, the Outstanding Principal Balance of such Deliverable Obligation or Permissible Deliverable Obligation, as applicable, and the answer to the question may differ based on the date as of which the question is answered (for example, ~~the “Not Contingent” characteristic is at issue and~~ there is a contingency that might cease to exist as of a particular date for purposes of the “Not Contingent” Deliverable Obligation Characteristic in the case of a 2003-Type CDS Contract or for purposes of Section 3.8 of the 2014 Definitions in the case of a 2014-Type CDS Contract), the presenter of the question will identify the relevant date.
- (d) Notwithstanding anything to the contrary in this Rule 2101-02 or elsewhere in these Rules, if the July 2009 Supplement applies or 2014 Definitions apply to a CDS Contract, the Regional CDS Committee shall not consider a question under these CDS Committee Rules in respect of such CDS Contract (including where new information, relevant to the question to be considered, has become available) unless a request has been previously submitted to ~~ISDA,~~ as the DC Secretary, to convene the relevant Credit Derivatives Determinations Committee to resolve the answer to such question for the purposes of the relevant CDS Contract (and, where new information as aforesaid has become available, that information has been made available to the DC Secretary with such request) and ~~ISDA~~ the DC Secretary has publicly announced that the relevant Credit Derivatives Determinations Committee has resolved not to determine the answer to such question or will not be deliberating the question.

- (e) For the avoidance of doubt, if the July 2009 Supplement ~~applies~~ or 2014 Definitions apply to a CDS Contract, any determination by a Credit Derivatives Determinations Committee applicable to such CDS Contract shall be binding on ICE Clear Credit and the relevant CDS Participants and shall supersede a prior determination of the same question by the relevant Regional CDS Committee, Dispute Resolver or ICE Clear Credit, as applicable, as provided in Section 9.1(c)(iii) of the ~~Credit Derivatives Definitions~~ 2003 Definitions (in the case of a 2003-Type CDS Contract) or Section 10.2 of the 2014 Definitions (in the case of a 2014-Type CDS Contract) (except as expressly stated otherwise in Section 9.1(c)(iii)(B) thereof, or Section 10.2(a)(i) thereof, as applicable) interpreted as if the relevant Regional CDS Committee, Dispute Resolver or ICE Clear Credit, as applicable, were the Calculation Agent). In the event there is a pending question before a Regional CDS Committee or a Dispute Resolver and ~~ISDA~~ the DC Secretary publicly announces that the conditions are satisfied to convene a Credit Derivatives Determinations Committee to resolve the same question, such Regional CDS Committee or Dispute Resolver shall cease considering such question and, in the event the question is raised again with such Regional CDS Committee or Dispute Resolver following such Credit Derivatives Determinations Committee's proceedings, the process of considering such question by such Regional CDS Committee or Dispute Resolver shall start over from the beginning.
- (f) If the July 2009 Supplement ~~applies~~ or 2014 Definitions apply to a CDS Contract, in each case notwithstanding whether the applicable Regional CDS Committee is entitled to consider the question pursuant to Rule 2101-02(d):
- (i) a question presented to a Regional CDS Committee concerning whether or not an event constitutes a Credit Event with respect to such CDS Contract which includes a description in reasonable detail of the facts and information required to be included in a Credit Event Notice and a Notice of Publicly Available Information shall be deemed to be delivery by a Notifying Party to the other party of a Credit Event Notice and Notice of Publicly Available Information under all relevant CDS Contracts only for the purposes of determining the Credit Event Backstop Date pursuant to Section 1.23 of the ~~Credit Derivatives Definitions~~ 2003 Definitions (in the case of a 2003-Type CDS Contract) or Section 1.39 of the 2014 Definitions (in the case of a 2014-Type CDS Contract) and as otherwise provided in these Rules; and
  - (ii) a question presented to a Regional CDS Committee concerning whether or not an event constitutes a Succession Event or circumstances giving rise to a Successor and a Succession Date with respect to such CDS Contract which includes a description in reasonable detail of the facts required to be included in a Succession Event Notice or Successor Notice, as applicable, shall be deemed to be delivery by one party to the other

party of a Succession Event Notice or Successor Notice, as applicable, under all relevant CDS Contracts only for the purposes of determining the Succession Event Backstop Date pursuant to Section 2.2(i) of the ~~Credit Derivatives Definitions~~2003 Definitions (in the case of a 2003-Type CDS Contract) or the Successor Backstop Date pursuant to Section 2.2(k) of the 2014 Definitions (in the case of a 2014-Type CDS Contract), as applicable, and as otherwise provided in these Rules.

### **2101-03. Meetings of the Regional CDS Committee.**

- (a) ICE Clear Credit or the Chairperson may, and at the request of any two Committee Members the Chairperson will, call a meeting of the Regional CDS Committee on no less than three hours' notice. Meetings may commence at any time between 10:00 a.m. and 6:00 p.m. local time on a CDS Regional Business Day. As part of the notice to Committee Members of the meeting, ICE Clear Credit or the Chairperson, as applicable, shall include a brief description of the circumstances, including (if applicable) which category described in Rule 2101-02(a) the Regional CDS Committee is being asked to consider. Meetings may be held in person or by telephone or videoconference.
- (b) There will be no quorum for holding a meeting of a Regional CDS Committee. The quorum for holding a binding or non-binding vote will be a number of Committee Members equal to the Standard Quorum Number, unless otherwise indicated in a CDS Committee Rule. "**Standard Quorum Number**" means the greater of (i) 5 and (ii) 50 percent of the Regional CDS Participants for the relevant Regional CDS Committee (rounded down to the nearest whole number).
- (c) Each Committee Member will have a single vote on all matters before the Regional CDS Committee. In addition, each Regional CDS Participant agrees that it will cause its Committee Member (or any other person voting on such Committee Member's behalf) to, when casting a ballot in a binding vote, vote for the answer that is, in such voter's good faith belief, the proper answer to the question, taking into account any ambiguities in the application of the terms of the CDS Contract to the particular question.
- (d) The voting standards used in these CDS Committee Rules have the following meanings:
  - (i) a "**Quorum Majority**" means that there is a quorum for the vote and at least a majority of voting Committee Members have voted for a particular answer to the question posed.
  - (ii) a "**Quorum Supermajority**" means that there is a quorum for the vote and at least two-thirds of voting Committee Members have voted for a particular answer to the question posed.

question has been Resolved, it may not be reconsidered or voted on again by the Regional CDS Committee. For the sake of clarity, if a Regional CDS Committee Resolves ~~that~~ (i) that a Credit Event for which there is Publicly Available Information has not occurred with respect to a CDS Contract, but Publicly Available Information not considered by the Regional CDS Committee becomes available to the Regional CDS Committee ~~or~~, (ii) that a particular obligation is or is not a Deliverable Obligation or a Permissible Deliverable Obligation as of a particular date, but the analysis would be different if the Deliverable Obligation Characteristics ~~or Credit Derivatives, 2003~~ 2003 Definitions Section 2.32(a) or 2.33(a), (in the case of a 2003-Type CDS Contract), or 2014 Definitions Section 3.31(a) or 3.32(a) (in the case of a 2014-Type CDS Contract), as applicable, were applied on a different date, or (iii) the Outstanding Principal Balance of a Deliverable Obligation (in the case of a 2014-Type CDS Contract) as of a particular date but the analysis would be different if Section 3.8 of the 2014 Definitions were applied on a different date, a subsequent vote on such Issue is considered a new question rather than reconsideration of the prior question.

- (d) A Regional CDS Committee may, in a binding vote, by a Quorum Majority, decide not to determine the relevant Issue or to dismiss the relevant Issue, in which case the Issue shall be treated as though it had never been raised for consideration by such Regional CDS Committee.

### **2103-03. Referral to Stage 2.**

- (a) An Issue presented to the Regional CDS Committee will be referred to Stage 2 if:
- (i) the Regional CDS Committee holds a binding vote where a Quorum Supermajority are in favor of referring the Issue to Stage 2, in which case all elements of such Issue that have not been Resolved by the Regional CDS Committee through a binding vote will be referred to Stage 2; or
  - (ii) (unless Rule 2103-02(d) applies) the Regional CDS Committee has not fully Resolved all elements of an Issue through a binding vote within the time period described in Rule 2103-02(a), in which case each element not Resolved will be referred to Stage 2.
- (b) If an Issue is referred to Stage 2, the positions to be presented to the Dispute Resolver (each, a “**Presented Position**” and, collectively, the “**Presented Positions**”) in respect of the elements of an Issue not Resolved by the Regional CDS Committee shall be determined as follows:
- (i) In the case of a question that was phrased to be answered with either “yes” or “no”, the Presented Positions shall be both the “yes” and “no” answers.

- (a) The provisions of Sections 9.1(c)(i), (c)(ii), (c)(iv) and (c)(v) of the ~~Credit Derivatives Definitions~~2003 Definitions (in the case of a 2003-Type CDS Contract) and Sections 11.1(c)(i), (c)(ii), (c)(iii) or (c)(iv) of the 2014 Definitions (in the case of a 2014-Type CDS Contract), as applicable, shall be incorporated by reference herein, with (i) references therein to a DC Party deemed to refer to ICE Clear Credit (and its directors, officers, employees and other representatives) and each Committee Member, Regional CDS Participant, Panel Member, or Dispute Resolver and (ii) references therein to the Rules, the Credit Derivatives Determinations Committee, and DC Resolutions deemed to refer to these CDS Committee Rules, the Regional CDS Committee or the Dispute Resolver, and Resolutions by the Regional CDS Committee or the Dispute Resolver, respectively.

- (d) As they relate to an obligation for which a dispute has been presented to the relevant Regional CDS Committee or the relevant Credit Derivatives Determinations Committee as to whether the obligation is a Deliverable Obligation or a Permissible Deliverable Obligation, if applicable, under the terms of the Physically Settled CDS Contract, time periods and related rights and remedies relating to Physical Settlement, for example, under Sections 9.9 and 9.10 of the ~~Credit Derivatives Definitions~~[2003 Definitions \(in the case of a 2003-Type CDS Contract\)](#) or [Sections 9.7, 9.8 and 9.9 of the 2014 Definitions \(in the case of a 2014-Type CDS Contract\)](#) and any applicable cap on settlement, shall be tolled for the period commencing on the date the dispute is first presented until the date of the relevant actual decision to Resolve (i.e., determined without regard to any Effectiveness Convention or any time of effectiveness specified in a Presented Position) or the date ISDA publicly announces the resolution by the relevant Credit Derivatives Determinations Committee, as applicable, whether or not such obligation is a Deliverable Obligation or a Permissible Deliverable Obligation, as applicable, under the terms of the Physically Settled CDS Contract.

### **2203. Effect of Allocation; Notice of Deliveries.**

- (a) Upon the allocation by ICE Clear Credit of Buyers and Sellers to create one or more Matched Delivery Pairs, ICE Clear Credit shall have no further rights or obligations as counterparty with respect to either the portion of the Physically Settled CDS Contract with the Buyer in each Matched Delivery Pair or the portion of the Physically Settled CDS Contract with the Seller in each Matched Delivery Pair, in each case to which the allocated Floating Rate Payer Calculation Amount relates. Instead, the Buyer and Seller in the Matched Delivery Pair shall be deemed to have entered directly with each other into a CDS Contract (an **“Allocated CDS Contract”**) having the same terms as the portion of the Physically Settled CDS Contract to which the allocated Floating Rate Payer Calculation Amount relates, but excluding any terms set forth in Chapters of these Rules prior to Chapter 20, with Seller specified as the Calculation Agent and with a form of ISDA 2002 Master Agreement, as published by ISDA, deemed entered into by the Matched Delivery Pair with a Schedule specifying New York law as the governing law, the Margin provisions of these rules as a Credit Support Document, and each party waiving rights to trial by jury. If the Buyer in a Matched Delivery Pair is not permitted to deliver a Deliverable Obligation specified in the relevant Notice of Physical Settlement or NOPS Amendment Notice to the related Seller because (i) the amount of such Deliverable Obligation is less than the relevant minimum denomination of such Deliverable Obligation or (ii) such Seller is not a permitted transferee under such Deliverable Obligation or Buyer does not obtain any requisite consent with respect to delivery of loans, it shall be treated as an illegality or impossibility outside the parties’ control for the purpose of Section 9.3 of the ~~Credit Derivatives Definitions~~[2003 Definitions \(in](#)

[the case of a 2003-Type CDS Contract](#)) or [Section 9.1 of the 2014 Definitions \(in the case of a 2014-Type CDS Contract\)](#), as applicable, but in the case of clause (ii), Indicative Quotations shall not be applicable. For the sake of clarity, no assets of ICE Clear Credit, including the General Guaranty Fund, shall be available to satisfy obligations of the Buyer or the Seller in respect of an Allocated CDS Contract.

- (b) The parties to a Matched Delivery Pair shall notify ICE Clear Credit in accordance with the procedures it establishes for this purpose of the completion of any delivery under an Allocated CDS Contract or if they have otherwise settled all or part of such Allocated CDS Contract, identifying the relevant amount, Deliverable Obligation and Matched Delivery Pair.

#### **2204. Role of ICE Clear Credit in respect of Allocated CDS Contracts.**

- (a) ICE Clear Credit shall act as collateral agent for the Buyer in a Matched Delivery Pair, holding the related Buyer Allocated Collateral (as defined below) on Buyer's behalf to secure Seller's obligations under each related Allocated CDS Contract.
- (b) The Physical Settlement Margin held by ICE Clear Credit on behalf of a particular Buyer in respect of all Allocated CDS Contracts with a particular Seller shall be determined from time to time as follows: Each ICE Business Day, ICE Clear Credit shall allocate the Physical Settlement Margin for a particular Seller to particular Buyers in Matched Pairs with the relevant Seller on a proportionate basis, based on the remaining obligations of the relevant Seller to each such Buyer under Allocated CDS Contracts (in respect of a particular Buyer and the relevant Seller, and including all proceeds thereof, the "**Buyer Allocated Collateral**"). ICE Clear Credit shall determine the remaining obligations under Allocated CDS Contracts consistent with its procedures for determining appropriate Physical Settlement Margin, taking into account its determination of the value of any relevant Deliverable Obligation at the relevant time.
- (c) In the event that an Early Termination Date in respect of an Allocated CDS Contract occurs or is designated and the Buyer thereunder determines that the Seller thereunder is obligated to make a payment to the Buyer in respect of such Early Termination Date, the Buyer may provide ICE Clear Credit a certificate (an "**Allocated CDS Default Certificate**") signed by a Managing Director (or other substantively equivalent title) of the Buyer, indicating that an Early Termination Date has occurred, identifying the relevant Seller and Allocated CDS Contract(s), and the amount of the payment the Seller is obligated to make to the Buyer in respect of such Early Termination Date. Upon receipt of such a certificate, ICE Clear Credit, on behalf of Buyer, may exercise any and all rights and remedies of a secured party under applicable law and under these Rules in respect of the Buyer Allocated Collateral and pay any Buyer Allocated Collateral or proceeds thereof, after deduction for any costs or expenses incurred in connection

## 26. CLEARED CDS PRODUCTS

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The Subchapters of this Chapter 26 define the particular characteristics of and any additional Rules applicable to the various CDS Contracts cleared by ICE Clear Credit.

### 26A. CDX Untranching North American IG/HY/XO.

The rules in this Subchapter 26A apply to the clearance of CDX.NA Untranching Contracts.

#### 26A-102. Definitions.

##### CDX.NA Untranching Contract

A credit default swap in respect of any Eligible CDX.NA Untranching Index and governed by any CDX.NA Untranching Terms Supplement. A CDX.NA Untranching Contract is a CDS Contract for purposes of Chapter 20.

##### CDX.NA Untranching Publisher

Markit North America, Inc., as successor to CDS IndexCo LLC, or any successor sponsor of the Eligible CDX.NA Untranching Indexes it publishes.

##### CDX.NA Untranching Rules

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

##### CDX.NA Untranching Terms Supplement

Each of the following:

(a) The “CDX Untranching Transactions Standard Terms Supplement”, as published by CDS IndexCo LLC on March 20, 2008 (the “**March 2008 Supplement**”).

(b) The “CDX Untranching Transactions Standard Terms Supplement”, as published by Markit North America, Inc. on January 31, 2011 (the “**January 2011 Supplement**”).

(c) [The “CDX Untranching Transactions Standard Terms Supplement”, as published by Markit North America, Inc. on or about September 20, 2014 \(the “2014 Supplement”\).](#)

##### Eligible CDX.NA Untranching Index



Each particular series and version of a CDX.NA index or sub-index, as published by the CDX.NA Untranchéd Publisher, determined by ICE Clear Credit to be eligible and included in the List of Eligible CDX.NA Untranchéd Indexes.

### **List of Eligible CDX.NA Untranchéd Indexes**

The list of Eligible CDX.NA Untranchéd Indexes, maintained, updated and published by the Board or its designee on the ICE Clear Credit website, specifying the following information with respect to each index:

- (a) the name 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 Untranchéd Terms Supplement;
- (e) the versions (and related annex dates) eligible for clearing (and, if applicable for the relevant index, the Applicable Credit Derivatives Definitions for each component); and
- (f) any inactive versions (and related annex dates), i.e., those that have been determined to be fungible with later versions.

### **Relevant CDX.NA Untranchéd Terms Supplement**

With respect to an Eligible CDX.NA Untranchéd Index, the CDX.NA Untranchéd Terms Supplement specified for such Eligible CDX.NA Untranchéd Index in the List of Eligible CDX.NA Untranchéd Indexes.

### **26A-309. Acceptance of CDX.NA Untranchéd Contracts by ICE Clear Credit.**

- (a) A CDS Participant shall make all reasonable efforts to not submit a Trade for clearance as a CDX.NA Untranchéd Contract, and any such Trade shall not be a Conforming Trade, if the Novation Time would be:
  - (i) at a time when the Fallback Settlement Method is applicable to a Credit Event with respect to such CDX.NA Untranchéd Contract; or
  - (ii) at or after the close of business on the calendar day following the Auction Final Price Determination Date for a Credit Event with respect to such CDX.NA Untranchéd Contract;

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

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

**26A-315. Terms of the Cleared CDX.NA Untranching Contract.**

- (a) Any capitalized term used in this Subchapter 26A but not defined in these CDX.NA Untranching Rules shall have the meaning provided in the Relevant CDX.NA Untranching Terms Supplement.
- (b) For purposes of the CDS Committee Rules, the CDS Region for each CDX.NA Untranching Contract is the North American Region.
- (c) Each CDX.NA Untranching Contract will be governed by the Relevant CDX.NA Untranching Terms Supplement, as modified by these CDX.NA Untranching Rules. In the event of any inconsistency between the Relevant CDX.NA Untranching Terms Supplement or the Confirmation (including in electronic form) for a CDX.NA Untranching Contract and these CDX.NA Untranching Rules, these CDX.NA Untranching Rules will govern.

**26A-316. Updating Index Version of Fungible Contracts After a Credit Event or a Succession Event; Updating Relevant Untranching Standard Terms Supplement.**

- (a) Where the CDX.NA Untranching Publisher of an Eligible CDX.NA Untranching Index publishes one or more subsequent versions or annexes of the relevant series following a Credit Event or a Succession Event [or circumstances giving rise to a Successor and a Succession Date](#) with respect to a Reference Entity included in such series, and the Board or its designee determines that CDX.NA Untranching Contracts referencing the earlier version or annex of such series are fungible with CDX.NA Untranching Contracts referencing a later version or annex of such series that is an Eligible CDX.NA Untranching Index and so notifies CDS Participants, CDX.NA Untranching Contracts referencing the earlier version or annex of such series shall become CDX.NA Untranching Contracts referencing

such later version or annex of such series on the date determined by the Board or its designee (the “**Fungibility Date**”). Any CDX.NA Untranching Contracts referencing the earlier version or annex of such series submitted for clearing after the related Fungibility Date shall, upon acceptance for clearing, become a CDX.NA Untranching Contract referencing the latest version or annex of such series that the Board or its designee has determined is fungible with such earlier version or annex.

- (b) Where a new version of the CDX.NA Untranching Terms Supplement (a “**New Standard Terms**”) is published as of a date that is subsequent to the date of the version that is specified as the Relevant CDX.NA Untranching Terms Supplement for any CDX.NA Untranching Contract(s) (the “**Existing Standard Terms**”), and the Board or its designee determines that CDX.NA Untranching Contracts referencing the Existing Standard Terms are fungible with CDX.NA Untranching Contracts referencing the New Standard Terms, and so notifies CDS Participants, CDX.NA Untranching Contracts referencing the Existing Standard Terms shall become CDX.NA Untranching Contracts referencing the New Standard Terms on the date determined by the Board or its designee (the “**Standard Terms Update Date**” and each prior CDX.NA Untranching Terms Supplement subject to such determination, a “**Superseded Standard Terms**”). Any Trade referencing a Superseded Standard Terms submitted for clearing as a CDX.NA Untranching Contract shall, upon acceptance for clearing, become a CDX.NA Untranching Contract referencing the New Standard Terms.
- (c) The Board or its designee may determine a different Fungibility Date or Standard Terms Update Date applicable to individual CDX.NA Untranching Contracts or groups of CDX.NA Untranching Contracts or may determine a Fungibility Date or Standard Terms Update Date applicable to all CDX.NA Untranching Contracts referencing the earlier version or annex of a series described in clauses (a) or (b) of this Rule, as it deems appropriate.
- (d) Notwithstanding anything to the contrary herein (including Rule 616(b)), with respect to Open Positions in CDX.NA Untranching Contracts that are Converting Contracts, effective as of the 2003/2014 Changeover Effective Date and without need for further action or determination by the Board, the terms of each such Contract shall be deemed amended such that it references the 2014 Supplement in lieu of the Relevant CDX.NA Untranching Terms Supplement in effect prior to such date. The amendments made by this rule 26A-316(d) shall apply as of the 2003/2014 Changeover Effective Date regardless of whether any relevant transaction record in Deriv/SERV is updated to reflect such amendments.

## 26A-317. Terms of CDX.NA Untranching Contracts.

With respect to each CDX.NA Untranching Contract, the following terms will apply:

(a) The following provisions will apply to each CDX.NA Untranching Contract or component thereof to which the 2003 Definitions apply under the Relevant CDX.NA Untranching Standard Terms Supplement. For purposes of this Chapter 26A only, references to the 2003 Definitions shall not include the 2005 Matrix Supplement.

(i) The terms of the CDX.NA Untranching Standard Terms Supplement are hereby amended as follows:

(A) ~~(i)~~ in the case of the March 2008 Supplement, deleting the last sentence of the definition of "Reference Entity" beginning "For the avoidance of doubt"; and

(B) ~~(ii)~~ in the case of the March 2008 Supplement, in the definition of "Reference Obligation(s)": deleting the ",", from the fourth line of the first paragraph thereof and replacing it with "and"; deleting the words "and the following paragraph:" from the end of the first paragraph thereof and replacing them with a period; and deleting the second paragraph thereof in its entirety.

(bii) 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 affect a CDX.NA Untranching Contract, ICE Clear Credit shall, as promptly as practicable, make conforming changes to these Rules in order to implement such resolutions. Notwithstanding anything to the contrary in Rule 616, any change made to the Rules in accordance with this paragraph (b) shall not constitute a Contract Modification.

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

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

(div) If the March 2008 Supplement applies, any reference in a CDX.NA Untranching 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) (the “**Existing Supplements**”)) 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. In the event of any inconsistency between the terms of the July 2009 Supplement and the terms of the 2003 ISDA Credit Derivatives Definitions (including any Existing Supplements), the terms of the July 2009 Supplement shall prevail for the purposes of such CDX.NA Untranchured Contract.

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

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

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

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

(evi) If the March 2008 Supplement applies, for the purposes of any determination as to whether a Succession Event has occurred in respect of a Reference Entity:

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

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

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

If the January 2011 Supplement applies, Section 6.7 of the January 2011 Supplement is hereby modified by inserting “or a Succession Event Notice is deemed delivered pursuant to Rule 2101-02(f), in either case” before the words “before June 20, 2009”.

(evii) Except for purposes of Rule 26A-317(e) and Section 1.23 of the **Credit Derivatives 2003** Definitions, a Credit Event Notice and Notice of Publicly Available Information with respect to a CDX.NA Untranchured Contract will

be deemed to have been effectively delivered by the Notifying Party on the relevant Event Determination Date determined under the CDS Committee Rules only when the Resolution is effective, under the CDS Committee Rules, that a Credit Event has occurred for which there is Publicly Available Information, as described in CDS Committee Rule 2101-02(a)(iii), with respect to such CDX.NA Untranching Contract. Notwithstanding anything to the contrary in the ~~Credit Derivatives~~2003 Definitions, any delivery of a Credit Event Notice and/or Notice of Publicly Available Information by a CDS Participant (other than the deemed delivery as provided in this Rule 26A-317(g)) shall not be valid. For the avoidance of doubt, Section 6.8 of the January 2011 Supplement shall not apply.

(hviii) (iA) Section 1.8(a)(ii)(A)(l)(3)(y) of the ~~Credit Derivatives~~2003 Definitions is hereby modified by replacing the term “Auction Final Price Determination Date” with the phrase “date that is one Relevant City Business Day prior to the Auction Settlement Date”.

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

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

(b) The following provisions will apply to each CDX.NA Untranching Contract or component thereof to which the 2014 Definitions apply under the Relevant CDX.NA Untranching Standard Terms Supplement.

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

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

- (ii) Except for purposes of Section 1.39 of the 2014 Definitions, a Credit Event Notice and Notice of Publicly Available Information with respect to a CDX.NA Untranchured Contract for a Credit Event other than M(M)R Restructuring will be deemed to have been effectively delivered by the Notifying Party on the relevant Event Determination Date determined under the CDS Committee Rules only when the Resolution is effective, under the CDS Committee Rules, that a Credit Event other than M(M)R Restructuring has occurred for which there is Publicly Available Information, as described in CDS Committee Rule 2101-02(a)(iii), with respect to such CDX.NA Untranchured Contract. Notwithstanding anything to the contrary in the 2014 Definitions, any delivery of a Credit Event Notice and/or Notice of Publicly Available Information by a CDS Participant (other than (i) the deemed delivery as provided in this Rule 26A-317(b)(ii) or (ii) notices with respect to a Relevant Restructuring Credit Event as provided in the CDS Restructuring Rules) shall not be valid.

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

- (iv) With respect to CDX.NA Untranchured Contracts for which it is Resolved by the ~~North American~~ Regional CDS Committee (or applicable Dispute Resolver) or Credit Derivatives Determinations Committee that a Credit Event has occurred for which there is Publicly Available Information, as described in CDS Committee Rule 2101-02(a)(iii) or the DC Rules, as applicable, Buyer may not deliver a Notice of Physical Settlement until after it is determined that the method of settlement for a particular Credit Event is the Fallback Settlement Method due to the occurrence of one of the events in Section ~~42.16.1~~ of the ~~Credit Derivatives~~2014 Definitions, and as further provided in the CDS Physical Settlement Rules. For the avoidance of doubt, the effectiveness of any Notice of Physical Settlement

and obligations relating thereto are subject to the suspension and finality provisions of Sections [6.510.1](#) and [9.1\(e\)\(iii\)10.2](#) of the [Credit Derivatives2014](#) Definitions.

- (~~k~~[c](#)) [The Settlement Method for particular CDX.NA Untranching Contracts will be Auction Settlement and the Fallback Settlement Method will be Physical Settlement in accordance with the CDS Physical Settlement Rules.](#)
- ([d](#)) ICE Clear Credit is deemed an Index Party for purposes of ~~Paragraph 6.1(b) of~~ the CDX.NA Untranching Standard Terms Supplement.
- (~~l~~[e](#)) The following terms will apply to each CDX.NA Untranching Contract:
  - (i) The “Agreement” is the Participant Agreement between the relevant CDS Participant and ICE Clear Credit.
  - (ii) The “Source of Relevant Annex” is “Publisher”.
  - (iii) The “Effective Date” is the date specified in the List of Eligible CDX.NA Indexes for the relevant Index.
  - (iv) The “Calculation Agent” is ICE Clear Credit, except as provided in the CDS Committee Rules.
  - (v) There are no “Excluded Reference Entities”.
  - (vi) “De Minimis Cash Settlement” is not applicable.
  - (vii) The “Fixed Rate” is the rate specified in the List of Eligible CDX.NA Indexes for the relevant Index and Scheduled Termination Date.
  - (viii) The “Initial Payment Date” will be the date that is the first Business Day immediately following the Trade Date; provided that with respect to a CDX.NA Untranching Contract that is accepted for clearing pursuant to Rule 309 after the Trade Date thereof, the “Initial Payment Date” will be the date that is the first Business Day following the date as of which such CDX.NA Untranching Contract is accepted for clearing pursuant to Rule 309.
- (~~m~~[f](#)) For each CDX.NA Untranching Contract, the following terms will be determined according to the particular CDX.NA Untranching Contract submitted for clearing:
  - (i) Which of the Eligible CDX.NA Untranching Indexes is the “Index”.
  - (ii) The “Annex Date”.



## **26B. Standard North American Corporate (“SNAC”) Single Name.**

The rules in this Subchapter 26B apply to the clearance of SNAC Contracts.

### **26B-102. Definitions.**

#### **Eligible SNAC Reference Entities**

Each particular Reference Entity included in the List of Eligible SNAC Reference Entities as determined by ICE Clear Credit to be eligible. For the avoidance of doubt, if there are multiple Reference Entity Database codes (as published by Markit Group Limited or any successor thereto, such codes “**RED Codes**”) for a particular Reference Entity listed in the List of Eligible SNAC Reference Entities, each such RED Code shall be treated as a separate Eligible SNAC Reference Entity.

#### **Eligible SNAC Reference Obligations**

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

#### **Eligible SNAC Sector**

With respect to any SNAC Sector (as published by Markit Group Limited or any successor thereto) for any Eligible SNAC Reference Entity, the Eligible SNAC Sectors listed under the heading “Sector as reported in Rollout Schedule” for such Eligible SNAC Reference Entities in the List of Eligible SNAC Reference Entities shall be any of the following:

- (a) Basic Materials;
- (b) Consumer Goods;
- (c) Consumer Services;
- (d) Energy;
- (e) Financials;

- (f) Healthcare;
- (g) Industrials;
- (h) Technology;
- (i) Telecommunications Services; and
- (j) Utilities.

### List of Eligible SNAC Reference Entities

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

- (a) the name of such Eligible SNAC Reference Entity and the RED Code(s) for such Eligible SNAC Reference Entity;
- (b) each Relevant Physical Settlement Matrix and Transaction Type for such Eligible SNAC Reference Entity (which shall be Standard North American Corporate);
- (c) each SNAC Contract Reference Obligation and each Eligible SNAC Reference Obligation for each such SNAC Contract Reference Obligation;
- (d) each eligible “Scheduled Termination Date”;
- (e) whether “Restructuring” is an eligible “Credit Event”;
- (f) the eligible Applicable Credit Derivatives Definitions for such Contract;
- (g) in the case of a 2003-Type CDS Contract:
  - (i) whether the 2005 Monoline Supplement is applicable;
  - (gii) whether the Additional Provisions for a Secured Deliverable Obligation Characteristic, as published by ISDA on June 16, 2006 (the “**Secured Deliverable Obligation Characteristic Supplement**”) is applicable;
  - (giii) whether the Additional Provisions for Reference Entities with Delivery Restrictions, as published by ISDA on February 1, 2007 (the “**Delivery Restrictions Supplement**”) is applicable; ~~and~~

- (h) in the case of a 2014-Type CDS Contract, whether any additional supplement or additional provisions under the 2014 Definitions are applicable;
- (i) the Eligible SNAC Sector;
- (j) in the case of a 2014-Type CDS Contract, whether the Financial Reference Entity Terms are applicable.
- (k) in the case of a 2014-Type CDS Contract, the eligible Seniority Levels.
- (l) in the case of a 2014-Type CDS Contract, whether “Standard Reference Obligation” is applicable.

### **Permitted SNAC Fixed Rates**

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

### **Relevant Physical Settlement Matrix**

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

### **SNAC Contract**

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

### **SNAC Contract Reference Obligations**

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

thereafter be such Standard Reference Obligation, subject to Section 2.9 of the 2014 Definitions.

## SNAC Rules

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

### 26B-203. Restriction on Activity.

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

### **26B-206. Notices Required of Participants with respect to SNAC Contracts.**

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

### **26B-303. SNAC Contract Adjustments.**

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

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

### **26B-309. Acceptance of SNAC Contracts by ICE Clear Credit.**

- (a) In addition to the acceptance process described in Rule 309, ICE Clear Credit’s notice to the relevant CDS Participants that it has accepted a Trade submitted for clearance shall include any adjustment that will be made by ICE Clear Credit pursuant to Rule 26B-303. Such CDS Participants’ resubmission of the terms of such Trade, as provided in Rule 309, shall include the adjustments described by ICE Clear Credit in such notice.

- (b) A CDS Participant shall make all reasonable efforts to not submit a Trade for clearance as a SNAC Contract, and any such Trade shall not be a Conforming Trade, if the Novation Time would be:
- (i) at a time when the Fallback Settlement Method is applicable to such SNAC Contract;
  - (ii) at or after the close of business on the calendar day following the Auction Final Price Determination Date for such SNAC Contract; or
  - (iii) on or after the calendar day following the day on which the Final List (as defined in the DC Rules) is published for a Restructuring CDS Contract and at or before the close of business on the calendar day following the CDS Regional Business Day following the latest possible Exercise Cut-off Date for the related Relevant Restructuring Credit Event under such Restructuring CDS Contract;

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

- (c) A CDS Participant may not submit a Trade for clearance as a SNAC Contract, and any such Trade shall not be a Conforming Trade, if the time of submission of the Trade or the Novation Time would be at a time when the CDS Participant (or any Non-Participant Party for whom such Participant is acting) is, or is an Affiliate of, the Eligible SNAC Reference Entity for such SNAC Contract or is subject to an agreement under which it is reasonably likely that the CDS Participant (or any such Non-Participant Party) will become, or will become an Affiliate of, the Eligible SNAC Reference Entity for such SNAC Contract.
- (d) A CDS Participant shall as soon as reasonably practicable notify ICE Clear Credit if any Trade it has submitted for clearance was not at the time of submission, or ceases to be prior to the Novation Time, a Conforming Trade.
- (e) If ICE Clear Credit determines that any Trade submitted for clearance would have been subject to a Succession Event ([in the case of a 2003-Type CDS Contract](#)) or circumstances giving rise to a Successor and a Succession Date ([in the case of a 2014-Type CDS Contract](#)) but will no longer be subject to such Succession Event [or such circumstances, as the case may be](#), upon clearance because of the Trade Date that would be specified with respect to the related Open CDS Position, ICE Clear Credit shall take such action as it deems necessary to ensure that such Succession Event is given effect [or such circumstances are given effect, as the case may be](#), with respect to such Trade,

including, without limitation, declining to accept such Trade for clearance or specifying an alternate Trade Date for purposes of Section 2.1 of the [Applicable Credit Derivatives Definitions](#) with respect to the relevant portion of the related Open CDS Position.

#### **26B-315. Terms of the Cleared SNAC Contract.**

- (a) Any capitalized term used in this Subchapter 26B but not defined in these SNAC Rules shall have the meaning provided in the Credit Derivatives Definitions.
- (b) For purposes of the CDS Committee Rules, the CDS Region for each SNAC Contract is the North American Region.
- (c) The definitions and provisions contained in the ~~2003 ISDA~~[Applicable](#) Credit Derivatives Definitions ~~as supplemented by each of the 2005 Matrix Supplement and the July 2009 Supplement and, if applicable to the relevant SNAC Contract, the 2005 Monoline Supplement, the Secured Deliverable Obligation Characteristic Supplement and/or the Delivery Restrictions Supplement, each as published by ISDA (as so supplemented,~~ (for the purposes of the SNAC Rules only, the **“Credit Derivatives Definitions”**); are incorporated into the SNAC Rules. ~~In the event of any inconsistency between the terms of the July 2009 Supplement and the terms of any other portion of the Credit Derivatives Definitions, the terms of the July 2009 Supplement shall prevail for purposes of the relevant SNAC Contract.~~ In the event of any inconsistency between the Credit Derivatives Definitions or the Confirmation (including in electronic form) for a SNAC Contract and these SNAC Rules, these SNAC Rules will govern.
- (d) [The following provisions shall apply if the Applicable Credit Derivatives Definitions are the 2003 Definitions:](#)
  - (i) If a Convened DC (as defined in the DC Rules) resolves, pursuant to ~~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 affect a SNAC Contract, ICE Clear Credit shall, as promptly as practicable, make conforming changes to these Rules in order to implement such resolutions. Notwithstanding anything to the contrary in Rule 616, any change made to the Rules in accordance with this paragraph (d) shall not constitute a Contract Modification.
  - (~~e~~ii) Section 3.2(c)(i) of the Credit Derivatives Definitions is hereby amended by replacing the “or” at the end of subparagraph (B) thereof with an “and” and adding the following as a new subparagraph (C):

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

(fiii) Except for purposes of Section 1.23 of the Credit Derivatives Definitions, a Credit Event Notice and Notice of Publicly Available Information with respect to a SNAC Contract will be deemed to have been effectively delivered by the Notifying Party for a Credit Event other than Restructuring on the relevant Event Determination Date determined under the CDS Committee Rules only when the Resolution is effective, under the CDS Committee Rules, that a Credit Event other than Restructuring has occurred for which there is Publicly Available Information, as described in CDS Committee Rule 2101-02(a)(iii), with respect to such SNAC Contract. Notwithstanding anything to the contrary in the Credit Derivatives Definitions, any delivery of a Credit Event Notice and/or Notice of Publicly Available Information by a CDS Participant (other than (i) the deemed delivery as provided in this Rule 26B-315(f) or (ii) notices with respect to a Relevant Restructuring Credit Event as provided in the CDS Restructuring Rules) shall not be valid.

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

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

~~(h) The Settlement Method for particular SNAC Contracts will be Auction Settlement and the Fallback Settlement Method will be Physical Settlement in accordance with the CDS Physical Settlement Rules.~~(iv) With respect to SNAC Contracts for which it is Resolved by the North American Regional CDS Committee (or applicable Dispute Resolver) or Credit Derivatives Determinations Committee that a Credit Event has occurred for which there is Publicly Available Information, as described in CDS Committee Rule 2101-02(a)(iii) or the DC Rules, as applicable, Buyer may not deliver a Notice of Physical Settlement until after it is determined that the method of settlement for a particular Credit Event is the Fallback Settlement Method due to the occurrence of one of the events in Section 12.1 of the Credit Derivatives Definitions and as further provided in the CDS Physical Settlement Rules. For the avoidance of doubt, the effectiveness of



any Notice of Physical Settlement and obligations relating thereto are subject to the suspension and finality provisions of Sections 6.5 and 9.1(c)(iii) of the Credit Derivatives Definitions.

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

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

(ke) The following ~~terms will apply to each SNAC Contract~~ provisions shall apply if the Applicable Credit Derivatives Definitions are the 2014 Definitions:

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

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

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

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

(iv) With respect to SNAC Contracts for which it is Resolved by the Regional CDS Committee (or applicable Dispute Resolver) or Credit Derivatives Determinations Committee that a Credit Event has occurred for which there is Publicly Available Information, as described in CDS Committee Rule 2101-02(a)(iii) or the DC Rules, as applicable, Buyer may not deliver a Notice of Physical Settlement until after it is determined that the method of settlement for a particular Credit Event is the Fallback Settlement Method due to the occurrence of one of the events in Section 6.1 of the 2014 Definitions, and as further provided in the CDS Physical Settlement Rules. For the avoidance of doubt, the effectiveness of any Notice of Physical Settlement and obligations relating thereto are subject to the suspension and finality provisions of Sections 10.1 and 10.2 of the 2014 Definitions.

(v) Section 11.4 of the Credit Derivatives Definitions shall not apply.

(f) The Settlement Method for particular SNAC Contracts will be Auction Settlement and the Fallback Settlement Method will be Physical Settlement in accordance with the CDS Physical Settlement Rules.

(g) The following terms will apply to each SNAC Contract:

(i) The “Agreement” is the Participant Agreement between the relevant CDS Participant and ICE Clear Credit.

(ii) The “Calculation Agent” is ICE Clear Credit, except as provided in the CDS Committee Rules.

(iii) The “Transaction Type” is Standard North American Corporate.

(iv) The “Fixed Rate Payer Payment Dates” will be March 20, June 20, September 20 and December 20.

(v) In the case of a 2003-Type CDS Contract:

(i) The 2005 Monoline Supplement will apply if specified as applicable in the List of Eligible SNAC Reference Entities for the relevant SNAC Contract.

(~~viii~~) The Secured Deliverable Obligation Characteristic Supplement will apply if specified as applicable in the List of Eligible SNAC Reference Entities for the relevant SNAC Contract.

(~~viii~~) The Delivery Restrictions Supplement will apply if specified as applicable in the List of Eligible SNAC Reference Entities for the relevant SNAC Contract.

(~~ix~~vi) In the case of a 2014-Type CDS Contract, any supplement or additional provisions specified as applicable in the List of Eligible SNAC Reference Entities for the relevant SNAC Contract will apply.

(vii) In the case of a 2014-Type CDS Contract, the Financial Reference Entity Terms will apply if specified as applicable in the List of Eligible SNAC Reference Entities.

(viii) The “Initial Payment Date” will be the date that is the first Business Day immediately following the Trade Date; provided that with respect to a SNAC Contract that is accepted for clearing pursuant to Rule 309 after the Trade Date thereof, the “Initial Payment Date” will be the date that is the first Business Day following the date as of which such SNAC Contract is accepted for clearing pursuant to Rule 309.

(h) For each SNAC Contract, the following terms will be determined according to the particular SNAC Contract submitted for clearing, subject to Rule 26B-303:

- (i) Which of the Eligible SNAC Reference Entities is the “Reference Entity”.
- (ii) Which of the SNAC Contract Reference Obligations specified for the Reference Entity in the List of Eligible SNAC Reference Entities is the “Reference Obligation”.
- (iii) The “Trade Date”.
- (iv) The “Effective Date”.
- (v) Which of the eligible Scheduled Termination Dates specified for the “Reference Entity” in the List of Eligible SNAC Reference Entities is the “Scheduled Termination Date”.
- (vi) The “Floating Rate Payer Calculation Amount”.
- (vii) The “Floating Rate Payer”.
- (viii) The “Fixed Rate Payer”.

- (ix) The “Fixed Rate”.
- (x) Whether “Restructuring” is an applicable “Credit Event”.
- (xi) If applicable, the Matrix Publication Date for the Relevant Physical Settlement Matrix.
- (xii) The “Initial Payment Payer”.
- (xiii) The “Initial Payment Amount”.
- [\(xiv\) Which of the eligible Applicable Credit Derivatives Definitions applies.](#)
- [\(xv\) In the case of a 2014-Type CDS Contract, which of the eligible Seniority Levels applies.](#)

#### **26B-316. Relevant Physical Settlement Matrix Updates.**

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

#### **26B-502. Specified Actions.**

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

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

**26B-616. Contract Modification.**

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

(b) Notwithstanding anything to the contrary herein (including Rule 616(b)), with respect to Open Positions in SNAC Contracts that are Converting Contracts, effective as of the 2003/2014 Changeover Effective Date and without need for further action or determination by the Board, the terms of each such Contract will be deemed amended such that it is a 2014-Type CDS Contract under these Rules, the Applicable Credit Derivatives Definitions are the 2014 Definitions and it references the New Matrix with a Matrix Update Date of the 2003/2014 Changeover Effective Date. The amendments made by this rule 26B-616 shall apply as of the 2003/2014 Changeover Effective Date regardless of whether any relevant transaction record in Deriv/SERV is updated to reflect such amendments.

## **26C. CDX Untranching Emerging Markets.**

The rules in this Subchapter 26C apply to the clearance of CDX.EM Untranching Contracts.

### **26C-102. Definitions.**

#### **CDX.EM Untranching Contract**

A credit default swap in respect of any Eligible CDX.EM Untranching Index and governed by any CDX.EM Untranching Terms Supplement. A CDX.EM Untranching Contract is a CDS Contract for purposes of Chapter 20.

#### **CDX.EM Untranching Publisher**

Markit North America, Inc., or any successor sponsor of the Eligible CDX.EM Untranching Indexes it publishes.

#### **CDX.EM Untranching Rules**

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

#### **CDX.EM Untranching Terms Supplement**

Each of the following:

(a) The “CDX [Emerging Markets](#) Untranching Transactions Standard Terms Supplement”, as published by Markit North America, Inc. on January 31, ~~2011~~ [2011](#) (the “2011 Supplement”).

(b) The “[CDX Emerging Markets Untranching Transactions Standard Terms Supplement](#)”, as published by [Markit North America, Inc. on or about September 20, 2014](#) (the “2014 Supplement”).

#### **Eligible CDX.EM Untranching Index**

Each particular series and version of a CDX.EM index or sub-index, as published by the CDX.EM Untranching Publisher, determined by ICE Clear Credit to be eligible and included in the List of Eligible CDX.EM Untranching Indexes.

#### **List of Eligible CDX.EM Untranching Indexes**

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

- (a) the name 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.EM Untranching Terms Supplement;
- (e) the versions (and related annex dates) eligible for clearing (and, if applicable for the relevant index, the Applicable Credit Derivatives Definitions for each component); and
- (f) any inactive versions (and related annex dates), i.e., those that have been determined to be fungible with later versions.

### **Relevant CDX.EM Untranching Terms Supplement**

With respect to an Eligible CDX.EM Untranching Index, the CDX.EM Untranching Terms Supplement specified for such Eligible CDX.EM Untranching Index in the List of Eligible CDX.EM Untranching Indexes.

### **26C-309. Acceptance of CDX.EM Untranching Contracts by ICE Clear Credit.**

- (a) A CDS Participant shall make all reasonable efforts to not submit a Trade for clearance as a CDX.EM Untranching Contract, and any such Trade shall not be a Conforming Trade, if the Novation Time would be:
  - (i) at a time when the Fallback Settlement Method is applicable to a Credit Event with respect to such CDX.EM Untranching Contract; or
  - (ii) at or after the close of business on the calendar day following the Auction Final Price Determination Date for a Credit Event with respect to such CDX.EM Untranching Contract;

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

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

**26C-315. Terms of the Cleared CDX.EM Untranching Contract.**

- (a) Any capitalized term used in this Subchapter 26C but not defined in these CDX.EM Untranching Rules shall have the meaning provided in the Relevant CDX.EM Untranching Terms Supplement.
- (b) For purposes of the CDS Committee Rules, the CDS Region for each CDX.EM Untranching Contract is the North American Region for Latin American Reference Entities, the European Region for European Reference Entities and the Asian Region for Asian Reference Entities (or for an issue not specific to a particular Reference Entity, the North American Region).
- (c) Each CDX.EM Untranching Contract will be governed by the Relevant CDX.EM Untranching Terms Supplement, as modified by these CDX.EM Untranching Rules. In the event of any inconsistency between the Relevant CDX.EM Untranching Terms Supplement or the Confirmation (including in electronic form) for a CDX.EM Untranching Contract and these CDX.EM Untranching Rules, these CDX.EM Untranching Rules will govern.

**26C-316. Updating Index Version of Fungible Contracts After a Credit Event or a Succession Event; Updating Relevant Untranching Standard Terms Supplement.**

- (a) Where the CDX.EM Untranching Publisher of an Eligible CDX.EM Untranching Index publishes one or more subsequent versions or annexes of the relevant series following a Credit Event or a Succession Event [or circumstances giving rise to a Successor and a Succession Date](#) with respect to a Reference Entity included in such series, and the Board or its designee determines that CDX.EM Untranching Contracts referencing the earlier version or annex of such series are fungible with CDX.EM Untranching Contracts referencing a later version or annex of such series that is an Eligible CDX.EM Untranching Index and so notifies CDS Participants, CDX.EM Untranching Contracts referencing the earlier version or annex of such series shall become CDX.EM Untranching Contracts referencing such later version or annex of such series on the date determined by the Board or its designee (the “**CDX.EM Fungibility Date**”). Any CDX.EM Untranching Contracts referencing the earlier version or annex of such series submitted for clearing after the related CDX.EM Fungibility Date shall, upon acceptance for clearing, become a CDX.EM Untranching Contract referencing the latest version or annex of such series that the Board or its designee has determined is fungible with such earlier version or annex.



- (b) Where a new version of the CDX.EM Untranching Terms Supplement (a “**New CDX.EM Standard Terms**”) is published as of a date that is subsequent to the date of the version that is specified as the Relevant CDX.EM Untranching Terms Supplement for any CDX.EM Untranching Contract(s) (the “**Existing CDX.EM Standard Terms**”), and the Board or its designee determines that CDX.EM Untranching Contracts referencing the Existing CDX.EM Standard Terms are fungible with CDX.EM Untranching Contracts referencing the New CDX.EM Standard Terms, and so notifies CDS Participants, CDX.EM Untranching Contracts referencing the Existing CDX.EM Standard Terms shall become CDX.EM Untranching Contracts referencing the New CDX.EM Standard Terms on the date determined by the Board or its designee (the “**CDX.EM Standard Terms Update Date**” and each prior CDX.EM Untranching Terms Supplement subject to such determination, a “**Superseded CDX.EM Standard Terms**”). Any Trade referencing a Superseded CDX.EM Standard Terms submitted for clearing as a CDX.EM Untranching Contract shall, upon acceptance for clearing, become a CDX.EM Untranching Contract referencing the New CDX.EM Standard Terms.
- (c) The Board or its designee may determine a different Fungibility Date or CDX.EM Standard Terms Update Date applicable to individual CDX.EM Untranching Contracts or groups of CDX.EM Untranching Contracts or may determine a Fungibility Date or CDX.EM Standard Terms Update Date applicable to all CDX.EM Untranching Contracts referencing the earlier version or annex of a series or standard terms described in clauses (a) or (b) of this Rule, as it deems appropriate.
- (d) Notwithstanding anything to the contrary herein (including Rule 616(b)), with respect to Open Positions in CDX.EM Untranching Contracts that are Converting Contracts, effective as of the 2003/2014 Changeover Effective Date and without need for further action or determination by the Board, the terms of each such Contract shall be deemed amended such that it references the 2014 Supplement in lieu of the Relevant CDX.EM Untranching Terms Supplement in effect prior to such date. The amendments made by this Rule 26C-316(d) shall apply as of the 2003/2014 Changeover Effective Date regardless of whether any relevant transaction record in Deriv/SERV is updated to reflect such amendments.

#### **26C-317. Terms of CDX.EM Untranching Contracts.**

With respect to each CDX.EM Untranching Contract, the following terms will apply:

- (a) The following provisions will apply to each CDX.EM Untranching Contract or component thereof to which the 2003 Definitions apply under the Relevant CDX.EM Untranching Terms Supplement. For purposes of this Chapter 26C only, references to the 2003 Definitions shall not include the 2005 Matrix Supplement.

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

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

(bii) Intentionally omitted.

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

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

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

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

(div) Section 6.8 of the CDX.EM Untranchored Terms Supplement is hereby modified by inserting "or a Succession Event Notice is deemed delivered pursuant to Rule 2101-02(f), in either case" before the words "before June 20, 2009".

(ev) Except for purposes of Rule 26C-317(c) and Section 1.23 of the Credit Derivatives Definitions, a Credit Event Notice and Notice of Publicly Available Information with respect to a CDX.EM Untranchored Contract for a Credit Event other than Restructuring will be deemed to have been effectively delivered by the Notifying Party on the relevant Event Determination Date determined under the CDS Committee Rules only when the Resolution is effective, under the CDS Committee Rules, that a Credit Event other than Restructuring has occurred for which there is Publicly Available Information, as described in CDS Committee Rule 2101-02(a)(iii), with respect to such CDX.EM Untranchored Contract. Notwithstanding anything to the contrary in the Credit Derivatives Definitions, any delivery of a Credit Event Notice and/or Notice of Publicly Available Information by a CDS Participant (other than (i) the deemed delivery as provided in this Rule 26C-317(e) or (ii) notices with respect to a Relevant Restructuring Credit Event as provided in the CDS Restructuring Rules) shall not be valid. For the

avoidance of doubt, Section 6.9 of the CDX.EM Untranching Terms Supplement shall not apply.

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

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

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

(b) The following provisions will apply to each CDX.EM Untranching Contract or component thereof to which the 2014 Definitions apply under the Relevant CDX.EM Untranching Terms Supplement:

~~(i) ICE Clear Credit is deemed an Index Party for purposes of Paragraph 6.1(b) of the CDX.EM Untranching Standard Terms Supplement. Section 8.10(a) of the 2014 Definitions is hereby amended by replacing the "." at the end of subparagraph (B) thereof with "; and" and adding the following as a new subparagraph (C):~~

"(C) the tenth calendar day after the date of the actual decision by the relevant Regional CDS Committee (or Dispute Resolver) to Resolve (i.e., determined without regard to any Effectiveness Convention or any time of effectiveness specified in a Presented Position) that a Credit Event has

occurred for which there is Publicly Available Information, as described in CDS Committee Rule 2101-02(a)(iii), with respect to such CDX.NA Untranchured Contracts."

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

- (d) ICE Clear Credit is deemed an Index Party for purposes of the CDX.EM Untranchéd Terms Supplement.
- (j) ~~Section 6.5(c)(ii) of the~~ Notwithstanding anything to the contrary in the Relevant CDX.EM Untranchéd Standard Terms Supplement is 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 (as defined therein) will be the Reference Obligation for the Restructured Entity in question as specified by ICE Clear Credit following consultation with the CDS Risk Committee (which for the avoidance of doubt may be determined by reference to any Standard Reference Obligation).”
- (k) The following terms will apply to each CDX.EM Untranchéd Contract:
- (i) The “Agreement” is the Participant Agreement between the relevant CDS Participant and ICE Clear Credit.
  - (ii) The “Source of Relevant Annex” is “Publisher”.
  - (iii) The “Effective Date” is the date specified in the List of Eligible CDX.EM Indexes for the relevant Index.
  - (iv) The “Calculation Agent” is ICE Clear Credit, except as provided in the CDS Committee Rules.
  - (v) There are no “Excluded Reference Entities”.
  - (vi) “De Minimis Cash Settlement” is not applicable.
  - (vii) The “Fixed Rate” is the rate specified in the List of Eligible CDX.EM Indexes for the relevant Index and Scheduled Termination Date.
  - (viii) The “Initial Payment Date” will be the date that is the first Business Day immediately following the Trade Date; provided that with respect to a CDX.EM Untranchéd Contract that is accepted for clearing pursuant to Rule 309 after the Trade Date thereof, the “Initial Payment Date” will be the date that is the first Business Day following the date as of which such CDX.EM Untranchéd Contract is accepted for clearing pursuant to Rule 309.
- (l) For each CDX.EM Untranchéd Contract, the following terms will be determined according to the particular CDX.EM Untranchéd Contract submitted for clearing:
- (i) Which of the Eligible CDX.EM Untranchéd Indexes is the “Index”.
  - (ii) The “Annex Date”.

## 26D. Standard Emerging [Market Sovereign \(“SES”\)](#) Single Name.

The rules in this Subchapter 26D apply to the clearance of SES Contracts.

### 26D-102. Definitions.

#### Eligible SES Reference Entities

Each particular Reference Entity included in the List of Eligible SES Reference Entities as determined by ICE Clear Credit to be eligible (specifically, the Federative Republic of Brazil, the United Mexican States, the ~~Bolivian~~[Bolivarian](#) Republic of Venezuela, the Argentine Republic, the Republic of Turkey and the Russian Federation). For the avoidance of doubt, if there are multiple Reference Entity Database codes (as published by Markit Group Limited or any successor thereto, such codes “**RED Codes**”) for a particular Reference Entity listed in the List of Eligible SES Reference Entities, each such RED Code shall be treated as a separate Eligible SES Reference Entity.

#### Eligible SES Reference Obligations

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

#### List of Eligible SES Reference Entities

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

- (a) the name of such Eligible SES Reference Entity and the RED Code(s) for such Eligible SES Reference Entity;
- (b) each Relevant Physical Settlement Matrix and relevant Transaction Type;
- (c) each SES Contract Reference Obligation and each Eligible SES Reference Obligation for each such SES Contract Reference Obligation;
- (d) each eligible “Scheduled Termination Date”; and

- (e) the Sector “Government” (as published by Markit Group Limited or any successor thereto).
- (f) [the eligible Applicable Credit Derivatives Definitions for such Contract.](#)
- (g) [in the case of a 2014-Type CDS Contract, the eligible Seniority Levels.](#)
- (h) [in the case of a 2014-Type CDS Contract, whether “Standard Reference Obligation” is applicable.](#)

### **Permitted SES Fixed Rates**

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

### **Relevant Physical Settlement Matrix**

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

### **SES Contract**

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

### **SES Contract Reference Obligations**

With respect to any Eligible SES Reference Entity, the Reference Obligation(s) listed under the heading “SES Contract Reference Obligations” for such Eligible SES Reference Entity in the List of Eligible SES Reference Entities [\(which, for the avoidance of doubt, may indicate “No Reference Obligation”, indicating that no obligation is specified as a Reference Obligation\).](#) [In the case of a 2014-Type CDS Contract where “Standard Reference Obligation” is applicable to the SES Reference Entity and ICE Clear Credit has implemented the Standard Reference Obligation, the SES Contract Reference Obligation shall thereafter be such Standard Reference Obligation, subject to Section 2.9 of the 2014 Definitions.](#)

### **SES Rules**

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

**26D-203. Restriction on Activity.**

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

**26D-206. Notices Required of Participants with respect to SES Contracts.**

In addition to the notice requirements contained in Rule 206, a CDS Participant shall provide notice to ICE Clear Credit in the event that such CDS Participant (or a Non-Participant Party for whom such CDS Participant is acting) or an Eligible SES Reference Entity consolidates or amalgamates with, or merges into, or transfers all or



substantially all of its assets to, the Eligible SES Reference Entity or such CDS Participant (or Non-Participant Party for whom such CDS Participant is acting), as applicable, or such CDS Participant (or Non-Participant Party for whom such CDS Participant is acting) and an Eligible SES Reference Entity are the same entity or are or become Affiliates, or, subject to any restrictions on such disclosure imposed by law or regulation, such CDS Participant (or Non-Participant Party for whom such CDS Participant is acting) is subject to an agreement pursuant to which any of the foregoing is reasonably likely to occur.

### **26D-303. SES Contract Adjustments.**

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

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

### **26D-309. Acceptance of SES Contracts by ICE Clear Credit.**

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

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

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

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

Credit Derivatives Definitions with respect to the relevant portion of the related Open CDS Position.

**26D-315. Terms of the Cleared SES Contract.**

- (a) Any capitalized term used in this Subchapter 26D but not defined in these SES Rules shall have the meaning provided in the Credit Derivatives Definitions.
- (b) For purposes of the CDS Committee Rules, for an SES Contract where the Transaction Type is Standard Latin America Sovereign the CDS Region is the North American Region; where the Transaction Type is Standard Emerging European and Middle Eastern Sovereign the CDS Region is the European Region.
- (c) The definitions and provisions contained in the ~~2003 ISDA~~[Applicable](#) Credit Derivatives Definitions ~~as supplemented by each of the 2005 Matrix Supplement and the July 2009 Supplement and any other supplement specified as applicable in the Relevant Physical Settlement Matrix, each as published by ISDA (as so supplemented,~~ (for the purposes of the SES Rules only, the **“Credit Derivatives Definitions”**); are incorporated into the SES Rules. ~~In the event of any inconsistency between the terms of the July 2009 Supplement and the terms of any other portion of the Credit Derivatives Definitions, the terms of the July 2009 Supplement shall prevail for purposes of the relevant SES Contract.~~ In the event of any inconsistency between the Credit Derivatives Definitions or the Confirmation (including in electronic form) for a SES Contract and these SES Rules, these SES Rules will govern.
- (d) [The following provisions shall apply if the Applicable Credit Derivatives Definitions are the 2003 Definitions:](#)
- [\(i\)](#) If a Convened DC (as defined in the DC Rules) resolves, pursuant to ~~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 affect a SES Contract, ICE Clear Credit shall, as promptly as practicable, make conforming changes to these Rules in order to implement such resolutions. Notwithstanding anything to the contrary in Rule 616, any change made to the Rules in accordance with this paragraph (d) shall not constitute a Contract Modification.
- [\(eii\)](#) Section 3.2(c)(i) of the Credit Derivatives Definitions is hereby amended by replacing the “or” at the end of subparagraph (B) thereof with an “and” and adding the following as a new subparagraph (C):

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

(fiii) Except for purposes of Section 1.23 of the Credit Derivatives Definitions, a Credit Event Notice and Notice of Publicly Available Information with respect to a SES Contract will be deemed to have been effectively delivered by the Notifying Party for a Credit Event other than Restructuring on the relevant Event Determination Date determined under the CDS Committee Rules only when the Resolution is effective, under the CDS Committee Rules, that a Credit Event other than Restructuring has occurred for which there is Publicly Available Information, as described in CDS Committee Rule 2101-02(a)(iii), with respect to such SES Contract. Notwithstanding anything to the contrary in the Credit Derivatives Definitions, any delivery of a Credit Event Notice and/or Notice of Publicly Available Information by a CDS Participant (other than (i) the deemed delivery as provided in this Rule 26D-315(f) or (ii) notices with respect to a Relevant Restructuring Credit Event as provided in the CDS Restructuring Rules) shall not be valid.

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

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

~~(h) The Settlement Method for particular SES Contracts will be Auction Settlement and the Fallback Settlement Method will be Physical Settlement in accordance with the CDS Physical Settlement Rules.~~(iv) With respect to SES Contracts for which it is Resolved by the applicable Regional CDS Committee (or applicable Dispute Resolver) or Credit Derivatives Determinations Committee that a Credit Event has occurred for which there is Publicly Available Information, as described in CDS Committee Rule 2101-02(a)(iii) or the DC Rules, as applicable, Buyer may not deliver a Notice of Physical Settlement until after it is determined that the method of settlement for a particular Credit Event is the Fallback Settlement Method due to the occurrence of one of the events in Section 12.1 of the Credit Derivatives Definitions and as further provided in the CDS Physical Settlement Rules. For the avoidance of doubt, the effectiveness of

any Notice of Physical Settlement and obligations relating thereto are subject to the suspension and finality provisions of Sections 6.5 and 9.1(c)(iii) of the Credit Derivatives Definitions.

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

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

(ke) The following ~~terms will apply to each SES Contract~~ provisions shall apply if the Applicable Credit Derivatives Definitions are the 2014 Definitions:

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

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

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

- (iii) For the purposes only of Section 1.16(a)(ii)(A)(II) of the 2014 Definitions, Section 1.17 of the 2014 Definitions is hereby modified by replacing the term “Auction Final Price Determination Date” with the phrase “date that is one Relevant City Business Day prior to the Auction Settlement Date”.
- (iv) With respect to SES Contracts for which it is Resolved by the Regional CDS Committee (or applicable Dispute Resolver) or Credit Derivatives Determinations Committee that a Credit Event has occurred for which there is Publicly Available Information, as described in CDS Committee Rule 2101-02(a)(iii) or the DC Rules, as applicable, Buyer may not deliver a Notice of Physical Settlement until after it is determined that the method of settlement for a particular Credit Event is the Fallback Settlement Method due to the occurrence of one of the events in Section 6.1 of the 2014 Definitions, and as further provided in the CDS Physical Settlement Rules. For the avoidance of doubt, the effectiveness of any Notice of Physical Settlement and obligations relating thereto are subject to the suspension and finality provisions of Sections 10.1 and 10.2 of the 2014 Definitions.
- (v) Section 11.4 of the Credit Derivatives Definitions shall not apply.
- (f) The Settlement Method for particular SES Contracts will be Auction Settlement and the Fallback Settlement Method will be Physical Settlement in accordance with the CDS Physical Settlement Rules.
- (g) The following terms will apply to each SES Contract:
  - (i) The “Agreement” is the Participant Agreement between the relevant CDS Participant and ICE Clear Credit.
  - (ii) The “Calculation Agent” is ICE Clear Credit, except as provided in the CDS Committee Rules.
  - (iii) The “Fixed Rate Payer Payment Dates” will be March 20, June 20, September 20 and December 20.
  - (iv) The “Initial Payment Date” will be the date that is the first Business Day immediately following the Trade Date; provided that with respect to a SES Contract that is accepted for clearing pursuant to Rule 309 after the Trade Date thereof, the “Initial Payment Date” will be the date that is the first Business Day following the date as of which such SES Contract is accepted for clearing pursuant to Rule 309.
- (h) For each SES Contract, the following terms will be determined according to the particular SES Contract submitted for clearing, subject to Rule 26D-303:

- (i) Which of the Eligible SES Reference Entities is the “Reference Entity”.
- (ii) Which of the SES Contract Reference Obligations specified for the Reference Entity in the List of Eligible SES Reference Entities is the “Reference Obligation”.
- (iii) The “Trade Date”.
- (iv) The “Effective Date”.
- (v) Which of the eligible Scheduled Termination Dates specified for the “Reference Entity” in the List of Eligible SES Reference Entities is the “Scheduled Termination Date”.
- (vi) The “Floating Rate Payer Calculation Amount”.
- (vii) The “Floating Rate Payer”.
- (viii) The “Fixed Rate Payer”.
- (ix) The “Fixed Rate”.
- (x) The “Transaction Type”, which may be Standard Latin America Sovereign or Standard Emerging European and Middle Eastern Sovereign.
- (xi) If applicable, the Matrix Publication Date for the Relevant Physical Settlement Matrix.
- (xii) The “Initial Payment Payer”.
- (xiii) The “Initial Payment Amount”.
- (xiv) Which of the eligible Applicable Credit Derivatives Definitions applies.
- (xv) In the case of a 2014-Type CDS Contract, which of the eligible Seniority Levels applies.

## **26D-316. Relevant Physical Settlement Matrix Updates.**

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

## **26D-502. Specified Actions.**

Notwithstanding anything to the contrary in Rule 502(a) but without limiting the application of Rule 616 to any Modification (including the requirement of consultation with the Risk Committee, as provided in Rule 502(a), prior to determining that a Modification is not a Contract Modification), none of the following shall constitute a Specified Action: (a) adding and/or Modifying Permitted SES Fixed Rates, (b) adding new Eligible SES Reference Entities and related Transaction Types, and adding and/or Modifying any other entries in any of the fields in the List of Eligible SES Reference Entities or (c) an update to the List of Eligible SES Reference Entities, as described in Rules 26D-316 and 26D-616.

## **26D-616. Contract Modification.**

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



will be applicable to an Eligible SES Reference Entity shall not constitute a Contract Modification.

(b) Notwithstanding anything to the contrary herein (including Rule 616(b)), with respect to Open Positions in SES Contracts that are Converting Contracts, effective as of the 2003/2014 Changeover Effective Date and without need for further action or determination by the Board, the terms of each such Contract will be deemed amended such that it is a 2014-Type CDS Contract under these Rules, the Applicable Credit Derivatives Definitions are the 2014 Definitions and it references the New SES Matrix with an SES Matrix Update Date of the 2003/2014 Changeover Effective Date. The amendments made by this rule 26D-616 shall apply as of the 2003/2014 Changeover Effective Date regardless of whether any relevant transaction record in Deriv/SERV is updated to reflect such amendments.

## **26E. CDS Restructuring Rules.**

The rules in this Subchapter 26E apply to the clearance of ~~Contracts for which~~ [Relevant Restructuring](#) ~~is a Credit Event~~ [Contracts](#).

### **26E-102 Definitions**

#### **Matched CDS Buyer**

The Buyer in a Matched Restructuring Pair.

#### **Matched CDS Buyer Contract**

A CDS Contract (or part thereof) between a Matched CDS Buyer for a Matched Restructuring Pair and ICE Clear Credit having a Floating Rate Payer Calculation Amount equal to the MP Amount relating to that Matched Restructuring Pair.

#### **Matched CDS Contract**

A Matched CDS Seller Contract or a Matched CDS Buyer Contract.

#### **Matched CDS Seller**

The Seller in a Matched Restructuring Pair.

#### **Matched CDS Seller Contract**

A CDS Contract (or part thereof) between a Matched CDS Seller for a Matched Restructuring Pair and ICE Clear Credit having a Floating Rate Payer Calculation Amount equal to the MP Amount relating to that Matched Restructuring Pair.

#### **Matched Restructuring Pair**

Following a [CDS Relevant Restructuring](#) Contract becoming a Restructuring CDS Contract pursuant to these Rules, a matched pair of a Buyer and a Seller under such Restructuring CDS Contract with an allocated Floating Rate Payer Calculation Amount, as determined by ICE Clear Credit in accordance with the CDS Restructuring Rules.

#### **MP Amount**

An amount equal to the portion of a Floating Rate Payer Calculation Amount in respect of which ICE Clear Credit matches a Matched Restructuring Pair.

#### **Regional CDS Committee Restructuring Announcement**

The announcement by ICE Clear Credit that a Regional CDS Committee (or Dispute Resolver) has Resolved that an event that constitutes a Restructuring has occurred with respect to one or more CDS Contracts.

#### **[Relevant Restructuring](#) ~~CDS~~ Contract**

A CDS Contract (or, in respect of a CDS Contract that relates to an index, a CDS Contract which is a Component Transaction (including a New Trade)) for which a Relevant Restructuring Credit Event is a Credit Event.

### **Relevant Restructuring Credit Event**

(i) With respect to a 2003-Type CDS Contract, a Restructuring Credit Event and (ii) with respect to a 2014-Type CDS Contract, an M(M)R Restructuring Credit Event.

### **Restructuring CDS Contract**

A Relevant Restructuring Contract that is subject to a Restructuring Credit Event Announcement; provided that if, after such announcement has been made, a further DC Credit Event Announcement or Regional CDS Committee Announcement is made of the occurrence of a Credit Event other than Restructuring in relation to the Reference Entity and such CDS Contract, such CDS Contract, to the extent that it has not become a Triggered Restructuring CDS Contract, will cease to be a Restructuring CDS Contract and provided further that any Restructuring CDS Contract, to the extent that it is not a Triggered Restructuring CDS Contract, in respect of which an effective Restructuring Credit Event Notice can no longer be delivered will cease to be a Restructuring CDS Contract ~~and~~ (but will thereafter continue to be a CDS Contract subject to the provisions of these Rules).

### **Restructuring Credit Event Announcement**

A DC Credit Event Announcement in respect of Restructuring Credit Event or a Regional CDS Committee Restructuring Announcement.

### **Restructuring Reference Entity**

The Reference Entity in respect of which a DC Credit Event Announcement or Regional CDS Committee Restructuring Announcement has been made in respect of a Restructuring Credit Event.

### **Triggered Restructuring CDS Contract**

An Open CDS Position (or portion thereof) in a Restructuring CDS Contract that is the subject of an effective Restructuring Credit Event Notice pursuant to the CDS Restructuring Rules; provided that, where permitted under Section 3.9 of the ~~Credit Derivatives Definitions~~ 2003 Definitions (in the case of a 2003-Type CDS Contract) or Section 1.33 of the 2014 Definitions (in the case of a 2014-Type CDS Contract), as applicable, if such Restructuring Credit Event Notice specifies an Exercise Amount that is less than the Floating Rate Payer Calculation Amount of the Restructuring CDS Contract, such Restructuring CDS Contract shall be construed, pursuant to Section 3.9 of the ~~Credit-~~

[Derivatives2003 Definitions](#) or [Section 1.33 of the 2014 Definitions](#), as applicable, as if the parties had entered into two Restructuring CDS Contracts, one of which will constitute the Triggered Restructuring CDS Contract and has a Floating Rate Payer Calculation Amount equal to the Exercise Amount and the other of which has a Floating Rate Payer Calculation Amount equal to the Floating Rate Payer Calculation Amount outstanding immediately prior to the delivery of the Restructuring Credit Event Notice minus the Exercise Amount.

#### **26E-103 Allocation of Matched Restructuring Pairs**

- (a) With respect to a Restructuring CDS Contract, following the occurrence of the DC Credit Event Announcement or Regional CDS Committee Restructuring Announcement:
  - (i) ICE Clear Credit will match each Seller with one or more Buyers each of which is party to a Restructuring CDS Contract of the same type (such Restructuring CDS Contracts thereby becoming Matched CDS Contracts and each matched CDS Seller and CDS Buyer becoming a Matched Restructuring Pair), such that the Floating Rate Payer Calculation Amount related to each Matched CDS Seller under each Matched CDS Contract is fully allocated to one or more CDS Buyers under Matched CDS Contracts of the same type as the Matched CDS Seller Contract; and
  - (ii) ICE Clear Credit will notify each relevant CDS Buyer and CDS Seller of the Matched CDS Contracts, Matched CDS Buyer and Matched CDS Seller (such notice, for purposes of this Rule, the "**Matched Restructuring Pair Notice**") and the associated MP Amount.
- (b) If ICE Clear Credit has delivered a Matched Restructuring Pair Notice that specifies a MP Amount that is less than the outstanding Floating Rate Payer Calculation Amount applicable to a Matched CDS Contract to which such Matched Restructuring Pair Notice relates, the relevant rights and obligations of ICE Clear Credit and the relevant CDS Participant pursuant to the Matched CDS Contract shall, with effect from the date such Matched Restructuring Pair Notice is effective, be construed as if ICE Clear Credit and the relevant CDS Participant have entered into two Restructuring CDS Contracts, one of which has a Floating Rate Payer Calculation Amount equal to the MP Amount and the other of which has a Floating Rate Payer Calculation Amount equal to the Floating Rate Payer Calculation Amount outstanding immediately prior to delivery of such Matched Restructuring Pair Notice minus the MP Amount.
- (c) With respect to a Triggered Restructuring CDS contract to which Physical Settlement applies (including as a result of a fallback settlement) under Chapter 22 of the Rules, the related Matched Restructuring Pair will also constitute a Matched Delivery Pair for purposes of Chapter 22 of the Rules.

#### **26E-104 Matched Restructuring Pairs: Designations and Notices**

- (a) In respect of each Matched CDS Buyer Contract which is the subject of a Matched Restructuring Pair, ICE Clear Credit, pursuant to Section 9.2(c)(iv) of the ~~Credit Derivatives Definitions~~ (2003 Definitions (in the case of a 2003-Type CDS Contract) or Section 11.2(c)(iv) of the 2014 Definitions (in the case of a 2014-Type CDS Contract), as applicable (each as may be modified in the ICE Clear Credit Procedures), as designator, shall be deemed to have designated the Matched CDS Seller in such Matched Restructuring Pair as its designee:
- (i) to receive on its behalf from the Matched CDS Buyer in the Matched Restructuring Pair, Credit Event Notices and, where applicable, Notices to Exercise Movement Option, in relation to any Restructuring CDS Contract or Triggered Restructuring CDS Contract, as the case may be;
  - (ii) to deliver on its behalf to the Matched CDS Buyer in the Matched Restructuring Pair Credit Event Notices and, where applicable, Notices to Exercise Movement Option, in relation to any Restructuring CDS Contract or Triggered Restructuring CDS Contract, as the case may be.
- (b) In respect of each Matched CDS Seller Contract which is the subject of a Matched Restructuring Pair, ICE Clear Credit, pursuant to Section 9.2(c)(iv) of the ~~Credit Derivatives Definitions~~ (2003 Definitions (in the case of a 2003-Type CDS Contract) or Section 11.2(c)(iv) of the 2014 Definitions (in the case of a 2014-Type CDS Contract), as applicable (each as may be modified in the ICE Clear Credit Procedures), as designator, shall be deemed to have designated the Matched CDS Buyer in such Matched Restructuring Pair as its designee:
- (i) to deliver on its behalf to the Matched CDS Seller in the Matched Restructuring Pair, Credit Event Notices and, where applicable, Notices to Exercise Movement Option, in relation to any Restructuring CDS Contract or Triggered Restructuring CDS Contract, as the case may be;
  - (ii) to receive on its behalf from the Matched CDS Seller in the Matched Restructuring Pair Credit Event Notices and, where applicable, Notices to Exercise Movement Option, in relation to any Restructuring CDS Contract or Triggered Restructuring CDS Contract, as the case may be;
- (c) In relation to each Matched Restructuring Pair:
- (i) the exercise of any rights by the Matched CDS Buyer against ICE Clear Credit under a Matched CDS Buyer Contract shall be deemed to constitute the exercise of equal and simultaneous rights by ICE Clear Credit against the Matched CDS Seller under the Matched CDS Seller Contract in the relevant Matched Restructuring Pair;
  - (ii) the exercise of any rights of the Matched CDS Seller against ICE Clear Credit under a Matched CDS Seller Contract shall be deemed to constitute the exercise of equal and simultaneous rights by ICE Clear Credit against the Matched CDS Buyer under the Matched CDS Buyer Contract in the relevant Matched Restructuring Pair;

## **26F. iTraxx Europe.**

The rules in this Subchapter 26F apply to the clearance of iTraxx Europe Untranchéd Contracts.

### **26F-102. Definitions.**

#### **iTraxx Europe Untranchéd Contract**

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

#### **iTraxx Europe Untranchéd Publisher**

Markit Group Limited or its successor, or any successor sponsor of the Eligible iTraxx Europe Untranchéd Indexes it publishes.

#### **iTraxx Europe Untranchéd Rules**

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

#### **iTraxx Europe Untranchéd Terms Supplement**

Any one of the following:

(a) The iTraxx Europe Untranchéd Standard Terms Supplement as published on November 23, 2009 together with the third paragraph of the form of confirmation published on November 23, 2009 with respect to such standard terms supplement (or any relevant electronic equivalent thereof).

(b) [The iTraxx Europe Untranchéd Standard Terms Supplement as published on or about September 20, 2014 together with the second, third and fourth paragraphs of the form of confirmation published on or about September 20, 2014 with respect to such standard terms supplement \(or any relevant electronic equivalent thereof\).](#)

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

For purposes of each iTraxx Europe Untranchéd Contract, a reference in the iTraxx Europe Untranchéd Terms Supplement to an "iTraxx Master

Transaction” shall be deemed a reference to an iTraxx Europe Untranchéd Contract.

### **Eligible iTraxx Europe Untranchéd Index**

Each particular series and version of an iTraxx Europe index or sub-index, as published by the iTraxx Europe Untranchéd Publisher, determined by ICE Clear Credit to be eligible and included in the List of Eligible iTraxx Europe Untranchéd Indexes.

### **List of Eligible iTraxx Europe Untranchéd Indexes**

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

- (a) the name 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 Europe Untranchéd Terms Supplement;
- (e) the versions (and related annex dates) eligible for clearing (and, if applicable for the relevant index, the Applicable Credit Derivatives Definitions for each component); and
- (f) any inactive versions (and related annex dates), i.e., those that have been determined to be fungible with later versions.

### **Relevant iTraxx Europe Untranchéd Terms Supplement**

With respect to an Eligible iTraxx Europe Untranchéd Index, the iTraxx Europe Untranchéd Terms Supplement specified for such Eligible iTraxx Europe Untranchéd Index in the List of Eligible iTraxx Europe Untranchéd Indexes.

### **26F-309. Acceptance of iTraxx Europe Untranchéd Contracts by ICE Clear Credit.**

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

- (i) at a time when the Fallback Settlement Method is applicable to a Credit Event with respect to such iTraxx Europe Untranching Contract; or
- (ii) at or after the close of business on the calendar day following the Auction Final Price Determination Date for a Credit Event with respect to such iTraxx Europe Untranching Contract;

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

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

**26F-315. Terms of the Cleared iTraxx Europe Untranching Contract.**

- (a) Any capitalized term used in this Subchapter 26F but not defined in these iTraxx Europe Untranching Rules shall have the meaning provided in the Relevant iTraxx Europe Untranching Terms Supplement.
- (b) For purposes of the CDS Committee Rules, the CDS Region for each iTraxx Europe Untranching Contract is the European Region.
- (c) Each iTraxx Europe Untranching Contract will be governed by the Relevant iTraxx Europe Untranching Terms Supplement, as modified by these iTraxx Europe Untranching Rules. In the event of any inconsistency between the Relevant iTraxx Europe Untranching Terms Supplement or the Confirmation (including in electronic form) for a iTraxx Europe Untranching Contract and these iTraxx Europe Untranching Rules, these iTraxx Europe Untranching Rules will govern.

**26F-316. Updating Index Version of Fungible Contracts After a Credit Event or a Succession Event; Updating Relevant Untranching Standard Terms Supplement.**

- (a) Where the iTraxx Europe Untranching Publisher of an Eligible iTraxx Europe Untranching Index publishes one or more subsequent versions or annexes of the relevant series following a Credit Event or a Succession Event [or circumstances](#)



- [giving rise to a Successor and Succession Date](#) with respect to a Reference Entity included in such series, and the Board or its designee determines that iTraxx Europe Untranching Contracts referencing the earlier version or annex of such series are fungible with iTraxx Europe Untranching Contracts referencing a later version or annex of such series that is an Eligible iTraxx Europe Untranching Index and so notifies CDS Participants, iTraxx Europe Untranching Contracts referencing the earlier version or annex of such series shall become iTraxx Europe Untranching Contracts referencing such later version or annex of such series on the date determined by the Board or its designee (the “**Fungibility Date**”). Any iTraxx Europe Untranching Contracts referencing the earlier version or annex of such series submitted for clearing after the related Fungibility Date shall, upon acceptance for clearing, become a iTraxx Europe Untranching Contract referencing the latest version or annex of such series that the Board or its designee has determined is fungible with such earlier version or annex.
- (b) Where a new version of the iTraxx Europe Untranching Terms Supplement (a “**New Standard Terms**”) is published as of a date that is subsequent to the date of the version that is specified as the Relevant iTraxx Europe Untranching Terms Supplement for any iTraxx Europe Untranching Contract(s) (the “**Existing Standard Terms**”), and the Board or its designee determines that iTraxx Europe Untranching Contracts referencing the Existing Standard Terms are fungible with iTraxx Europe Untranching Contracts referencing the New Standard Terms, and so notifies CDS Participants, iTraxx Europe Untranching Contracts referencing the Existing Standard Terms shall become iTraxx Europe Untranching Contracts referencing the New Standard Terms on the date determined by the Board or its designee (the “**Standard Terms Update Date**” and each prior iTraxx Europe Untranching Terms Supplement subject to such determination, a “**Superseded Standard Terms**”). Any Trade referencing a Superseded Standard Terms submitted for clearing as a iTraxx Europe Untranching Contract shall, upon acceptance for clearing, become a iTraxx Europe Untranching Contract referencing the New Standard Terms.
- (c) The Board or its designee may determine a different Fungibility Date or Standard Terms Update Date applicable to individual iTraxx Europe Untranching Contracts or groups of iTraxx Europe Untranching Contracts or may determine a Fungibility Date or Standard Terms Update Date applicable to all iTraxx Europe Untranching Contracts referencing the earlier version or annex of a series described in clauses (a) or (b) of this Rule, as it deems appropriate.
- (d) [Notwithstanding anything to the contrary herein \(including Rule 616\(b\)\), with respect to Open Positions in iTraxx Europe Untranching Contracts that are Converting Contracts, effective as of the 2003/2014 Changeover Effective Date and without need for further action or determination by the Board, the terms of each such Contract shall be deemed amended such that it references the 2014](#)

Supplement in lieu of the Relevant iTraxx Europe Untranching Terms Supplement in effect prior to such date. The amendments made by this rule 26F-316(d) shall apply as of the 2003/2014 Changeover Effective Date regardless of whether any relevant transaction record in Deriv/SERV is updated to reflect such amendments.

## 26F-317. Terms of iTraxx Europe Untranching Contracts.

With respect to each iTraxx Europe Untranching Contract, the following terms will apply:

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

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

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

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

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

(B) ~~(ii)~~ if (A1) a Credit Event Resolution Request Date occurs or (B2) a Credit Event Notice and a Notice of Publicly Available Information are deemed delivered pursuant to Rule 2101-02(f) by a Notifying Party, in either case before June 20, 2009,

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

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

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

(B) ~~(ii)~~ if (A1) a Succession Event Resolution Request Date occurs or (B2) a Succession Event Notice is deemed delivered pursuant to Rule 2101-02(f), in either case before June 20, 2009,

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

- (div) Except for purposes of Rule 26F-317(~~ba~~)(ii) and Section 1.23 of the ~~Credit Derivatives~~2003 Definitions, a Credit Event Notice and Notice of Publicly Available Information with respect to a iTraxx Europe Untranching Contract for a Credit Event other than Restructuring will be deemed to have been effectively delivered by the Notifying Party on the relevant Event Determination Date determined under the CDS Committee Rules only when the Resolution is effective, under the CDS Committee Rules, that a Credit Event other than Restructuring has occurred for which there is Publicly Available Information, as described in CDS Committee Rule 2101-02(a)(iii), with respect to such iTraxx Europe Untranching Contract. Notwithstanding anything to the contrary in the ~~Credit Derivatives~~2003 Definitions, any delivery of a Credit Event Notice and/or Notice of Publicly Available Information by a CDS Participant (other than (i) the deemed delivery as provided in this Rule 26F-317(~~da~~)(iv) or (ii) notices with respect to a Relevant Restructuring Credit Event as provided in the CDS Restructuring Rules) shall not be valid.
- (ev) ~~(i)~~ Section 1.8(a)(ii)(A)(l)(3)(y) of the ~~Credit Derivatives~~2003 Definitions is hereby modified by replacing the term "Auction Final Price Determination Date" with the phrase "date that is one Relevant City Business Day prior to the Auction Settlement Date".
- (#vi) Section 1.30 of the ~~Credit Derivatives~~2003 Definitions is hereby modified by replacing the term "Auction Final Price Determination Date" in clause (ii) of the last sentence thereof with the phrase "date that is one Relevant City Business Day prior to the Auction Settlement Date".
- (f) ~~The Settlement Method for particular iTraxx Europe Untranching Contracts will be Auction Settlement and the Fallback Settlement Method will be Physical Settlement in accordance with the CDS Physical Settlement Rules. (gvii)~~ With respect to iTraxx Europe Untranching Contracts for which it is Resolved by the Regional CDS Committee (or applicable Dispute Resolver) or Credit Derivatives Determinations Committee that a Credit Event has occurred for which there is Publicly Available Information, as described in CDS Committee Rule 2101-02(a)(iii) or the DC Rules, as applicable, Buyer may not deliver a Notice of Physical Settlement until after it is determined that the method of settlement for a particular Credit Event is the Fallback Settlement Method due to the

occurrence of one of the events in Section 12.1 of the ~~Credit Derivatives~~2003 Definitions and as further provided in the CDS Physical Settlement Rules. For the avoidance of doubt, the effectiveness of any Notice of Physical Settlement and obligations relating thereto are subject to the suspension and finality provisions of Sections 6.5 and 9.1(c)(iii) of the ~~Credit Derivatives~~2003 Definitions.

- (h) ~~Section 7.3(b)(ii) of the iTraxx Europe Untranching Standard Terms Supplement is amended by adding at the end, immediately after “(such new transaction, a ‘New Trade’)” the following: “and except that the Reference Obligation for purposes of the New Trade will be the Reference Obligation for the Restructured Entity in question as specified by ICE Clear Credit following consultation with the CDS Risk Committee”.~~b) The following provisions will apply to each iTraxx Europe Untranching Contract or component thereof to which the 2014 Definitions apply under the Relevant iTraxx Europe Untranching Terms Supplement:
- (i) Section 8.10(a) of the 2014 Definitions is hereby amended by replacing the "." at the end of subparagraph (B) thereof with "; and" and adding the following as a new subparagraph (C):
- "(C) the tenth calendar day after the date of the actual decision by the relevant Regional CDS Committee (or Dispute Resolver) to Resolve (i.e., determined without regard to any Effectiveness Convention or any time of effectiveness specified in a Presented Position) that a Credit Event has occurred for which there is Publicly Available Information, as described in CDS Committee Rule 2101-02(a)(iii), with respect to such iTraxx Europe Untranching Contracts."
- (ii) Except for purposes of Section 1.39 of the 2014 Definitions, a Credit Event Notice and Notice of Publicly Available Information with respect to a iTraxx Europe Untranching Contract for a Credit Event other than M(M)R Restructuring will be deemed to have been effectively delivered by the Notifying Party on the relevant Event Determination Date determined under the CDS Committee Rules only when the Resolution is effective, under the CDS Committee Rules, that a Credit Event other than M(M)R Restructuring has occurred for which there is Publicly Available Information, as described in CDS Committee Rule 2101-02(a)(iii), with respect to such iTraxx Europe Untranching Contract. Notwithstanding anything to the contrary in the 2014 Definitions, any delivery of a Credit Event Notice and/or Notice of Publicly Available Information by a CDS Participant (other than (i) the deemed delivery as provided in this Rule 26F-317(b)(ii) or (ii) notices with respect to a Relevant Restructuring

Credit Event as provided in the CDS Restructuring Rules) shall not be valid.

- (iii) For the purposes only of Section 1.16(a)(ii)(A)(II) of the 2014 Definitions, Section 1.17 of the 2014 Definitions is hereby modified by replacing the term “Auction Final Price Determination Date” with the phrase “date that is one Relevant City Business Day prior to the Auction Settlement Date”.
- (iv) With respect to iTraxx Europe Untranchéd Contracts for which it is Resolved by the Regional CDS Committee (or applicable Dispute Resolver) or Credit Derivatives Determinations Committee that a Credit Event has occurred for which there is Publicly Available Information, as described in CDS Committee Rule 2101-02(a)(iii) or the DC Rules, as applicable, Buyer may not deliver a Notice of Physical Settlement until after it is determined that the method of settlement for a particular Credit Event is the Fallback Settlement Method due to the occurrence of one of the events in Section 6.1 of the 2014 Definitions, and as further provided in the CDS Physical Settlement Rules. For the avoidance of doubt, the effectiveness of any Notice of Physical Settlement and obligations relating thereto are subject to the suspension and finality provisions of Sections 10.1 and 10.2 of the 2014 Definitions.
- (c) The Settlement Method for particular iTraxx Europe Untranchéd Contracts will be Auction Settlement and the Fallback Settlement Method will be Physical Settlement in accordance with the CDS Physical Settlement Rules.
- (d) Notwithstanding anything to the contrary in the Relevant iTraxx Europe Untranchéd Terms Supplement, the Reference Obligation for purposes of a New Trade (as defined therein) will be the Reference Obligation for the Restructured Entity in question as specified by ICE Clear Credit following consultation with the CDS Risk Committee (which for the avoidance of doubt may be determined by reference to any Standard Reference Obligation).
- (e) The following terms will apply to each iTraxx Europe Untranchéd Contract:
  - (i) The “Agreement” is the Participant Agreement between the relevant CDS Participant and ICE Clear Credit.
  - (ii) The “Source of Relevant Annex” is “Publisher”.
  - (iii) The “Effective Date” is the date specified in the List of Eligible iTraxx Europe Indexes for the relevant Index.
  - (iv) The “Calculation Agent” is ICE Clear Credit, except as provided in the CDS Committee Rules.

- (v) There are no “Excluded Reference Entities”.
  - (vi) “De Minimis Cash Settlement” under ~~Section 7.7 of~~ the [Relevant](#) iTraxx Europe Untranched ~~Standard~~ Terms Supplement is not applicable.
  - (ix) The “Fixed Rate” is the rate specified in the List of Eligible iTraxx Europe Indexes for the relevant Index and Scheduled Termination Date.
  - (x) The “Initial Payment Date” will be the date that is the first Business Day immediately following the Trade Date; provided that with respect to a iTraxx Europe Untranched Contract that is accepted for clearing pursuant to Rule 309 after the Trade Date thereof, the “Initial Payment Date” will be the date that is the first Business Day following the date as of which such iTraxx Europe Untranched Contract is accepted for clearing pursuant to Rule 309.
- (f) For each iTraxx Europe Untranched Contract, the following terms will be determined according to the particular iTraxx Europe Untranched Contract submitted for clearing:
- (i) Which of the Eligible iTraxx Europe Untranched Indexes is the “Index”.
  - (ii) The “Annex Date”.
  - (iii) The “Trade Date”.
  - (iv) Which of the eligible Scheduled Termination Dates specified for the Index in the List of Eligible iTraxx Europe Untranched Indexes is the “Scheduled Termination Date”.
  - (v) The “Original Notional Amount”.
  - (vi) The “Floating Rate Payer”.
  - (vii) The “Fixed Rate Payer”.
  - (viii) The “Initial Payment Payer”.
  - (ix) The “Initial Payment Amount”.

## 26G. Standard European Corporate (“**SDEG****STEC**”) Single Name.

The rules in this Subchapter 26G apply to the clearance of **SDEG****STEC** Contracts.

### 26G-102. Definitions.

#### Eligible **SDEG****STEC** Reference Entities

Each particular Reference Entity included in the List of Eligible **SDEG****STEC** Reference Entities, as determined by ICE Clear Credit to be eligible. For the avoidance of doubt, if there are multiple Reference Entity Database codes (as published by Markit Group Limited or any successor thereto, such codes “**RED Codes**”) for a particular Reference Entity listed in the List of Eligible **SDEG****STEC** Reference Entities, each such RED Code shall be treated as a separate Eligible **SDEG****STEC** Reference Entity.

#### Eligible **SDEG****STEC** Reference Obligations

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

#### Eligible **SDEG****STEC** Sector

With respect to any **SDEG****STEC** Sector (as published by Markit Group Limited or any successor thereto) for any Eligible **SDEG****STEC** Reference Entity, the Eligible **SDEG****STEC** Sectors listed under the heading “Sector as reported in Rollout Schedule” for such Eligible **SDEG****STEC** Reference Entities in the List of Eligible **SDEG****STEC** Reference Entities shall be any of the following:

- (a) Basic Materials;
- (b) Consumer Goods;
- (c) Consumer Services;
- (d) Energy;
- (e) Financials;

- (f) Healthcare;
- (g) Industrials;
- (h) Technology;
- (i) Telecommunications Services; and
- (j) Utilities.

### List of Eligible **SDEG**STEC Reference Entities

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

- (a) the name of such Eligible **SDEG**STEC Reference Entity and the RED Code(s) for such Eligible **SDEG**STEC Reference Entity;
- (b) each Relevant Physical Settlement Matrix and Transaction Type for such Eligible STEC Reference Entity (which shall be Standard European Corporate);
- (c) each **SDEG**STEC Contract Reference Obligation and each Eligible **SDEG**STEC Reference Obligation for each such **SDEG**STEC Contract Reference Obligation;
- (d) each eligible “Scheduled Termination Date”; ~~and~~
- (e) the Eligible **SDEG**STEC Sector;
- (f) the eligible Applicable Credit Derivatives Definitions for such Contract;
- (g) in the case of a 2014-Type CDS Contract, the eligible Seniority Levels for such Contract; and
- (h) in the case of a 2014-Type CDS Contract, whether “Standard Reference Obligation” is applicable.

### Permitted **SDEG**STEC Fixed Rates

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



## Relevant Physical Settlement Matrix

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

## **SDEG****STEC** Contract

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

## **SDEG****STEC** Contract Reference Obligations

With respect to any Eligible **SDEG****STEC** Reference Entity, the Reference Obligation(s) listed under the heading “**SDEG****STEC** Contract Reference Obligations” for such Eligible **SDEG****STEC** Reference Entity in the List of Eligible **SDEG****STEC** Reference Entities: (which, for the avoidance of doubt, may indicate “No Reference Obligation”, indicating that no obligation is specified as a Reference Obligation). In the case of a 2014-Type CDS Contract where “Standard Reference Obligation” is applicable to the STEC Reference Entity and ICE Clear Credit has implemented the Standard Reference Obligation, the STEC Contract Reference Obligation shall thereafter be such Standard Reference Obligation, subject to Section 2.9 of the 2014 Definitions.

## **SDEG****STEC** Rules

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

### **26G-203. Restriction on Activity.**

- (a) In addition to the other rights granted to ICE Clear Credit in Rule 203, in the event a CDS Participant (or a Non-Participant Party for whom such Participant is acting) is subject to an event or agreement described in Rule 26G-206 or in the event such CDS Participant submits a Trade of the type described in Rule 26G-309(c) that is not a Conforming Trade and such Trade is cleared pursuant to these Rules (in each case, an “**SR CDS Participant**”), ICE Clear Credit may conduct an auction process to replace all of the SR CDS Participant’s Open CDS Positions in the affected CDS Contracts (including, if applicable, those on behalf

of any such Non-Participant Party) (each auction in such process, an “**SR Auction**”). ICE Clear Credit shall have the authority to determine the timing and other particular characteristics of each SR Auction in consultation with the CDS Default Committee and as provided in the ICE Clear Credit Procedures, including determining the size of the bid/offer spread and/or of the CDS Contracts to be auctioned, whether one or more SR Auctions are to be held and the timing and structure of such auctions and whether CDS Participants other than the SR CDS Participant will be required to submit actionable quotations in an SR Auction.

- (b) ICE Clear Credit shall enter into Trades in one or more CDS Contracts with the CDS Participant(s) and in the amount determined pursuant to the SR Auction, at which time the corresponding Open CDS Positions of the SR CDS Participant shall be reduced or terminated, as applicable. The SR CDS Participant and the other CDS Participants shall be obligated to submit to Deriv/SERV or another service specified by ICE Clear Credit the terms of such reduction, termination or Trade, as applicable. Amounts owed by the SR CDS Participant to (or receivable by the SR CDS Participant from) ICE Clear Credit in connection with any such reduction or termination shall be determined by ICE Clear Credit using the prices determined pursuant to the SR Auctions. In addition, any Initial Payments, Margin, or other payments or deliveries owed (including the dates of settlement with respect thereto) relating to the Open CDS Positions increased, created, reduced or terminated pursuant to this Rule 26G-203(b) shall be as determined by ICE Clear Credit with reference to the SR Auction in accordance with the ICE Clear Credit Procedures and, notwithstanding Rules 301 or 303, Initial Payments may be owed in respect to CDS Contracts entered into by ICE Clear Credit pursuant to an SR Auction.

**26G-206. Notices Required of Participants with respect to **SDEGSTEC** Contracts.**

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

**26G-303. **SDEGSTEC** Contract Adjustments.**

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

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

**26G-309. Acceptance of **SDEGSTEC** Contracts by ICE Clear Credit.**

- (a) In addition to the acceptance process described in Rule 309, ICE Clear Credit’s notice to the relevant CDS Participants that it has accepted a Trade submitted for clearance shall include any adjustment that will be made by ICE Clear Credit pursuant to Rule 26G-303. Such CDS Participants’ resubmission of the terms of such Trade, as provided in Rule 309, shall include the adjustments described by ICE Clear Credit in such notice.
- (b) A CDS Participant shall make all reasonable efforts to not submit a Trade for clearance as a **SDEGSTEC** Contract, and any such Trade shall not be a Conforming Trade, if the Novation Time would be:
  - (i) at a time when the Fallback Settlement Method is applicable to such **SDEGSTEC** Contract;
  - (ii) at or after the close of business on the calendar day following the Auction Final Price Determination Date for such **SDEGSTEC** Contract; or
  - (iii) on or after the calendar day following the day on which the Final List (as defined in the DC Rules) is published for a Restructuring CDS Contract and at or before the close of business on the calendar day following the CDS Regional Business Day following the latest possible Exercise Cut-off Date for the related Relevant Restructuring Credit Event under such Restructuring CDS Contract;

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

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

#### **26G-315. Terms of the Cleared **SDEGSTECS** Contract.**

- (a) Any capitalized term used in this Subchapter 26G but not defined in these **SDEGSTECS** Rules shall have the meaning provided in the Credit Derivatives Definitions.
- (b) For purposes of the CDS Committee Rules, the CDS Region for each **SDEGSTECS** Contract is the European Region.
- (c) The definitions and provisions contained in the ~~2003-ISDA~~Applicable Credit Derivatives Definitions ~~as supplemented by each of the 2005 Matrix Supplement~~

~~and the July 2009 Supplement, each as published by ISDA (as so supplemented, (for the purposes of the SDEGSTECS Rules only, the “Credit Derivatives Definitions”), are incorporated into the SDEC Rules. In the event of any inconsistency between the terms of the July 2009 Supplement and the terms of any other portion of the Credit Derivatives Definitions, the terms of the July 2009 Supplement shall prevail for purposes of the relevant SDEC Contract.~~ STECS Rules. In the event of any inconsistency between the Credit Derivatives Definitions or the Confirmation (including in electronic form) for a SDEGSTECS Contract and these SDEGSTECS Rules, these SDEGSTECS Rules will govern.

(d) The following provisions shall apply if the Applicable Credit Derivatives Definitions are the 2003 Definitions:

(i) If a Convened DC (as defined in the DC Rules) resolves, pursuant to ~~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 affect a SDEGSTECS Contract, ICE Clear Credit shall, as promptly as practicable, make conforming changes to these Rules in order to implement such resolutions. Notwithstanding anything to the contrary in Rule 616, any change made to the Rules in accordance with this paragraph (d) shall not constitute a Contract Modification.

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

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

(fiii) Except for purposes of Section 1.23 of the Credit Derivatives Definitions, a Credit Event Notice and Notice of Publicly Available Information with respect to a SDEGSTECS Contract will be deemed to have been effectively delivered by the Notifying Party for a Credit Event other than Restructuring on the relevant Event Determination Date determined under the CDS Committee Rules only when the Resolution is effective, under the CDS Committee Rules, that a Credit Event other than Restructuring has occurred for which there is Publicly Available Information, as described in CDS Committee Rule 2101-02(a)(iii), with respect to such SDEGSTECS Contract. Notwithstanding anything to the contrary in the Credit Derivatives Definitions, any delivery of a Credit Event Notice and/or Notice

of Publicly Available Information by a CDS Participant (other than (i) the deemed delivery as provided in this Rule 26G-315(~~fd~~)(iii) or (ii) notices with respect to a Relevant Restructuring Credit Event as provided in the CDS Restructuring Rules) shall not be valid.

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

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

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

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

For purposes of this provision, Section 2.10 of the ~~Credit Derivatives~~2003 Definitions shall be deemed amended by deleting the words “during the term of the transaction”.

(~~k~~e) The following ~~terms will apply to each SDEC Contract~~provisions shall apply if the Applicable Credit Derivatives Definitions are the 2014 Definitions:

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

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

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

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

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

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

- (v) Section 11.4 of the 2014 Definitions shall not apply.
- (f) The Settlement Method for particular STEC Contracts will be Auction Settlement and the Fallback Settlement Method will be Physical Settlement in accordance with the CDS Physical Settlement Rules.
- (g) The following terms will apply to each STEC Contract:
  - (i) The “Agreement” is the Participant Agreement between the relevant CDS Participant and ICE Clear Credit.
  - (ii) The “Calculation Agent” is ICE Clear Credit, except as provided in the CDS Committee Rules.
  - (iii) The “Transaction Type” is Standard European Corporate.
  - (iv) The “Fixed Rate Payer Payment Dates” will be March 20, June 20, September 20 and December 20.
  - (v) The “Initial Payment Date” will be the date that is the first Business Day immediately following the Trade Date; provided that with respect to a **SDEG****STEC** Contract that is accepted for clearing pursuant to Rule 309 after the Trade Date thereof, the “Initial Payment Date” will be the date that is the first Business Day following the date as of which such **SDEG****STEC** Contract is accepted for clearing pursuant to Rule 309.
- (h) For each **SDEG****STEC** Contract, the following terms will be determined according to the particular **SDEG****STEC** Contract submitted for clearing, subject to Rule 26G-303:
  - (i) Which of the Eligible **SDEG****STEC** Reference Entities is the “Reference Entity”.
  - (ii) Which of the **SDEG****STEC** Contract Reference Obligations specified for the Reference Entity in the List of Eligible **SDEG****STEC** Reference Entities is the “Reference Obligation”.
  - (iii) The “Trade Date”.
  - (iv) The “Effective Date”.



- (v) Which of the eligible Scheduled Termination Dates specified for the “Reference Entity” in the List of Eligible **SDEG**STEC Reference Entities is the “Scheduled Termination Date”.
- (vi) The “Floating Rate Payer Calculation Amount”.
- (vii) The “Floating Rate Payer”.
- (viii) The “Fixed Rate Payer”.
- (ix) The “Fixed Rate”.
- (x) If applicable, the Matrix Publication Date for the Relevant Physical Settlement Matrix.
- (xi) The “Initial Payment Payer”.
- (xiii) The “Initial Payment Amount”.
- [\(xiv\) Which of the eligible Applicable Credit Derivatives Definitions applies.](#)
- [\(xv\) In the case of a 2014-Type CDS Contract, which of the eligible Seniority Levels applies.](#)

#### **26G-316. Relevant Physical Settlement Matrix Updates.**

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

Contracts or may determine a Matrix Update Date applicable to all **SDEG****STEC** Contracts referencing a Superseded Matrix, as it deems appropriate.

## **26G-502. Specified Actions.**

Notwithstanding anything to the contrary in Rule 502(a) but without limiting the application of Rule 616 to any Modification (including the requirement of consultation with the Risk Committee, as provided in Rule 502(a), prior to determining that a Modification is not a Contract Modification), none of the following shall constitute a Specified Action: (a) adding and/or Modifying Permitted **SDEG****STEC** Fixed Rates, (b) adding new Eligible **SDEG****STEC** Reference Entities, and adding and/or Modifying any other entries in any of the fields in the List of Eligible **SDEG****STEC** Reference Entities or (c) an update to the List of Eligible **SDEG****STEC** Reference Entities, as described in Rules 26G-316 and 26G-616.

## **26G-616. Contract Modification.**

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

(b) Notwithstanding anything to the contrary herein (including Rule 616(b)), with respect to Open Positions in **STEC** Contracts that are Converting Contracts, effective as of the 2003/2014 Changeover Effective Date and without need for further action or determination by the Board, the terms of each such Contract will be deemed amended such that it is a 2014-Type CDS Contract under these Rules, the Applicable Credit Derivatives Definitions are the 2014 Definitions and it references the New Matrix with a Matrix Update Date of the 2003/2014 Changeover Effective Date. The amendments made by this rule 26G-616 shall apply as of the 2003/2014 Changeover Effective Date regardless of whether any relevant transaction record in Deriv/SERV is updated to reflect such amendments.

## **26H. Standard European Financial Corporate (“STEFC”) Single Name.**

The rules in this Subchapter 26H apply to the clearance of STEFC Contracts.

### **26H-102. Definitions.**

#### **Eligible STEFC Reference Entities**

Each particular Reference Entity included in the List of Eligible STEFC Reference Entities, as determined by ICE Clear Credit to be eligible. For the avoidance of doubt, if there are multiple Reference Entity Database codes (as published by Markit Group Limited or any successor thereto, such codes “RED Codes”) for a particular Reference Entity listed in the List of Eligible STEFC Reference Entities, each such RED Code shall be treated as a separate Eligible STEFC Reference Entity.

#### **Eligible STEFC Reference Obligations**

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

#### **List of Eligible STEFC Reference Entities**

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

- (a) the name of such Eligible STEFC Reference Entity and the RED Code(s) for such Eligible STEFC Reference Entity;
- (b) each Relevant Physical Settlement Matrix and Transaction Type for such Eligible STEFC Reference Entity (which shall be Standard European Financial Corporate);

- (c) each STEFC Contract Reference Obligation and each Eligible STEFC Reference Obligation for each such STEFC Contract Reference Obligation;
- (d) each eligible “Scheduled Termination Date”;
- (e) the Sector “Financials” (as published by Markit Group Limited or any successor thereto);
- (f) the Applicable Credit Derivatives Definitions for such Contract, which shall be the 2014 Definitions;
- (g) the eligible Seniority Levels for such Contract; and
- (h) whether “Standard Reference Obligation” is applicable

### **Permitted STEFC Fixed Rates**

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

### **Relevant Physical Settlement Matrix**

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

### **STEFC Contract**

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

### **STEFC Contract Reference Obligations**

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

Obligation shall thereafter be such Standard Reference Obligation, subject to Section 2.9 of the 2014 Definitions.

## **STEF C Rules**

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

### **26H-203. Restriction on Activity.**

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

### **26H-206. Notices Required of Participants with respect to STEFC Contracts.**

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

### **26H-303. STEFC Contract Adjustments.**

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

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

### **26H-309. Acceptance of STEFC Contracts by ICE Clear Credit.**

- (a) In addition to the acceptance process described in Rule 309, ICE Clear Credit’s notice to the relevant CDS Participants that it has accepted a Trade submitted for clearance shall include any adjustment that will be made by ICE Clear Credit pursuant to Rule 26H-303. Such CDS Participants’ resubmission of the terms of such Trade, as provided in Rule 309, shall include the adjustments described by ICE Clear Credit in such notice.

(b) A CDS Participant shall make all reasonable efforts to not submit a Trade for clearance as a STEFC Contract, and any such Trade shall not be a Conforming Trade, if the Novation Time would be:

(i) at a time when the Fallback Settlement Method is applicable to such STEFC Contract;

(ii) at or after the close of business on the calendar day following the Auction Final Price Determination Date for such STEFC Contract; or

(iii) on or after the calendar day following the day on which the Final List (as defined in the DC Rules) is published for a Restructuring CDS Contract and at or before the close of business on the calendar day following the CDS Regional Business Day following the latest possible Exercise Cut-off Date for the related Relevant Restructuring Credit Event under such Restructuring CDS Contract;

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

(c) A CDS Participant may not submit a Trade for clearance as a STEFC Contract, and any such Trade shall not be a Conforming Trade, if the time of submission of the Trade or the Novation Time would be at a time when the CDS Participant (or any Non-Participant Party for whom such Participant is acting) is, or is an Affiliate of, the Eligible STEFC Reference Entity for such STEFC Contract or is subject to an agreement under which it is reasonably likely that the CDS Participant (or any such Non-Participant Party) will become, or will become an Affiliate of, the Eligible STEFC Reference Entity for such STEFC Contract.

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

(e) If ICE Clear Credit determines that any Trade submitted for clearance would have been subject to circumstances giving rise to a Successor and a Succession Date but will no longer be subject to such circumstances upon clearance because of the Trade Date that would be specified with respect to the related Open CDS Position, ICE Clear Credit shall take such action as it deems necessary to ensure that such circumstances are given effect with respect to such Trade, including, without limitation, declining to accept such Trade for clearance or specifying an alternate Trade Date for purposes of Section 2.1 of

the Applicable Credit Derivatives Definitions with respect to the relevant portion of the related Open CDS Position.

**26H-315. Terms of the Cleared STEFC Contract.**

- (a) Any capitalized term used in this Subchapter 26H but not defined in these STEFC Rules shall have the meaning provided in the Credit Derivatives Definitions.
- (b) For purposes of the CDS Committee Rules, the CDS Region for each STEFC Contract is the European Region.
- (c) The definitions and provisions contained in the Applicable Credit Derivatives Definitions (for the purposes of the STEFC Rules only, the “**Credit Derivatives Definitions**”), are incorporated into the STEFC Rules. In the event of any inconsistency between the Credit Derivatives Definitions or the Confirmation (including in electronic form) for a STEFC Contract and these STEFC Rules, these STEFC Rules will govern.
- (e) The following provisions shall apply:
  - (i) Section 8.10(a) of the 2014 Definitions is hereby amended by replacing the "." at the end of subparagraph (B) thereof with "; and" and adding the following as a new subparagraph (C):

"(C) the tenth calendar day after the date of the actual decision by the relevant Regional CDS Committee (or Dispute Resolver) to Resolve (i.e., determined without regard to any Effectiveness Convention or any time of effectiveness specified in a Presented Position) that a Credit Event has occurred for which there is Publicly Available Information, as described in CDS Committee Rule 2101-02(a)(iii), with respect to such STEFC Contracts."
  - (ii) Except for purposes of Section 1.39 of the 2014 Definitions, a Credit Event Notice and Notice of Publicly Available Information with respect to a STEFC Contract for a Credit Event other than M(M)R Restructuring will be deemed to have been effectively delivered by the Notifying Party on the relevant Event Determination Date determined under the CDS Committee Rules only when the Resolution is effective, under the CDS Committee Rules, that a Credit Event other than M(M)R Restructuring has occurred for which there is Publicly Available Information, as described in CDS Committee Rule 2101-02(a)(iii), with respect to such STEFC Contract. Notwithstanding anything to the contrary in the 2014 Definitions, any delivery of a Credit Event Notice and/or Notice of Publicly Available Information by a CDS Participant (other than (i) the deemed delivery as



provided in this Rule 26H-315(e)(ii) or (ii) notices with respect to a Relevant Restructuring Credit Event as provided in the CDS Restructuring Rules) shall not be valid.

- (iii) For the purposes only of Section 1.16(a)(ii)(A)(II) of the 2014 Definitions, Section 1.17 of the 2014 Definitions is hereby modified by replacing the term “Auction Final Price Determination Date” with the phrase “date that is one Relevant City Business Day prior to the Auction Settlement Date”.
- (iv) With respect to STEFC Contracts for which it is Resolved by the Regional CDS Committee (or applicable Dispute Resolver) or Credit Derivatives Determinations Committee that a Credit Event has occurred for which there is Publicly Available Information, as described in CDS Committee Rule 2101-02(a)(iii) or the DC Rules, as applicable, Buyer may not deliver a Notice of Physical Settlement until after it is determined that the method of settlement for a particular Credit Event is the Fallback Settlement Method due to the occurrence of one of the events in Section 6.1 of the 2014 Definitions, and as further provided in the CDS Physical Settlement Rules. For the avoidance of doubt, the effectiveness of any Notice of Physical Settlement and obligations relating thereto are subject to the suspension and finality provisions of Sections 10.1 and 10.2 of the 2014 Definitions.
- (v) Section 11.4 of the 2014 Definitions shall not apply.
- (f) The Settlement Method for particular STEFC Contracts will be Auction Settlement and the Fallback Settlement Method will be Physical Settlement in accordance with the CDS Physical Settlement Rules.
- (g) The following terms will apply to each STEFC Contract:
  - (i) The “Agreement” is the Participant Agreement between the relevant CDS Participant and ICE Clear Credit.
  - (ii) The “Calculation Agent” is ICE Clear Credit, except as provided in the CDS Committee Rules.
  - (iii) The “Transaction Type” is Standard European Financial Corporate.
  - (iv) The “Fixed Rate Payer Payment Dates” will be March 20, June 20, September 20 and December 20.
  - (v) The Financial Reference Entity Terms will apply.
  - (vi) The “Initial Payment Date” will be the date that is the first Business Day immediately following the Trade Date; provided that with respect to a

STEFC Contract that is accepted for clearing pursuant to Rule 309 after the Trade Date thereof, the “Initial Payment Date” will be the date that is the first Business Day following the date as of which such STEFC Contract is accepted for clearing pursuant to Rule 309.

- (h) For each STEFC Contract, the following terms will be determined according to the particular STEFC Contract submitted for clearing, subject to Rule 26H-303:
- (i) Which of the Eligible STEFC Reference Entities is the “Reference Entity”.
  - (ii) Which of the STEFC Contract Reference Obligations specified for the Reference Entity in the List of Eligible STEFC Reference Entities is the “Reference Obligation”.
  - (iii) The “Trade Date”.
  - (iv) The “Effective Date”.
  - (v) Which of the eligible Scheduled Termination Dates specified for the “Reference Entity” in the List of Eligible STEFC Reference Entities is the “Scheduled Termination Date”.
  - (vi) The “Floating Rate Payer Calculation Amount”.
  - (vii) The “Floating Rate Payer”.
  - (viii) The “Fixed Rate Payer”.
  - (ix) The “Fixed Rate”.
  - (x) If applicable, the Matrix Publication Date for the Relevant Physical Settlement Matrix.
  - (xi) The “Initial Payment Payer”.
  - (xii) The “Initial Payment Amount”.
  - (xiii) The “Initial Payment Amount”.
  - (xiv) Which of the eligible Seniority Levels applies.

## 26H-316. Relevant Physical Settlement Matrix Updates.

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

## 26H-502. Specified Actions.

Notwithstanding anything to the contrary in Rule 502(a) but without limiting the application of Rule 616 to any Modification (including the requirement of consultation with the Risk Committee, as provided in Rule 502(a), prior to determining that a Modification is not a Contract Modification), none of the following shall constitute a Specified Action: (a) adding and/or Modifying Permitted STEFC Fixed Rates, (b) adding new Eligible STEFC Reference Entities, and adding and/or Modifying any other entries in any of the fields in the List of Eligible STEFC Reference Entities or (c) an update to the List of Eligible STEFC Reference Entities, as described in Rules 26H-316 and 26H-616.

## 26H-616. Contract Modification.

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

## ICE CLEAR CREDIT RESTRUCTURING PROCEDURES

These ICE Clear Credit Restructuring Procedures (these "**Procedures**") supplement the provisions of Subchapter 26E of the ICE Clear Credit Rules with respect to ~~CDS Contracts for which~~Relevant Restructuring ~~is an applicable Credit Event~~Contracts.

### 1. DEFINITIONS

(a) Capitalized terms used but not defined herein will have the meanings specified in the Rules or, if not specified therein, will have the meanings specified in the ~~Credit Derivatives~~2003 Definitions or 2014 Definitions (each as defined in the Rules), as applicable.

(b) The following terms shall have the meanings indicated:

The term "**CDS Buyer**" means, in relation to a CDS Contract, the CDS Participant that is the Buyer thereunder.

The term "**CDS Seller**" means, in relation to a CDS Contract, the CDS Participant that is the Seller thereunder.

The term "**CDS Sub-Account**" means, in relation to a CDS Participant, each sub-account at ICE Clear Credit with a unique identification number used by that CDS Participant for the recording of details of CDS Contracts with ICE Clear Credit, which account is linked to an identification code at Deriv/SERV for the recording of details of trades relating to such CDS Contracts and which account is further linked to the CDS Participant's House Positions or Client-Related Positions.

The term "**CEN Triggering Period**" means, in relation to any ~~CDS~~Relevant Restructuring Contract 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 MRP Matched Table is uploaded to Deriv/SERV (as referred to in paragraph 3.3(e)(vi)); and

(b) the day after the MRP Deadline Time,

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

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 ICE Clear Credit to CDS Participants, prior to the opening of business

on the second Business Day following the 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.

The term “**Circular**” means a publication issued by ICE Clear Credit for the attention of all CDS Participants and posted on ICE Clear Credit’s website.

The term “**Contract Terms**” means the contract terms applicable to a CDS Contract as specified pursuant to the applicable Rules.

The term “**DTCC**” means The Depository Trust and Clearing Corporation or any relevant subsidiary thereof or any successor thereto.

The term “**DTCC Accounts**” means the accounts in Deriv/SERV for the recording of transaction data in relation to CDS Contracts.

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 all CDS Participants or ICE Clear Credit.

The term “**DTCC Process**” means the process (if any) provided or to be provided by DTCC permitting ICE Clear Credit alone to input to Deriv/SERV all relevant information in relation to a CDS Contract in order to establish, match and make “certain” the record of such CDS Contract in the relevant DTCC Account(s).

The term “**DTCC Reversioning Date**” means the date on which ICE Clear Credit notifies CDS Participants 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.

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.

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 paragraph 3.3(f).

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.

The term “**Manual Notice Process**” means the process for the delivery, receipt and copying to ICE Clear Credit of notices pursuant to paragraph 3.3(g).

The term “**Matched Restructuring Pair**” or “**MRP**” means a Matched Restructuring Pair created pursuant to Subchapter 26E in respect of a Relevant Restructuring Credit Event.

The term “**Matched Restructuring Pair Notice**” has the meaning specified in the Rules.

The term “**MP Notice**” has the meaning specified in the Rules.

The term “**MRP Deadline Time**” means:

- (a) subject to (b) below, 11.59 p.m. on the latest of:
  - (i) the third Business Day following the 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 of the Final List; or
- (b) either:
  - (i) with respect to:

(A) 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 ~~Credit Derivatives~~2003 Definitions, ~~the later of:~~ or

~~(A) — 11:59 p.m. on the ninth calendar day following the~~(B) 2014-Type CDS Contracts for which the relevant Credit Event is an M(M)R Restructuring, if a No Auction Announcement Date; ~~and has been announced pursuant to Section 6.11(a) of the 2014 Definitions.~~

~~(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; or~~

- (ii) with respect to 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 ~~Credit Derivatives~~2003 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.

The term "**MRP Matched Table**" means the data file, in computer-readable format, containing details of all MRPs and MP Amounts and the CDS Contracts and CDS Participants to which they relate and reflecting the MRP Matching Reports, all in relation to the allocation of Matched Restructuring Pairs pursuant to Subchapter 26E following a Relevant Restructuring Credit Event.

The term "**MRP Matching Report**" means the report given by ICE Clear Credit, as referred to in paragraph 3.3(e), to each CDS Participant identifying the allocations of Matched Restructuring Pairs and the associated MP Amounts affecting the Open Position of that CDS Participant, which report comprises Matched Restructuring Pair Notices for purposes of Subchapter 26E in respect of each Matched Restructuring Pair.

The term "**NEMO Triggering Period**" means,

(a) in relation to any 2003-Type CDS Contracts in respect of which a Relevant 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:

- (a) 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 the DTCC Process has been made generally available to CDS Participants, at 9 a.m. on the day falling one Business Day prior to the relevant Movement Option Cut-off Date for the related CDS Contracts; and

(b) 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 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.

The term "**Notification Cut-Off Time**" means

- (a) with respect to delivery of a Restructuring Credit Event Notice in relation to CDS Contracts, 5:00 p.m. on the Exercise Cut-off Date applicable to the Buyer;
- (b) with respect to raising a dispute in respect of a Restructuring Credit Event Notice in relation to CDS Contracts, the later of (A) one hour after ICE Clear Credit notifies the Participants 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 Buyer;
- (c) with respect to delivery of a Notice to Exercise Movement Option, 5:00 p.m. on the Movement Option Cut-off Date; and
- (d) with respect to raising a dispute in respect of a Notice to Exercise Movement Option, the later of (A) one hour after ICE Clear Credit notifies the Participants 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.

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.

The term "**Restructuring Announcement Date**" means the date on which the Restructuring Credit Event Announcement ~~of a Restructuring Credit Event~~ is made, provided that where such Restructuring 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 Restructuring Announcement Date (only) will, for the purposes of the Rules, be the first following Business Day.



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.

**2. INTENTIONALLY OMITTED.**

**3. CREDIT EVENTS ~~AND PHYSICAL SETTLEMENT~~**

**3.1 Old Index CDS and Restructuring**

In relation to each CDS Contract which is an Old Index CDS where a Relevant Restructuring Credit Event has occurred in relation to a component transaction, ICE Clear Credit (for itself and on behalf of each relevant CDS Clearing Member and each relevant Non-Participant Party) will submit relevant data to Deriv/SERV as soon as practicable after the DTCC Reversioning Date in order to record the relevant New Trades.

**3.2 Notices**

- (a) MP Notices delivered between a Matched CDS Buyer, ICE Clear Credit and a Matched CDS Seller shall be delivered in accordance with the terms of the relevant CDS Contract, the Rules and these Restructuring Procedures. Subject to paragraphs 3.2 and 3.3 of these Restructuring Procedures and Subchapter 26E, Section 1.10 of the ~~Credit Derivatives Definitions~~2003 Definitions (in the case of a 2003-Type CDS Contract) or Section 1.38 of the 2014 Definitions (in the case of a 2014-Type CDS Contract), as applicable, will apply to MP Notices delivered under a CDS Contract (and for purposes of MP Notices, the provisions of Section 1.10 of ~~Credit Derivatives~~2003 Definitions or Section 1.38 of the 2014 Definitions, as the case may be, shall prevail over the general timing and process for notices set out in the Rules). Any Manual MP Notices (including memoranda of telephone notices) under a CDS Contract shall be copied or sent to the following e-mail address of ICE Clear Credit: [cdscen@theice.com]~~or the following fax number: [\_\_\_\_\_]~~. ICE Clear Credit shall have no responsibility to any CDS Participant to verify in any manner the contents of any MP Notice received by it.
- (b) ICE Clear Credit will circulate, by e-mail to all relevant CDS Participants prior to the start of the CEN Triggering Period:
  - (i) such details as it has received of CDS Participants' address, fax number, telephone number, e-mail address and any other applicable notice details for the delivery of notices through the Manual Notice Process; and
  - (ii) the ~~fax number and~~ e-mail address of ICE Clear Credit for the delivery of notices or copies or memoranda of notices through

the Manual Notice Process or otherwise in connection with the Credit Event in question (if different from those specified in paragraph 3.2(a) above).

Manual MP Notices delivered by CDS Participants to other CDS Participants or copied to ICE Clear Credit must be made to the contact details specified in paragraph 3.2(a) or otherwise in such manner as is specified by ICE Clear Credit in the e-mail circulated pursuant to this paragraph 3.2(b).

### **3.3 Matched Restructuring Pairs**

- (a) For the avoidance of doubt, Matched Restructuring Pairs will not be allocated in respect of any CDS Contracts for which the applicable Settlement Method is "Auction Settlement" following the occurrence of any applicable Credit Event other than a Relevant Restructuring Credit Event.
- (b)
  - (i) For any CDS Sub-Account where CDS Contracts are recorded on a "trade by trade" basis or a "gross" basis, CDS Contracts will be netted and/or aggregated (as if the CDS Sub-Account were recorded on a "net" basis) prior to the processing of any Relevant Restructuring Credit Event so as to reflect the equivalent of an Open Position in such CDS Contract in respect of such CDS Sub-Account.
  - (ii) ICE Clear Credit will, as soon as reasonably practicable following the completion of the process in subparagraph 3.3(b)(i), use an algorithm for purposes of allocating Matched Restructuring Pairs under Subchapter 26E. This algorithm shall minimize, to the extent reasonably practicable, each of the following:
    - (A) the number of Matched Restructuring Pairs in respect of which the MP Amount is less than EUR 1,000,000 (for iTraxx, STEC or ~~SNEC~~STEFC Contracts) or USD1,000,000 (for sovereign Contracts), as applicable (or such other amount as may be notified by ICE Clear Credit by Circular, after consultation with the Risk Committee) or not an integral multiple of such amount;
    - (B) the number of Matched Restructuring Pairs into which an individual CDS Participant is matched, provided that the MP Amount for any Matched Restructuring Pair shall not exceed EUR 50,000,000 (for iTraxx ~~or~~ STEC or ~~SNEC~~ STEFC Contracts) or USD10,000,000 (for

sovereign Contracts), as applicable (or such other amount as may be notified by ICE Clear Credit by Circular, after consultation with the CDS Risk Committee) and further provided that this shall not preclude the same CDS Seller and CDS Buyer being matched with each other in respect of more than one Matched Restructuring Pair;

- (C) the overall number of Matched Restructuring Pairs; and
  - (D) the number of, and notional amounts in Matched Restructuring Pairs with two different CDS Participants.
- (c) For purposes of Subchapter 26E, ICE Clear Credit will allocate to each Matched Restructuring Pair an MP Amount such that: (i) the sum of all MP Amounts of each CDS Buyer is equal to the aggregate Floating Rate Payer Calculation Amounts of such CDS Buyer in respect of all its CDS Contracts of the relevant type; and (ii) the sum of all MP Amounts of each CDS Seller is equal to the aggregate of the Floating Rate Payer Calculation Amounts of such CDS Seller in respect of all its CDS Contracts of the relevant type.
- (d) In the case of the allocation of Matched Restructuring Pairs under Subchapter 26E, ICE Clear Credit will, as soon as reasonably practicable, provide each CDS Participant an MRP Matching Report. Each CDS Participant to whom an MRP Matching Report is delivered shall check that the MRP Matching Report reflects its netted Contracts for each CDS Sub-Account with ICE Clear Credit in respect of each CDS Contract that is subject to the Relevant Restructuring Credit Event. Any CDS Participant which believes that the MRP Matching Report does not so reflect its net Open Position shall notify ICE Clear Credit of the same as soon as possible. If an error is notified to or noticed by ICE Clear Credit, ICE Clear Credit will, (i) provided that it has the time to do so, issue a replacement MRP Matching Report to any affected CDS Participant or (ii) take any other such steps as may be required to correct the error.
- (e) Matched Restructuring Pair Notices.
- (i) If ICE Clear Credit is obliged to issue Matched Restructuring Pair Notices in respect of a CDS Contract pursuant to Subchapter 26E, it will endeavor to do so as soon as reasonably practicable after the Clearance Cut-off Time for such contract.

- (ii) Matched Restructuring Pair Notices may be delivered by ICE Clear Credit by e-mail or fax or by posting to a secure section of ICE Clear Credit's website which only ICE Clear Credit and the relevant CDS Participant may view, such that confidentiality (to the extent required under the Rules) is maintained. ICE Clear Credit will give each CDS Participant reasonable notice of any method of delivery to be used other than ICE Clear Credit's secure website, unless a particular CDS Participant and ICE Clear Credit mutually agree upon an alternative form of notice being used. The Matched Restructuring Pair Notice will be effective when received by, or available on the secure section of ICE Clear Credit's website for inspection by, the relevant CDS Participant, as applicable.
- (iii) Intentionally Omitted.
- (iv) ICE Clear Credit shall issue Matched Restructuring Pair Notices to the CDS Participants pursuant to Subchapter 26E following a [Relevant](#) Restructuring Credit Event prior to the MRP Deadline Time, in the form of the MRP Matching Report for each CDS Participant. Where there is a CH Reversioning Date, ICE Clear Credit will, in its own systems, reversion Old Index CDS to exclude the relevant component transaction in respect of which a [Relevant](#) Restructuring Credit Event has occurred and record such Component Transaction in the form of a New Trade, in each case on the CH Reversioning Date.
- (v) As soon as practicable after the issue of the MRP Matching Reports, ICE Clear Credit will, for itself, for CDS Participants and for any Non-Participant Party, terminate the records in the DTCC Accounts of all CDS Contracts which are the subject of the relevant MRP Matching Report and, using the DTCC Process, input matching records of CDS Contracts in the DTCC Accounts to reflect the creation of the MRPs shown by the MRP Matching Reports. Each relevant CDS Participant and each Non-Participant Party shall cease to take any action which would result in any of the records of relevant CDS Contracts in the DTCC Accounts being amended after 12 noon on the day of the MRP Deadline Time, unless otherwise agreed with ICE Clear Credit. ICE Clear Credit and each relevant CDS Participant shall use their best endeavours to rename trade identifiers in the DTCC Accounts appropriately and to ensure that the records of each affected CDS Contract to which it is party are "confirmed and certain" within the DTCC Accounts prior to that time. If the records of CDS Contracts which are so input into the DTCC Accounts by ICE

Clear Credit using the DTCC Process do not reflect the MRPs shown by the MRP Matching Reports, ICE Clear Credit will amend (and thereby correct) such records in the DTCC Accounts and may require the affected CDS Participants or Non-Participant Parties to make or confirm matching amendments to such records. CDS Participants and Non-Participant Parties will be bound by the records originally so input unless and until they are so amended.

- (vi) ICE Clear Credit shall, in the case of the allocation of Matched Restructuring Pairs pursuant to Subchapter 26E, upload the MRP Matched Table to Deriv/SERV and issue confirmed MRP Matching Reports to CDS Participants, setting out the details of the Matched Restructuring Pairs that have been recorded in the DTCC Accounts, as soon as reasonably practicable but in any event not later than the MRP Deadline Time (provided that ICE Clear Credit shall not be treated as being in breach of any obligation to any Participant if it is not able to do so as a result of a failure of DTCC). ICE Clear Credit, CDS Participants and Non-Participant Parties recognise and acknowledge that in certain circumstances outside the control of ICE Clear Credit, the CEN Triggering Period applicable to the Seller and the Buyer may be a period of fewer than two and five Business Days, respectively.
- (vii) In accordance with and to the extent permitted under Subchapter 26E, if ICE Clear Credit fails to issue Matched Restructuring Pair Notices or the MRP Matching Report and to upload the MRP Matched Table by the MRP Deadline Time, CDS Participants may deliver Restructuring Credit Event Notices and Notices to Exercise Movement Option, as applicable, directly to ICE Clear Credit until such time as the Matched Restructuring Pair Notices or MRP Matching Reports, as applicable, have been issued or the MRP Matched Table, as applicable, has been uploaded. Such notices must be made by fax or e-mail to the contact details specified in accordance with paragraph 3.2(b).
- (f) Electronic Notice Process for Matched Restructuring Pairs.
  - (i) Subject to paragraphs 3.3(e)(vii), 3.3(f)(v), 3.3(f)(vi) and Subchapter 26E:
    - (A) a CDS Participant and Non-Participant Party (if any) may deliver Restructuring Credit Event Notices and Notices to Exercise Movement Option, but only in the form of an Electronic Notice through Deriv/SERV in

accordance with the specific procedures of DTCC which are provided for the delivery of such notices through the DTCC Accounts; and

- (B) any Restructuring Credit Event Notice or Notice to Exercise Movement Option delivered otherwise than in accordance with such procedures as an Electronic Notice will be invalid and ineffective.
- (ii) ICE Clear Credit, each CDS Participant and Non-Participant Party (if any) acknowledges that, subject to paragraph 3.3(f)(vi), an Electronic Notice delivered to ICE Clear Credit in relation to a Matched CDS Buyer Contract or a Matched CDS Seller Contract recorded in such CDS Participant's DTCC Account, provided that it is delivered within the time limits set for such delivery by the Contract Terms and otherwise satisfies the requirements of the Contract Terms and is submitted properly in accordance with the applicable regulations, rules and procedures of Deriv/SERV, is intended to result in a corresponding Electronic Notice being created by Deriv/SERV and delivered (or if such corresponding Electronic Notice is not created and delivered, it shall be deemed to have been created and delivered) on behalf of ICE Clear Credit to the other CDS Participant in respect of the Matched CDS Seller Contract or Matched CDS Buyer Contract, as applicable, in the same Matched Restructuring Pair for all purposes under Subchapter 26E (and, for the avoidance of doubt, without need for delivery of a notice directly between Matched CDS Buyer and Matched CDS Seller). Where a CDS Participant receives (or has been deemed to receive) such an Electronic Notice from ICE Clear Credit in respect of a CDS Contract that is a Client-Related Position, the relevant Non-Participant Party will be deemed to have received the same Electronic Notice in respect of the relevant CDS Contract.

The time of delivery of both such Electronic Notices in respect of both the Matched CDS Buyer Contract and Matched CDS Seller Contract which are subject of the same Matched Restructuring Pair shall be deemed to be the same and shall be the time that DTCC records as being the time at which the first Electronic Notice was processed. An Electronic Notice which is or is deemed to be validly delivered in accordance with these CDS Procedures shall be treated as valid delivery of a Restructuring Credit Event Notice or Notice to Exercise Movement Option for purposes of the Applicable Credit

**Derivatives** Definitions and Contract Terms of the relevant CDS Contract.

- (iii) If, but only if, ICE Clear Credit has received, before the end of the relevant Triggering Period, either (A) the notice required under Paragraph 3.3(f)(v)(B)(2) from any CDS Participant or (B) a notification of a DTCC Failure, as referred to in paragraph 3.3(f)(vi), then, by 6:00 p.m. on the day of such notice or notification and each subsequent day of the relevant Triggering Period, ICE Clear Credit will provide CDS Participants with a report containing details of Electronic Notices that have been delivered by or to it, with a separate report or combined report also including details of any Manual MP Notices that have been delivered by it or to it and notified to ICE Clear Credit. Without prejudice to the generality of paragraphs 3.3(f)(x), if the contents of any such report are disputed, paragraph 3.3(g)(iv) applies.
- (iv) At the end of each Triggering Period, ICE Clear Credit will, where such records have not already been adjusted to the following effect by DTCC, adjust the records in the DTCC Accounts of the Matched CDS Contracts to which the MRPs relate to reflect any Restructuring Credit Event Notices and Notices to Exercise Movement Option (and the consequences of such notices) delivered during the relevant Triggering Period, including (A) where appropriate, sub-dividing such Matched CDS Contracts to reflect Triggered Restructuring CDS Contracts; and (B) taking such steps as are necessary for Triggered Restructuring CDS Contracts for which the relevant Restructuring Credit Event Notices and Notices to Exercise Movement Option (if any) that were delivered through the Manual Notice Process or Electronic Notice Process settle through the same processes. To the extent that ICE Clear Credit adjusts any records in the DTCC Accounts at the end of the CEN Triggering Period applicable to Buyer, ICE Clear Credit will update the MRP Matched Table to reflect such adjustments.
- (v) Rights and obligations to use the Manual Notice Process.
  - (A) In addition to the circumstances set out in paragraph 3.3(f)(vi), a CDS Participant (a "**Manual CDS Participant**") (but not, for the avoidance of doubt, any Non-Participant Party) shall be entitled to deliver Restructuring Credit Event Notices and Notices to Exercise Movement Option pursuant to the Manual Notice Process only if it is affected by a significant

communications or information technology failure resulting in it being impossible or impractical for such CDS Participant to deliver all or substantially all Restructuring Credit Event Notices or Notices to Exercise Movement Option (as applicable) in accordance with the Electronic Notice Process on the last day of the relevant NEMO Triggering Period or CEN Triggering Period applicable to it as protection buyer or protection seller.

As between a CDS Participant and a Non-Participant Party (if any), the delivery or receipt by that CDS Participant to or from ICE Clear Credit of a Restructuring Credit Event Notice or a Notice to Exercise Movement Option in respect of a CDS Contract recorded in its CDS Sub-Account shall have the same effect as though such CDS Participant had delivered or received, to or from ICE Clear Credit, an Electronic Notice of the same under paragraph 3.3(f)(ii).

- (B) If a CDS Participant delivers any Restructuring Credit Event Notice or Notice to Exercise Movement Option (as applicable) in accordance with the Manual Notice Process then:
- (1) it will be deemed to represent to ICE Clear Credit that it is affected by a significant communications or information technology failure resulting in it being impossible or impractical for such CDS Participant to deliver all or substantially all Restructuring Credit Event Notices or Notices to Exercise Movement Option (as applicable) in accordance with the Electronic Notice Process;
  - (2) it must deliver a notice, in or substantially in the form provided by ICE Clear Credit on the Clearing Participant-accessible section of its website for such purpose, signed by a senior officer (such as managing director or equivalent) of such CDS Participant to ICE Clear Credit, certifying only that it is affected by a significant communications or information technology failure resulting in it being impossible or impractical for it to deliver all or substantially all Restructuring Credit Event



Notices or Notices to Exercise Movement Option (as applicable) in accordance with the Electronic Notice Process and that it has delivered one or more Restructuring Credit Event Notices or Notices to Exercise Movement Option (as applicable) in accordance with the Manual Notice Process, such notice to be delivered promptly and, in any event, within 1 hour of such CDS Participant's first so delivering a Restructuring Credit Event Notice or Notice to Exercise Movement Option in respect of any Relevant Restructuring Credit Event (but the CDS Participant shall not be required to provide a copy of any Restructuring Credit Event Notices or Notices to Exercise Movement Option (as applicable) until the time specified in paragraph 3.3(g);

- (3) ICE Clear Credit will (x) publish a Circular as soon as reasonably practicable after receiving a notice pursuant to paragraph 3.3(f)(v)(B)(2) which will name the CDS Participant involved, refer to such CDS Participant as having been subject to a significant communications or information technology failure and specify any amended timelines applicable for the processing of the Relevant Restructuring Credit Event in question and (y) notify all CDS Participants of the name of the Manual CDS Participant by fax or e-mail within 1 hour;
- (4) the CDS Participant must use reasonable endeavors to mitigate the effects on other CDS Participants and ICE Clear Credit of it using the Manual Notice Process, with reference to the principle that it is operationally simpler for all CDS Participants to use the Electronic Notice Process and shall use reasonable endeavors to minimize the number of notices it delivers pursuant to the Manual Notice Process;
- (5) the CDS Participant must revert to using the Electronic Notice Process (and cease using the Manual Notice Process) as soon as reasonably practicable;

- (6) the CDS Participant must take reasonable endeavors to ensure that the communications or information technology issue does not recur; and
    - (7) if a separate significant communications or information technology failure occurs affecting the same or another CDS Participant in respect of the same Relevant Restructuring Credit Event, this paragraph 3.3(f)(v) shall apply in full in respect of that separate failure.
  - (C) Where, as a consequence of a Restructuring Credit Event Notice being delivered pursuant to the Manual Notice Process, the records of the relevant Triggered Restructuring CDS Contract(s) in the DTCC Accounts are not the same as the records thereof held by ICE Clear Credit: (1) ICE Clear Credit, the two relevant CDS Participants in the Matched Restructuring Pair will use all reasonable endeavours to reconcile the records as soon as possible; and (2) if agreement as to such reconciliation has not been reached within two Business Days of ICE Clear Credit first notifying the two CDS Participants involved of the inconsistency between the two sets of records, the matters will be resolved as disputes between ICE Clear Credit and each of the two affected CDS Participants in accordance with Paragraph 3.3(g)(x) to (xii).
  - (D) Any CDS Participant (and any Non-Participant Party) in a Matched Restructuring Pair with a Manual CDS Participant must continue to use the Electronic Notice Process unless this paragraph 3.3(f)(v) separately applies to it. For the avoidance of doubt, and without prejudice to ICE Clear Credit's rights under the Rules or otherwise for breach of contract or misrepresentation, any breach by a CDS Participant of the provisions of this paragraph 3.3(f)(v) shall not cause any Restructuring Credit Event Notice or Notice to Exercise Movement Option (as applicable) delivered otherwise in accordance with the Contract Terms to be invalid or ineffective.
- (vi) If DTCC notifies ICE Clear Credit that there has been a DTCC Failure:

- (A) ICE Clear Credit will (1) publish a Circular as soon as reasonably practicable after receiving such notice stating that a DTCC Failure has occurred, specifying a time (the “**DTCC Failure Time**”) at which such DTCC Failure occurred and which may specify any amended timelines applicable for the processing of the Relevant Restructuring Credit Event in question and (2) notify all CDS Participants of the DTCC Failure by fax or e-mail within 1 hour;
- (B) from and including the DTCC Failure Time to but excluding the DTCC Resolution Time (as defined below), the Electronic Notice Process shall cease to be applicable and CDS Participants (but not, for the avoidance of doubt, any Non-Participant Party) may only deliver and receive Restructuring Credit Event Notices and Notices to Exercise Movement Option (as applicable) in respect of a Matched CDS Contract in accordance with the Manual Notice Process;
- (C) the validity of any Restructuring Credit Event Notices and Notices to Exercise Movement Option (as applicable) delivered in accordance with the Electronic Notice Process prior to the DTCC Failure Time will not be affected by the DTCC Failure; and
- (D) all Restructuring Credit Event Notices and Notices to Exercise Movement Option (as applicable) delivered or purported to be delivered in accordance with the Electronic Notice Process at or after the DTCC Failure Time to but excluding the DTCC Resolution Time will not be valid.

If, subsequent to a DTCC Failure, DTCC notifies ICE Clear Credit that the DTCC Failure is no longer in effect:

- (1) ICE Clear Credit will (x) publish a Circular as soon as reasonably practicable after receiving such notice stating the DTCC Failure is no longer in effect and specifying the time at which the Electronic Notice Process is to become available (the “**DTCC Resolution Time**”) which time must be at least 30 minutes following the time of publication of the Circular but may be as late as 9 a.m. on a ICE Clear Credit Business Day following the date of the Circular and (y)

notify all CDS Participants of the same by fax or e-mail within 1 hour; and

- (2) subject to paragraph 3.3(f)(v), as from the DTCC Resolution Time, CDS Participants must cease delivering Restructuring Credit Event Notices and Notices to Exercise Movement Option (as applicable) pursuant to the Manual Notice Process and must instead deliver Restructuring Credit Event Notices and Notices to Exercise Movement Option (as applicable) in accordance with the Electronic Notice Process.
- (vii) If a Restructuring Credit Event Notice or Notice to Exercise Movement Option is delivered between a Matched Restructuring Pair in accordance with the Electronic Notice Process and a separate Restructuring Credit Event Notice or Notice to Exercise Movement Option is delivered as between the same Matched Restructuring Pair in accordance with the Manual Notice Process, then, subject to paragraph 3.3(f)(viii), the validity or priority of any such Restructuring Credit Event Notice or Notice to Exercise Movement Option in the event of any conflict will be determined in accordance with the Contract Terms.
- (viii) If the Manual Notice Process is applicable, and a CDS Participant is uncertain as to whether or not a Restructuring Credit Event Notice or Notice to Exercise Movement Option (as applicable) it or a Non-Participant Party (if any) attempted to deliver under the Electronic Notice Process has actually been delivered, or was delivered prior to the DTCC Failure Time, that CDS Participant shall be entitled to deliver a Restructuring Credit Event Notice or Notice to Exercise Movement Option (as applicable) pursuant to the Manual Notice Process to its Matched Restructuring Pair (copied to ICE Clear Credit) specifying that such Restructuring Credit Event Notice or Notice to Exercise Movement Option (as applicable) is only to be effective to the extent that the other purported notice was not effective, provided that sufficient details are included of the notice attempted to be made under the Electronic Notice Process to allow the other party to the Matched Restructuring Pair and ICE Clear Credit to identify the communications concerned. If the first Restructuring Credit Event Notice or Notice to Exercise Movement Option (as applicable) to which the attempted delivery related was actually delivered, then any subsequent Restructuring Credit Event Notice or Notice to Exercise Movement Option

delivered in accordance with the requirements of this paragraph 3.3(f)(viii) shall be treated as not having been delivered.

- (ix) If any Restructuring Credit Event Notice or Notice to Exercise Movement Option (as applicable) is delivered pursuant to the Manual Notice Process, neither CDS Participants nor Non-Participant Parties shall re-enter details of that Restructuring Credit Event Notice or Notice to Exercise Movement Option pursuant to the Electronic Notice Process (without prejudice to the obligation of CDS Participants to reflect such notices pursuant to the “Notify” function made available by Deriv/SERV). Any delivery of a second Restructuring Credit Event Notice in such a manner shall be treated as delivery of an additional and separate Restructuring Credit Event Notice pursuant to the Electronic Notice Process. Any deliver of a second Notice to Exercise Movement Option for the same Triggered Restructuring DS Contract in such a manner shall be disregarded.
  - (x) Paragraphs 3.3(g)(iv), (x), (xi), (xii) and (xiii) (in the latter case in relation to disputes falling under paragraph 3.3(g)(xiii)(B) only) shall apply to notices delivered pursuant to the Electronic Notice Process in the same way as such paragraphs apply to notices under the Manual Notice Process.
  - (xi) For the avoidance of doubt, the Electronic Notice Process does not apply to Notices of Physical Settlement or NOPS Amendment Notices.
- (g) Manual Notice Process.

CDS Participants in a Matched Restructuring Pair must only use the Manual Notice Process to deliver (1) MP Notices that are Restructuring Credit Event Notices or Notices to Exercise Movement Option where permitted by paragraphs 3.3(f)(v) or 3.3(f)(vi); and (2) Notices to Exercise Movement Option where permitted by paragraph 3.3(g)(xi). A Restructuring Credit Event Notice or Notice to Exercise Movement Option delivered other than by the Electronic Notice Process will only be valid and effective if (x) it is in or substantially in the form (or in the case of a telephone notice, contains the information required by the form) provided by ICE Clear Credit on the section of its website accessible to Participants for such purpose and (y) it is delivered by fax, e-mail or telephone to the relevant contact address or number specified in accordance with paragraph 3.2(b). Notwithstanding any provision of the terms of the CDS Contract, any

notice under a Matched CDS Contract which is required to be copied or given to ICE Clear Credit in accordance with the Rules must be copied or given to ICE Clear Credit in writing or in any other manner permitted by ICE Clear Credit. Only a CDS Participant may deliver a Manual MP Notice to ICE Clear Credit.

On each day on which a Manual MP Notice is served:

- (i) Each Manual MP Notice shall be effective, subject to this paragraph 3.3(g) and in respect of a 2003-Type CDS Contract, Section 1.10 of the ~~Credit—Derivatives~~2003 Definitions or, in respect of a 2014-Type CDS Contract, Section 1.38 of the 2014 Definitions. Subchapter 26E applies in full in respect of each Manual MP Notice.
- (ii) Each CDS Participant in receipt of a Manual MP Notice or which has served a Manual MP Notice shall deliver a copy of such Manual MP Notice (if it was a written notice) or a written memorandum of such Manual MP Notice (if it was oral) to ICE Clear Credit at or prior to 5:00 p.m. on the day on which the Manual MP Notice was served or purported to be served. Any memorandum of a notice given by telephone must be in the same form as a written notice.
- (iii) ICE Clear Credit shall deliver copies of each copy or memorandum of a Manual MP Notice received by it under and in accordance with paragraph 3.3(g)(ii) to both CDS Participants in each relevant Matched Restructuring Pair at or prior to 6:00 p.m. on the day on which the copy or memorandum was delivered to it.
- (iv) If a CDS Participant wishes to dispute any Manual MP Notice of which a copy or a memorandum was delivered to it by ICE Clear Credit under paragraph 3.3(g)(iii) (or, to the extent that this paragraph 3.3(g)(iv) is applicable pursuant to paragraph 3.3(f)(x), wishes to dispute a Restructuring Credit Event Notice or Notice to Exercise Movement Option referred to in a report under paragraph 3.3(f)(ii)), that CDS Participant must inform ICE Clear Credit of the existence of the dispute prior to the Notification Cut-off Time, and will use reasonable endeavors to inform ICE Clear Credit within 1 hour of the time at which the report, copy or memorandum (in which the disputed notice is referred to) is first delivered to it by ICE Clear Credit.
- (v) Subject to paragraph 3.3(g)(x)-(xii) below, neither the failure of any CDS Participant to deliver a copy or memorandum of a

Manual MP Notice to ICE Clear Credit nor the failure of ICE Clear Credit to deliver a copy or memorandum of a Manual MP Notice to any CDS Participant of itself shall result in any notice under a CDS Contract being invalid.

- (vi) Notwithstanding any breach of paragraph 3.3(g)(ii) and without prejudice to any liabilities resulting from such breach, a CDS Participant shall inform ICE Clear Credit as soon as practicable upon becoming aware that a copy or memorandum of any Manual MP Notice was not delivered to ICE Clear Credit on time, providing a copy or memorandum of such Manual MP Notice.
- (vii) To the extent that they are able to do so, the CDS Participants in a Matched Restructuring Pair where one has delivered to the other a Restructuring Credit Event Notice or Notice to Exercise Movement Option pursuant to the Manual Notice Process shall reflect the delivery and receipt of such notices using the “Notify” function provided by Deriv/SERV.
- (viii) Where neither CDS Participant in a Matched Restructuring Pair deliver a copy or memorandum of a Manual MP Notice to ICE Clear Credit until after the Notification Cut-off Time;
  - (A) If such CDS Participants do not dispute that such notice was delivered between themselves correctly in accordance with the Contract Terms (excluding this paragraph 3.3(g)), ICE Clear Credit will permit the parties to settle the relevant CDS Contracts through the clearing system as if the notice had been copied to ICE Clear Credit before the Notification Cut-off Time, provided that ICE Clear Credit is notified of the notice prior to 4:30 p.m. on the ICE Clear Credit Business Day prior to the DTCC event processing end date (as determined by DTCC for the Credit Event in question). With respect to Restructuring Credit Event Notices, ICE Clear Credit shall only permit such settlement in relation to 3 CDS Contracts per CDS Participant per Relevant Restructuring Credit Event; and
  - (B) If such CDS Participants do dispute that such notice was delivered between themselves correctly in accordance with the Contract Terms (excluding this paragraph 3.3(g)), paragraph 3.3(g)(x) to 3.3(g)(xiii) shall apply.
- (ix) Intentionally omitted.

- (x) Until such time as any dispute concerning an MP Notice is resolved, ICE Clear Credit shall be entitled to calculate Margin requirements for each of the CDS Participants in a Matched Restructuring Pair based on the maximum Margin requirement for each of the CDS Participants that could result, in the opinion of ICE Clear Credit, from any reasonably foreseeable outcome of any such dispute.
- (xi) Unless and until such time as any dispute concerning an MP Notice is resolved, ICE Clear Credit shall not be obliged to take any step that would have been required of it were the MP Notice to have been validly served. If any matter relating to a Restructuring Credit Event Notice (or alleged Restructuring Credit Event Notice) is disputed, then any Notice to Exercise Movement Option or purported Notice to Exercise Movement Option in relation to the CDS Contract under dispute may only be delivered pursuant to the Manual Notice Process. In such instances, the preconditions to using the Manual Notice Process (other than those set out in this paragraph 3.3(g)(xi)) and other requirements set out in paragraph 3.3(f)(v) shall not apply.
- (xii) Upon final resolution of any such dispute, ICE Clear Credit and the relevant CDS Participants shall take such actions with respect to the disputed CDS Contract as ICE Clear Credit determines appropriate to give effect to such resolution, which may include, without limitation, effecting settlement pursuant to the Transaction Auction Settlement Terms or relevant Parallel Auction Settlement Terms (if any) and termination of the related CDS Contract, creating or increasing the parties' Open Positions, paying any accrued but unpaid Fixed Amounts and/or recalculating the parties' Margin requirements, and the CDS Participants shall perform their respective obligations in accordance with ICE Clear Credit's determinations. Notwithstanding anything to the contrary herein or in any arbitral or other decision resolving such dispute, ICE Clear Credit shall not be obligated to take any other action nor shall ICE Clear Credit be liable for any other damages, including, without limitation, punitive damages, consequential damages, incidental damages, lost profits, attorney's fees or other costs or pre- or post-judgment interest. Any other action or damages required by any such resolution shall be the direct obligation of the relevant CDS Participants to each other, and such CDS Participants shall be entitled to pursue directly against each other whatever legal remedies may be available. For the avoidance of doubt, ICE Clear Credit shall have no liability with respect to any



such legal remedies between such CDS Participants and ICE Clear Credit shall have no obligation to participate in any related proceeding.

- (xiii) If ICE Clear Credit receives notice, from either the CDS Seller or the CDS Buyer in a Matched Restructuring Pair, after the Notification Cut-Off Time, in respect of an MP Notice that:
- (A) Such MP Notice, being a Manual MP Notice, was allegedly timely delivered between the parties in such Matched Restructuring Pair but a copy or memorandum thereof was not delivered to ICE Clear Credit before the Notification Cut-Off Time; or
  - (B) Such MP Notice is under dispute as to whether it was timely delivered between CDS Participants in such Matched Restructuring Pair,

then ICE Clear Credit will notify the other party in such Matched Restructuring Pair as soon as reasonably practicable. Upon such notification by ICE Clear Credit, unless paragraph 3.3(g)(viii)(A) applies, the CDS Buyer and CDS Seller in such Matched Restructuring Pair shall be directly liable to each other, and shall be entitled to pursue directly against each other whatever legal remedies may be available, for the difference between (x) their respective Open Positions (or proceeds thereof) in the relevant CDS Contract at ICE Clear Credit by virtue of such notice being invalid against ICE Clear Credit (in the case of (A) above) or by virtue of ICE Clear Credit acting based on its interpretation of the notice it received that was not timely delivered (in the case of (B) above) and (y) what such Open Positions (or proceeds thereof) would have been if a copy of such allegedly valid MP Notice was validly provided to and given effect by ICE Clear Credit at the time, if any, such MP Notice was validly delivered between the parties to the Matched Restructuring Pair. For the purpose only of pursuing any such legal remedies for the difference between (x) and (y), the CDS Buyer and the CDS Seller in such Matched Restructuring Pair shall be entitled to enforce the terms of their respective CDS Contracts against each other as if each of them were the counterparty to the other in place of ICE Clear Credit, including the right to have the dispute settled pursuant to arbitration under the Rules. With respect to the determination of such legal remedies, the validity of any allegedly valid MP Notice as between the relevant CDS Buyer and CDS Seller in the Matched Restructuring Pair shall be unaffected by whether or not such

notice is valid against ICE Clear Credit. For the avoidance of doubt, but without prejudice to any liability or obligation of ICE Clear Credit, ICE Clear Credit shall have no liability with respect to any such MP Notice a copy of which was not timely and properly delivered to ICE Clear Credit or a dispute with respect to which was not timely and properly notified to ICE Clear Credit, including, without limitation, with respect to any such legal remedies between the CDS Buyer and CDS Seller in such Matched Restructuring Pair, and ICE Clear Credit shall have no obligation to participate in any related proceeding.

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<b>Input:</b>	
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Description	NYDOCS01-#1355129-v1-ICC_restructuring_procedures_2014_defs
Document 2 ID	PowerDocs://NYDOCS01/1355129/5
Description	NYDOCS01-#1355129-v5-ICC_restructuring_procedures_2014_defs
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Moved cell	
Split/Merged cell	
Padding cell	

<b>Statistics:</b>	
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Deletions	24
Moved from	0
Moved to	0
Style change	0
Format changed	0
<b>Total changes</b>	<b>78</b>



CONFIDENTIAL TREATMENT REQUESTED

www.theice.com

Michelle Weiler
Assistant General Counsel

FOIA CONFIDENTIAL TREATMENT REQUESTED

July 11, 2014

VIA E-MAIL

Ms. Melissa Jurgens
Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: ICE Clear Credit LLC Advance Notice of Proposed Rule Change Pursuant to Commission Rule 40.10

Dear Ms. Jurgens:

In conjunction with the self-certification submitted by ICE Clear Credit LLC ("ICC") today, July 11, 2014, to the Secretary of the Commodity Futures Trading Commission ("Commission"), pursuant to Section 5c(c)(1) of the Commodity Exchange Act and Commission Regulation 40.10, ICC submits the attached confidential document. The attached file is password protected. The password will be provided under separate cover.

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Under the Freedom of Information Act ("FOIA"), 5 USC Section 552, Section 809(g) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and pursuant to Commission Regulation 145.9(d)(5), Federal Reserve Board Regulation 261.15 and any other applicable regulations under or implementing FOIA, ICE Clear Credit hereby respectfully requests that confidential treatment be maintained for the documents which bear Bates numbers 07.11.2014-000001-CFTC3 to 07.11.2014-000032-CFTC3 until further notice. ICE Clear Credit also requests that the Commission or the Board notify the undersigned immediately after receiving any FOIA request for such documents or any other court order, subpoena or summons for the same. Finally, ICE Clear Credit requests that it be notified in the event the Commission or the Board intends to disclose such documents to Congress or to any other governmental agency or unit pursuant to Section 8 of the Commodity Exchange Act, as amended ("CEA") or other applicable law. ICE Clear Credit does not waive its notification rights under Section 8(f) of the CEA or other applicable law with respect to any subpoena or summons for such document(s).

The basis for the request is that disclosure of these document(s) would reveal confidential commercial and financial information of ICE Clear Credit, the disclosure of which could have a material adverse effect on, and cause injury to, the operations and competitive position of ICE Clear Credit. This request is not to be construed as a waiver of any other protection from disclosure or confidential treatment accorded by law, and ICE Clear Credit will rely on and invoke any such confidentiality protection.

\*\*\*\*\*

IntercontinentalExchange
353 North Clark, Suite 3100
Chicago, IL 60654

Please direct any questions or requests for information to the attention of the undersigned at [michelle.weiler@theice.com](mailto:michelle.weiler@theice.com) or (312) 836-6884.

Sincerely,



Michelle Weiler  
Assistant General Counsel

Enclosures

cc: Board of Governors of the Federal Reserve System (by email)  
Stuart E. Sperry, Board of Governors (by email)  
Jeff Walker, Board of Governors (by email)  
Brian O'Keefe, CFTC (by email)  
Sarah Josephson, CFTC (by email)  
John C. Lawton, CFTC (by email)  
Phyllis Dietz, CFTC (by email)  
Steve Greska, CFTC (by email)  
Julie Mohr, CFTC (by email)  
Kate Meyer, CFTC (by email)  
Tad Polley, CFTC (by email)  
Eric Nield, ICE Clear Credit (by email)  
Sarah Williams, ICE Clear Credit (by email)  
FOIA Office (by email and facsimile, 202-418-5124)