

**(VIII) CDS PROCEDURES****INDEX**

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1. **ADDITIONAL DEFINITIONS**

- 1.1 The terms "2005 Matrix Supplement", "Accreted Amount", "Accreting Obligation", "Auction Cancellation Date", "Auction Final Price Determination Date", "Bankruptcy", "Calculation Agent", "Credit Event", "Credit Derivatives Determinations Committees", "Confirmation", "Credit Event Backstop Date", "Credit Event Notice", "Credit Event Resolution Request Date", "Dealer", "Deliverable Obligation", "Deliverable Obligation Characteristics", "Delivery", "Delivery Date", "Event Determination Date", "Exercise Cut-Off Date", "Extension Date", "Failure to Pay", "Fallback Settlement Method", "Final List", "Final Price", "Floating Rate Payer Calculation Amount", "Highest ", "Indicative Quotation", "Loan", "Movement Option Cut-off Date", "NOPS Amendment Notice", "Not Contingent", "Notice Delivery Period", "No Auction Announcement Date", "Notice of Physical Settlement", "Notice of Publicly Available Information", "Notice to Exercise Movement Option", "Notifying Party", "Obligation", "Physical Settlement Amount", "Physical Settlement Date", "Potential Repudiation/Moratorium", "Publicly Available Information", "Quotation", "Reference Entity", "Reference Obligation", "Repudiation/Moratorium", "Repudiation/Moratorium Extension Condition", "Repudiation/Moratorium Extension Notice", "Restructuring", "Substitute Reference Obligation", "Succession Event", "Succession Event Backstop Date", "Succession Event Notice", "Succession Event Resolution Request Date", "Successor", "Trade Date", "Transaction Auction Settlement Terms", "Transaction Type", "Valuation Date" and "Weighted Average Quotation" each have the meanings given to those terms in the Credit Derivatives Definitions. The terms "DC Secretary", "External Reviewer", "Initial List" and "Website" each have the meanings given to those terms in the DC Rules.
- 1.2 The term "Acceptance Notice" means a Weekly Acceptance Notice or a TD Acceptance Notice, as the case may be.
- 1.3 The term "Acceptance Time" has the meaning set out in paragraph 4.5.
- 1.4 The term "Acceleration Supermajority" has the meaning set out in paragraph 6.3(d)(iv).
- 1.5 The term "Administrative Meeting" has the meaning set out in paragraph 6.8(j)(ii)
- 1.6 The term "Advocates" has the meaning set out in paragraph 6.8(k).
- 1.7 The term "Affected CDS Clearing Member" has the meaning set out in paragraph 11.4.
- 1.8 [The term "ANT Process" means the process \(if any\) provided or to be provided by DTCC \(currently known as the "Automated New Trade" process\) permitting the Clearing House 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\(s\).](#)
- 1.9 ~~1.8~~ The term "Bilateral CDS Transaction Trade Date" has the meaning set out in the definition of Trade Date Clearing.
- 1.10 ~~1.9~~ The term "Brief" has the meaning set out in paragraph 6.8(o)(i).
- 1.11 ~~1.10~~ The term "CDS Committee-Eligible Clearing Member" means a Clearing Member that has been approved by the Clearing House, following consultation with the CDS Risk Committee, for participation in one or more Regional CDS Committees under paragraph 5 and in the CDS Default Committee. The Clearing House may revoke (or reinstate) its approval of any Clearing Member as a CDS Committee-Eligible Clearing Member from time to time based on its determination as to whether a particular Clearing Member has been in compliance with the Rules.
- 1.12 ~~1.11~~ The term "CDS Committee Procedures" means paragraph 6 of these Procedures.
- 1.13 ~~1.12~~ The term "CDS Default Committee" means a committee established pursuant to paragraph 5.1.

- 1.14 ~~1.13~~ The term "**CDS Default Committee Member**" has the meaning set out in paragraph 5.1.
- 1.15 ~~1.14~~ The term "**CDS Default Committee Participant**" has the meaning set out in paragraph 5.1.
- 1.16 ~~1.15~~ The term "**CDS Default Committee Participant List**" has the meaning set out in paragraph 5.2.
- 1.17 ~~1.16~~ The term "**CDS Master Agreement**" means, in relation to any CDS Contract between a CDS Clearing Member and the Clearing House, the Master Agreement between that CDS Clearing Member and the Clearing House.
- 1.18 ~~1.17~~ The term "**CDS Region**" means a region for which CDS Contracts are cleared by the Clearing House, as determined by the Clearing House.
- 1.19 ~~1.18~~ The term "**CDS Regional Business Day**" means, with respect to a CDS Region, any day determined in accordance with the location and other parameters designated by the Clearing House as a day on which the business of clearing CDS Contracts may occur in the particular CDS Region.
- 1.20 ~~1.19~~ The term "**CDS Risk Committee**" means the committee of that name established by the board of the Clearing House.
- 1.21 ~~1.20~~ The term "**CEN Triggering Period**" means, in relation to any CDS Contracts of a Set in respect of which a Restructuring Credit Event has occurred, the period during which, in accordance with the Contract Terms, a CDS Buyer or CDS Seller may deliver a Restructuring Credit Event Notice in relation to all or part of such CDS Contract, such period starting on the earliest of any of the following:
- (a) with respect to a Set of 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, on the earlier of:
    - (i) the Business Day following publication of the Final List; and
    - (ii) the tenth calendar day following the No Auction Announcement Date;
  - (b) with respect to a Set of Sovereign Contracts or other Set of CDS Contracts for which neither "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is applicable, on the earlier of:
    - (i) the Business Day following publication of the Final List; and
    - (ii) the tenth calendar day following the No Auction Announcement Date; or
  - (c) where a Regional CDS Committee Credit Event Announcement has occurred, the tenth calendar day following the date of the actual decision by the relevant Regional CDS Committee to Resolve that a Restructuring Credit Event has occurred for which there is Publicly Available Information, as described in paragraph 6.2(a)(iii),
- and such period ending, in any case, on the Exercise Cut-off Date.
- 1.22 ~~1.21~~ The term "**Chairperson**" has the meaning set out in paragraph 6.1(d).
- 1.23 ~~1.22~~ The term "**Clearing House DTCC Account**" means the account of the Clearing House at Deriv/SERV which is used by the Clearing House to hold records of all CDS Contracts between the Clearing House and CDS Clearing Members in the Production Accounts.
- ~~1.23 The term "**CLS**" means CLS Bank International or any successor thereto.~~

- [1.24](#) [\[Not used.\]](#)
- [1.25](#) ~~1.24~~ The term "**CM1**" has the meaning set out in paragraph 4.1.
- [1.26](#) ~~1.25~~ The term "**CM2**" has the meaning set out in paragraph 4.1.
- [1.27](#) ~~1.26~~ The term "**Committee Member**" has the meaning set out in paragraph 6.1(b).
- [1.28](#) ~~1.27~~ The term "**Confidential Material**" has the meanings set out in paragraphs 5.8 and 6.12(a)(i).
- [1.29](#) ~~1.28~~ The term "**Convened DC Voting Member**" has the meaning given to such term in the DC Rules as published by ISDA from time to time.
- [1.30](#) ~~1.29~~ The term "**Covered Party**" has the meanings set out in paragraphs 5.8 and 6.12(a).
- [1.31](#) ~~1.30~~ The term "**Customer Integration Date**" means the first date on which the restrictions in the Rules on the Clearing of Bilateral CDS Transactions and CDS Contracts for Customers cease to apply.
- [1.32](#) ~~1.31~~ The term "**DC Rules**" means the Credit Derivatives Determinations Committees Rules, as defined as the "Rules" in Section 1.22 of the Credit Derivatives Definitions. For the avoidance of doubt, the term "Rules" as defined in the Rules shall not replace, or otherwise affect the interpretation of, the term "Rules" in the Credit Derivatives Definitions.
- [1.33](#) ~~1.32~~ The term "**Dispute Resolution Panel**" has the meaning set out in paragraph 6.5(a).
- [1.34](#) ~~1.33~~ The term "**Dispute Resolver**" has the meaning set out in paragraph 6.5(b).
- [1.35](#) ~~1.34~~ The term "**DTCC**" means The Depository Trust and Clearing Corporation or any successor thereto.
- [1.36](#) [The term "\*\*DTCC Accounts\*\*" means the accounts in Deriv/SERV for the recording of transaction data in relation to CDS Contracts.](#)
- [1.37](#) ~~1.35~~ The term "**DTCC Failure**" means any circumstances in which DTCC is unable to process all or substantially all Restructuring Credit Event Notices relating to a particular Restructuring Credit Event in the Triggering Accounts in a timely manner, where such failure affects all or substantially all CDS Clearing Members or the Clearing House.
- [1.38](#) ~~1.36~~ The term "**Effectiveness Convention**" has the meaning set out in paragraph 6.3(g).
- [1.39](#) ~~1.37~~ The term "**Effectiveness Supermajority**" has the meaning set out in paragraph 6.3(d)(v).
- [1.40](#) ~~1.38~~ 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 8.4(e)(vi) and (vii).
- [1.41](#) ~~1.39~~ The term "**Eligible Employee**" has the meaning set out in paragraph 5.1.
- [1.42](#) ~~1.40~~ The term "**Exhibits**" has the meaning set out in paragraph 6.8(o)(ii).
- [1.43](#) ~~1.41~~ The term "**Existing Supplements**" has the meaning set out in paragraph 10.1(c).
- [1.44](#) ~~1.42~~ The term "**External RMP**" means all Matched Pairs matched and notified by the Clearing House pursuant to Rule 1508 other than Internal RMPs.
- [1.45](#) ~~1.43~~ The term "**Fitch**" has the meaning set out in paragraph 2.2(b).

- 1.46 ~~1.44~~ The term "**Fungibility Date**" has the meaning set out in paragraph 11.5(a).
- 1.47 ~~1.45~~ The term "**Internal RMP**" means a Matched Pair matched and notified by the Clearing House pursuant to Rule 1508 in which the same CDS Clearing Member is matched with itself, as a result of one CDS Sub-Account of a CDS Clearing Member being matched with another CDS Sub-Account of the same CDS Clearing Member.
- 1.48 ~~1.46~~ The term "**Issue**" has the meaning set out in paragraph 6.7(a).
- 1.49 ~~1.47~~ The term "**Mandatory Voting Member**" has the meaning set out in paragraph 6.4(a).
- 1.50 ~~1.48~~ The term "**Manual CDS Clearing Member**" has the meaning set out in paragraph 8.4(e)(ix).
- 1.51 ~~1.49~~ The term "**Manual MP Notice**" has the meaning set out in paragraph 8.4(f)(ii).
- 1.52 ~~1.50~~ The term "**Manual Notice Process**" means the process for the delivery, receipt and copying to the Clearing House of notices pursuant to paragraph 8.4(f).
- 1.53 ~~1.51~~ The term "**MCA/STS Changeover Time**" means midnight on 29 November 2010.
- 1.54 ~~1.52~~ The term "**Moody's**" has the meaning set out in paragraph 2.2(b).
- 1.55 ~~1.53~~ The term "**NEMO Triggering Period**" means, in relation to any CDS Contracts of a Set in respect of which a Restructuring Credit Event has occurred and for which either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is applicable, the period starting at 9 a.m. on the day falling one Business Day prior to the relevant Movement Option Cut-off Date for the Set of CDS Contracts and ending on the Movement Option Cut-off Date.
- 1.56 ~~1.54~~ The term "**New Trade**" has the meaning set out in paragraph 11.3(c)(i)(L).
- 1.57 ~~1.55~~ The term "**Notification Cut-Off Time**" means
- (a) with respect to delivery of a Restructuring Credit Event Notice in relation to a CDS Contract of a Set for which either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is applicable and where:
    - (i) a No Auction Announcement Date has occurred which is applicable to such CDS Contracts pursuant to Section 12.12(b) of the Credit Derivatives Definitions on or prior to the Exercise Cut-off Date, 4:30 p.m. on the Business Day immediately following the Exercise Cut-off Date;
    - (ii) otherwise, 4:30 p.m. on the third Business Day immediately following the Exercise Cut-off Date;
  - (b) with respect to delivery of a Restructuring Credit Event Notice in relation to a Sovereign Contracts or other CDS Contracts of a Set for which neither "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is applicable, 4:30 p.m. on the Business Day immediately following the Exercise Cut-off Date
  - (c) with respect to delivery of a Notice to Exercise Movement Option, 4:30 p.m. on the Business Day following the Movement Option Cut-off Date; and
  - (d) with respect to delivery of a Notice of Physical Settlement or a NOPS Amendment Notice in relation to a Set of CDS Contracts, 4:30 p.m. on the second Business Day after the last date on

which a Notice of Physical Settlement or a NOPS Amendment Notice, as applicable, may be served in respect of the Credit Event in question, pursuant to Section 3.2(c) of the Credit Derivatives Definitions.

- [1.58](#) ~~1.56~~ The term "**Old Index**" has the meaning set out in paragraph 4.12.
- [1.59](#) ~~1.57~~ The term "**Oral Argument**" has the meaning set out in paragraph 6.8(q).
- [1.60](#) ~~1.58~~ The term "**Original Notional Amount**", in relation to any CDS Contract, has the meaning given to that term in the Contract Terms.
- [1.61](#) ~~1.59~~ The term "**Panel Member**" has the meaning set out in paragraph 6.5(b).
- [1.62](#) ~~1.60~~ The term "**Permissible Deliverable Obligation**" means a Deliverable Obligation that satisfies Section 2.32(a) or 2.33(a) of the Credit Derivatives Definitions, if applicable.
- [1.63](#) ~~1.61~~ The terms "**Presented Position**" and "**Presented Positions**" have the meaning set out in paragraph 6.8(b).
- [1.64](#) ~~1.62~~ The term "**Primary Panel Member**" has the meaning set out in paragraph 6.6(b)(i).
- [1.65](#) ~~1.63~~ The term "**Production Accounts**" means the accounts in Deriv/SERV for the recording of transaction data in relation to CDS Contracts but excluding the Triggering Accounts or accounts in the Deriv/SERV test environment.
- [1.66](#) ~~1.64~~ The term "**Provider**" has the meaning set out in paragraph 6.12(b).
- [1.67](#) ~~1.65~~ The term "**Quorum Majority**" has the meaning set out in paragraph 6.3(d)(i).
- [1.68](#) ~~1.66~~ The term "**Quorum Stage 2 Supermajority**" has the meaning set out in paragraph 6.3(d)(iii).
- [1.69](#) ~~1.67~~ The term "**Quorum Supermajority**" has the meaning set out in paragraph 6.3(d)(ii).
- [1.70](#) ~~1.68~~ The term "**Regional CDS Clearing Member**" means a CDS Clearing Member that is party to CDS Contracts relevant to a CDS Region.
- [1.71](#) ~~1.69~~ The term "**Regional CDS Committee**" has the meaning set out in paragraph 6.1(a).
- [1.72](#) ~~1.70~~ The term "**Regional CDS Committee Credit Event Announcement**" means with respect to a Reference Entity, an announcement by the Clearing House in a Circular that the relevant Regional CDS Committee has determined that an event that constitutes a Credit Event with respect to a CDS Contract and a Reference Entity (or an Obligation thereof) has occurred in accordance with paragraph 6.2(a)(iii) and has made the other determinations envisaged by that paragraph.
- [1.73](#) ~~1.71~~ The term "**Reimbursement Amount**" has the meaning set out in paragraph 6.8(l).
- [1.74](#) ~~1.72~~ The term "**Relevant CDS Default Committee Period**" has the meaning set out in paragraph 5.3.
- [1.75](#) ~~1.73~~ The term "**Relevant Period**" has the meaning set out in paragraph 6.6(b)(iii).
- [1.76](#) ~~1.74~~ The terms "**Resolve**", "**Resolved**" and "**Resolves**" have the meaning set out in paragraph 6.10(a) provided that in relation to a resolution of the Credit Derivatives Determinations Committee, such terms shall have the meaning given to them in the Credit Derivatives Definitions.
- [1.77](#) ~~1.75~~ The term "**Restructuring Matched Pair**" means a Matched Pair created pursuant to Rule 1508 in respect of a Restructuring Credit Event.

- 1.78 ~~1.76~~ The term "**Revocation Right**" will apply in respect of the submission of a Bilateral CDS Transaction for Clearing (a) if one of the Clearing Members for whose account the submission for Clearing is made is a Defaulter or (b) if and to the extent that either CDS Contract which would arise on Clearing would have been void under Rule 403 (if Rule 403 applied to CDS Contracts in addition to Energy Contracts) or capable of being treated as voidable under Rule 404(a) (if Rule 404(a) applied to CDS Contracts in addition to Energy Contracts and the latter being read for purposes of this definition as if the words "in relation only to Energy Contracts," were not set out in any part of Rule 404(a) and "Energy Clearing Members" were read as "CDS Clearing Members") or Rule 404(b).
- 1.79 ~~1.77~~ The term "**RMP Identifier**" means the unique alphanumeric identifier for each External RMP in the Production Accounts.
- 1.80 ~~1.78~~ The term "**S&P**" has the meaning set out in paragraph 2.2(b).
- 1.81 ~~1.79~~ The term "**Single Name Contract**" means a SNEC Contract or a Sovereign Contract, as the case may be.
- 1.82 ~~1.80~~ The term "**SNEC Contract**" has the meaning set out in paragraph 12.2(g).
- 1.83 ~~1.81~~ The term "**Sovereign Contract**" has the meaning set out in paragraph 13.2(g).
- 1.84 ~~1.82~~ The term "**Standard Quorum Number**" has the meaning set out in paragraph 6.3(b).
- 1.85 ~~1.83~~ The term "**Submission Deadline**" has the meaning set out in paragraph 6.8(j)(iii).
- 1.86 ~~1.84~~ The term "**Tax**" has the same meaning as that given to the term in the relevant Master Agreement.
- 1.87 ~~1.85~~ The term "**TD Acceptance Notice**" has the meaning set out in paragraph 4.4(a).
- 1.88 ~~1.86~~ The term "**Tier 1**" has the meaning given to that term in Banking Consolidation Directive.
- 1.89 ~~1.87~~ The term "**Trade Date Clearing**" means the submission of a Bilateral CDS Transaction on the date on which it is entered into (the "**Bilateral CDS Transaction Trade Date**"), provided that is a Business Day, or on the immediately following Business Day for Clearing on the day of submission.
- 1.90 ~~1.88~~ The term "**Trade Processing Platform**" means a person that has satisfied the Clearing House's requirements to act as an agent of one or more CDS Clearing Members in the submission of Bilateral CDS Transactions for Trade Date Clearing, including having entered into an agreement with the Clearing House to act as an "Approved CDS Trade Processing Platform" in relation to such submissions and, in relation to any CDS Clearing Member for which (and, as the case may be, for whose Affiliate) it acts as agent, has obtained that CDS Clearing Member's authorisation in writing to submit Bilateral CDS Transactions for Trade Date Clearing as agent for that CDS Clearing Member and accordingly, such a Trade Processing Platform will be a Representative of such CDS Clearing Member for that purpose until the expiry of not less than one Business Days' written notice to the Clearing House given by such CDS Clearing Member that such Trade Processing Platform is no longer, or is not, authorised to act as its agent and/or Representative. Where an Affiliate of a CDS Clearing Member may submit Bilateral CDS Transactions for the account of that CDS Clearing Member as referred to in paragraph 4.6, any person which, as a Trade Processing Platform, is a Representative of such CDS Clearing Member shall be deemed to be additionally a Representative of such Affiliate for these purposes.
- 1.91 ~~1.89~~ The term "**Triggering Account**" means a sub-account of the Clearing House DTCC Account, where the transactions recorded in the account are produced through copying data in a Production Account at Deriv/SERV, which sub-account is used solely for the delivery and receipt of Restructuring Credit Event Notices and Notices to Exercise Movement Option between Matched Pairs pursuant to the Electronic Notice Process.

- 1.92 ~~1.90~~ The term "**Triggering Period**" means the CEN Triggering Period or NEMO Triggering Period, as applicable.
- 1.93 ~~1.91~~ The term "**Weekly Acceptance Notice**" has the meaning set out in paragraph 4.4(b).
- 1.94 ~~1.92~~ The term "**Written Materials**" has the meaning set out in paragraph 6.8(o).
- 1.95 ~~1.93~~ The term "**Weekly Clearing**" means the submission of a Bilateral CDS Transaction for Clearing other than pursuant to Trade Date Clearing.
- 1.96 ~~1.94~~ Capitalised terms used in these Procedures but not defined in this paragraph 1 shall have the meaning given to such terms in the Rules, the relevant CDS Contract (including Credit Derivatives Definitions and the Master Agreement as amended) or elsewhere in these Procedures (in that order of priority in the event of any conflict).

## 2. **ADDITIONAL MEMBERSHIP REQUIREMENTS FOR CDS CLEARING MEMBERS**

- 2.1 Rule 201(i) provides that CDS Clearing Members must meet such additional requirements applicable to CDS Clearing Members as are specified in the Procedures.
- 2.2 The following additional requirements are specified for the purposes of Rule 201(i):
- (a) It has a minimum of \$5 billion of Tier 1 Capital; provided that this requirement may, at the discretion of the Clearing House, be met by a Controller if such Controller provides a guarantee in accordance with the Finance Procedures.
  - (b) At the time of admission, it has a minimum long-term senior unsecured debt rating of at least the following from each of the following rating agencies (or any successor to the rating business thereof) that provides such a rating (with a minimum of one such rating): (A) "A2" from Moody's Investors Service ("**Moody's**"), (B) "A" from Standard & Poor's Ratings Services ("**S&P**"), a division of The McGraw-Hill Companies, Inc., (C) "A" from Fitch Ratings ("**Fitch**") or (D) the equivalent rating from any other rating agency that the Clearing House designates from time to time for this purpose; provided that, if such applicant does not have such a rating from any of the foregoing rating agencies, it demonstrates to the Clearing House that it otherwise satisfies, in the discretion of the Clearing House, stringent credit criteria, such satisfaction to be confirmed by an examination of its books and records; provided further that this requirement may, at the discretion of the Clearing House, be met by a Controller of the Clearing Member if such Controller provides a guarantee in accordance with the Finance Procedures; and provided further that this condition may be waived by the Clearing House at the recommendation of the CDS Risk Committee;
  - (c) At no time after admission, does it (or, if applicable under paragraph 2.2(b), the relevant Controller) have a long-term senior unsecured debt rating below the following from any of the following rating agencies (or any successor to the rating business thereof) or, at the discretion of the Clearing House, does any such rating agency suspend or withdraw such rating: (A) "Baa2" from Moody's, (B) "BBB" from S&P, (C) "BBB" from Fitch or (D) the equivalent rating from any other rating agency the Clearing House designates from time to time for this purpose (or, if the first proviso of paragraph 2.2(b) applies, it (or, if applicable under paragraph 2.2(b), the relevant Controller) ceases to satisfy objective criteria established by the Clearing House at its discretion);
  - (d) It demonstrates operational competence in CDS contracts substantially similar (as determined by the Clearing House) to CDS Contracts;
  - (e) It is a member of industry organisations related to CDS, as designated by the Clearing House from time to time for this purpose, which as at the date of launch of CDS Clearing by the Clearing House are ISDA and Deriv/SERV;

the purposes of the submission of data relating to Bilateral CDS Transactions submitted for Weekly Clearing. Pursuant to Rule 401(a)(ix) and Rule 1502, if a Bilateral CDS Transaction is so submitted to the Clearing House by the parties thereto, each of which is a CDS Clearing Member ("CM1" and "CM2"), and is accepted by the Clearing House pursuant to an Acceptance Notice (and the other provisions of the Rules complied with): (i) CM1 will be deemed to have entered into a CDS Contract with the Clearing House as its counterparty rather than CM2; and (ii) CM2 will be deemed to have entered into a CDS Contract with the Clearing House as its counterparty in place of CM1. In each case, the CDS Contract will be on the Contract Terms specified in the Rules and Procedures. Rule 402(b) makes provision for the effect of this process on the rights, liabilities and obligations of CM1 and CM2 under the Bilateral CDS Transaction.

- 4.2 Only Clearing Members (including their duly appointed Representatives) may submit Bilateral CDS Transactions to the Clearing House provided that, where a Bilateral CDS Transaction is to be submitted for Trade Date Clearing, it must be submitted by the same Trade Processing Platform acting as duly appointed Representative on behalf of each of the Clearing Members who are party to the Bilateral CDS ~~Contract~~Transaction. Each Business Day, at the exact hours or during the time periods, as the case may be, from time to time fixed by the Clearing House for Weekly Clearing and Trade Date Clearing, respectively, CDS Clearing Members shall file with the Clearing House or its duly appointed Representatives confirmations, in the manner prescribed in the CDS Operational Procedures (which, in the case of electronic systems that submit matched Bilateral CDS Transactions to the Clearing House, shall be satisfied by confirmatory reports automatically generated by such system that contain the information set forth herein), covering Bilateral CDS Transactions submitted for Weekly Clearing or Trade Date Clearing, respectively, showing for each Bilateral CDS Transaction:
- (a) the identity of both Clearing Members;
  - (b) which side of the Bilateral CDS Transaction each Clearing Member has taken;
  - (c) the relevant Set involved;
  - (d) the quantity or notional and other economic terms involved;
  - (e) whether the Bilateral CDS Transaction is submitted for Trade Date Clearing, in which case it will also include the amount of the Initial Payment (if any) payable, identify the Clearing Member obliged to make such payment and specify the date on which such payment ~~is~~would be due to be made under the Bilateral CDS Transaction (were it not to give rise to a CDS Contract); and
  - (f) such other information as may reasonably be required by the Clearing House (such requirement to have been notified previously by the Clearing House) to effect the matching of Bilateral CDS Transactions between the parties.
- 4.3 If a Bilateral CDS Transaction confirmation of any Clearing Member does not correspond in all material respects with the confirmation of its counterparty to such Bilateral CDS Transaction, the Clearing House may, prior to issuing an Acceptance Notice, reject such Bilateral CDS Transaction and notify the relevant Clearing Members, setting forth the basis of such rejection. If a Bilateral CDS Transaction is submitted for Trade Date Clearing on behalf of the Clearing Member that has not previously confirmed in writing to the Clearing House that it is operationally ready to operate on the basis of Trade Date Clearing, the Clearing House shall reject such Bilateral CDS Transaction for Clearing.
- 4.4 In relation to any Bilateral CDS Transaction submitted for Clearing:-
- (a) ~~where~~Where it is submitted for Trade Date Clearing, the Clearing House shall give notice as soon as reasonably practicable (in a final trade status report or other report identified for the purpose) in accordance with this paragraph 4.4 (a "**TD Acceptance Notice**") to the Clearing

Members submitting such Bilateral CDS Transaction specifying that the Clearing House accepts such Bilateral CDS Transaction for Clearing if such Bilateral CDS Transaction is submitted in accordance with and meets the requirements established by the Rules and these CDS Procedures, provided that the Clearing House may decline to accept or may reject a Bilateral CDS Transaction for Clearing if it determines in good faith that, based on the exercise of prudent risk management standards or in accordance with paragraph 4.4(e), it should not accept or should reject such Bilateral CDS Transaction for Clearing or if it determines that a Revocation Right would apply in respect of such submission for Clearing. Subject to Part 4 of the Rules and this paragraph 4, a TD Acceptance Notice will result in the Clearing Member and the Clearing House entering into a CDS Contract at the Acceptance Time. A Bilateral CDS Transaction may be submitted for Trade Date Clearing between 8:00 a.m. and 6:00 p.m. on its Bilateral CDS Transaction Trade Date, provided that is a Business Day, or between the same times on the immediately following Business Day and will be accepted or rejected by the Clearing House by 6:30 p.m. on the day submitted. A Bilateral CDS Transaction which has been rejected may, if eligible in accordance with the Rules and these CDS Procedures, be re-submitted for Clearing in accordance with this paragraph 4.4(a) or, following recording in Deriv/SERV, paragraph 4.4(b) below. A Bilateral CDS Transaction submitted for Trade Date Clearing after 6:00 p.m. on a Business Day or on a day that is not a Business Day shall, unless withdrawn prior to 8:00 a.m. on the following Business Day by the Trade Processing Platform which submitted it or unless otherwise notified by the Clearing House to the Clearing Member or otherwise stated in a Circular, be deemed to have been submitted for Trade Date Clearing at 8 a.m. on such following Business Day. No TD Acceptance Notice shall result in any Contract arising pursuant to Rule 401(a)(ix) or (xi) until the relevant Acceptance Time determined under paragraph 4.5. With effect as from the Acceptance Time and unless and until reissued pursuant to paragraph 4.4(f)(i), the TD Acceptance Notice shall be definitive as to any CDS Contracts entered into between the Clearing House and any Clearing Member, regardless of whether any CDS Contract is based on any Bilateral CDS Transaction and regardless of any error. Following the issuance of a TD Acceptance Notice, the Clearing House will using the ANT Process, promptly submit (for itself and for the Clearing Member which is its counterparty to the relevant CDS Contract) the terms of each new CDS Contract arising on Clearing to Deriv/SERV or another service specified by the Clearing House with identical terms as the original submission for clearing of the relevant Bilateral CDS Transaction (or the CDS Contracts specified in the TD Acceptance Notice, which shall prevail in the event of any conflict with the original submission for clearing) except for the substitution of the Clearing House as the counterparty to each of the Clearing Members and such other different terms as are set out in the Rules, these CDS Procedures and the Contract Terms. In relation to any Bilateral CDS Transaction submitted for Trade Date Clearing and only with respect to the ~~novation of such trades and the resulting creation~~ entry into of CDS Contracts resulting from a TD Acceptance Notice, each Clearing Member will suppress its own processes (and procure that its Representatives suppress their processes) for the submission of the terms of such Bilateral CDS Transaction to Deriv/SERV or another service specified by the Clearing House.

- (b) ~~where~~ Where it is submitted for Weekly Clearing, the Clearing House shall give notice (in a final trade status report or other report identified for the purpose) from time to time in accordance with this paragraph 4.4 (a "**Weekly Acceptance Notice**") to the Clearing Members submitting such Bilateral CDS Transaction specifying that the Clearing House proposes to accept a Bilateral CDS Transaction for Clearing if such Bilateral CDS Transaction is submitted in accordance with and meets the requirements established by the Rules and these CDS Procedures, provided that the Clearing House may decline to accept a Bilateral CDS Transaction for Clearing if it determines in good faith that, based on the exercise of prudent risk management standards, it should not accept such Bilateral CDS Transaction for Clearing or if it determines that a Revocation Right would apply in respect of such submission for Clearing. Subject to Part 4 of the Rules and this paragraph 4, a Weekly Acceptance Notice will result in the Clearing Member and the Clearing House entering into a CDS Contract at the Acceptance Time. A Weekly Acceptance Notice delivered after 4:00

p.m. on a Business Day or delivered on a day that is not a Business Day shall, unless otherwise notified by the Clearing House to the Clearing Member or otherwise stated in a Circular, be deemed to have been issued on the following Business Day. No Weekly Acceptance Notice shall result in any Contract arising pursuant to Rule 401(a)(ix) until the relevant Acceptance Time determined under paragraph 4.5. Each Clearing Member shall check each Weekly Acceptance Notice that concerns CDS Contracts that it is proposed to enter into at the Acceptance Time and shall promptly notify the Clearing House of any error of which it is aware such that the Weekly Acceptance Notice can be corrected and re-issued prior to the Acceptance Time. With effect as from the Acceptance Time and unless and until reissued pursuant to paragraph 4.4(f)(i), the Weekly Acceptance Notice shall be definitive as to any CDS Contracts entered into between the Clearing House and any Clearing Member, regardless of whether any CDS Contract is based on any Bilateral CDS Transaction and regardless of any error. Any Weekly Acceptance Notice may be revoked by the Clearing House (and not any third party) at the Clearing House's discretion at any time prior to the Acceptance Time but only if a Revocation Rights applies in respect of the related submission for Clearing. Following the issuance of a Weekly Acceptance Notice, ~~each~~the Clearing ~~Member must~~House will, using the ANT Process, promptly submit (for itself and for the Clearing Member which is its counterparty to the relevant CDS Contract) the terms of each new CDS Contract arising on Clearing to Deriv/SERV or another service specified by the Clearing House with identical terms as the original submission for clearing of the relevant Bilateral CDS Transaction (or the CDS Contracts specified in the Weekly Acceptance Notice, which shall prevail in the event of any conflict with the original submission for clearing) except for the substitution of the Clearing House as the ~~Clearing Member's~~counterparty to each of the Clearing Members and such other different terms as are set out in the Rules, these CDS Procedures and the Contract Terms, adjusted to take into account netting, aggregation, terminations and replacements of CDS Contracts pursuant to Rule 406. In relation to any Bilateral CDS Transaction submitted for Weekly Clearing and only with respect to the termination of Bilateral CDS Transactions and entry into of CDS Contracts resulting from a Weekly Acceptance Notice, each Clearing Member will suppress its own processes (and procure that its Representatives suppress their processes) for the submission of the terms of CDS Contracts to Deriv/SERV or another service specified by the Clearing House.

- (c) After the Acceptance Time, any CDS Contract may only be terminated (other than in accordance with its terms), rescinded or cancelled by the Clearing House: (i) pursuant to Rule 104, Rule 209, Rule 404, Rule 406 or Part 9 of the Rules; (ii) if it is presented with an agreement in writing between two Clearing Members with equally offsetting positions in the same Set and the Clearing House (in which case such equally offsetting CDS Contracts of both Clearing Members will be affected) or (iii) pursuant to CADP under Rule 1514.
- (d) Each Clearing Member acknowledges and agrees that the Clearing House may rely, without additional investigation, on the terms of Bilateral CDS Transactions or apparent Bilateral CDS Transactions submitted by a Trade Processing Platform for Trade Date Clearing that have been designated by such Trade Processing Platform as having been affirmed or confirmed by the relevant parties thereto (including as to the identity of the Clearing Members to be party thereto), and that each Clearing Member shall be party to any CDS Contract arising as a result of such submission. A Clearing Member may give not less than one Business Days' written notice to the Clearing House, in accordance with the Procedures, that a Trade Processing Platform is no longer authorised to submit Bilateral CDS Transactions on its behalf, and following expiry of that notice period, the Clearing House will not accept for Trade Date Clearing any Bilateral CDS Transactions submitted by such Trade Processing Platform that identify such Clearing Member (but without limiting the provisions of this paragraph with respect to any Bilateral CDS Transactions submitted before the expiry of that notice period).
- (e) The Clearing House may establish limits for Bilateral CDS Transactions of various types which may be submitted by a CDS Clearing Member for Trade Date Clearing by reference to the expected change in the Margin requirements which would result from Trade Date Clearing

of such Bilateral CDS Transactions and may establish requirements for advance funding by a CDS Clearing Member of all or part of the estimated Margin which would be applicable as a result of the acceptance for Trade Date Clearing of Bilateral CDS Transactions of various types. Such limits or requirements will be set in accordance with the established risk procedures applicable to all Clearing Members (such procedures as determined in consultation with the CDS Risk Committee). Any material change to the factors by reference to which the limits and/or requirements are set will be subject to consultation with the CDS Risk Committee. Such limits and/or requirements may be amended from time to time by the Clearing House (provided that they are set in accordance with such procedures) and need not be identical for, or apply to, all CDS Clearing Members. The Clearing House will give notice from time to time to each CDS Clearing Member of the limits and requirements, if any, applying to that CDS Clearing Member. The Clearing House may, without other reason, reject or refuse to accept for Trade Date Clearing any Bilateral CDS Transaction for which a submitting CDS Clearing Member is not in compliance with such limits and requirements, if any, applying to it. The provisions of this paragraph 4.4(e) are without prejudice and in addition to the Clearing House's powers under Part 6 of the Rules.

(f) If a CDS Contract arising pursuant to the Clearing of a Bilateral CDS Transaction for the account of two Clearing Members does not reflect, subject to the provisions of the Rules and Procedures, the terms of such Bilateral CDS Transaction which were submitted or were intended to be submitted then:

- (i) where either the details in the Acceptance Notice did not so reflect the terms of the Bilateral CDS Transaction actually submitted for Clearing or the details of the resulting CDS Contract(s) as recorded in Deriv/SERV do not reflect the Acceptance Notice, the Clearing House will, as appropriate, reissue a corrected Acceptance Notice and/or amend (and thereby correct) the records in Deriv/SERV and may require the affected Clearing Members to make or confirm matching amendments to such records; and
- (ii) other than in circumstances falling in (i), the affected Clearing Members may agree among themselves (without reference to or consent from the Clearing House) to submit for Clearing, pursuant to the "Misclear" function made available to the Clearing Members by the Clearing House, a further Bilateral CDS Transaction for the purpose of cancelling (by netting) the continuing rights and obligations resulting from the error, but unless and until they do so, such Clearing Members shall be bound by the terms of the relevant CDS Contracts notwithstanding such error.

(g) This paragraph 4.4(g) applies only to CDS Contracts arising pursuant to Rule 401(a)(xi). The Clearing House will provide affected Clearing Members with information relating to proposed CDS Contracts arising pursuant to Rule 401(a)(xi) on the Business Day of price submission. Such information will include the price, Set, the identity of the other Clearing Member that the Clearing Member was matched with and such other economic terms as are referred to in paragraphs 11.2(c)(iii), 12.5(d) or 13.5(d) (as applicable), but excludes for the avoidance of doubt, data in respect of the price data submitted by any other Clearing Member to the Clearing House. Provided that the Clearing House is not notified of any error or dispute relating to the data, it will be used for the purposes of the Clearing House booking new CDS Contracts. A TD Acceptance Notice will be deemed to have been issued by the Clearing House at the time (which will be deemed to be the Acceptance Time) when the Clearing House gives notice to the Clearing Member in the relevant report specified for this purpose that it has recorded the new CDS Contract in its systems. The following provisions of this paragraph 4 shall apply to CDS Contracts arising pursuant to Rule 401(a)(xi) in the same way as they apply to Trade Date Clearing, mutatis mutandis: paragraphs 4.1 (penultimate sentence only), 4.4(a) (second sentence and the final four sentences only), 4.4(c), 4.4(e), 4.4(f), 4.5 (first sentence only), 4.11 (excluding the second sentence), 4.12, 4.13, 4.15 (last two sentences only) and 4.18. For such purposes, (i) the term "Bilateral CDS Transaction" shall

be construed as relating to the data relating to proposed CDS Contracts referred to in the second sentence of this paragraph; (ii) references to "submission to Clearing" shall be construed as referring to the Clearing House processing the data that it created and notified to the relevant Clearing Member; and (iii) paragraph 4.4(f)(i) will apply in addition to the circumstances set out therein in any situation in which either: (A) the price of the CDS Contract was incorrect (with reference to the process set out in the CDS Operational Procedures); (B) the Set of the CDS Contract which was entered into is not the same as that in respect of which the relevant end-of-day price data were requested by the Clearing House; or (C) such "Bilateral CDS Transaction" was ineligible for submission to Clearing as a result of paragraphs 4.12 or 4.13. The Clearing House may decline to take any step that would result in the issuance of an Acceptance Notice in respect of a CDS Contract that would otherwise arise pursuant to Rule 401(a)(xi) if it determines in good faith that, based on the exercise of prudent risk management standards or in accordance with paragraph 4.4(e), it should not become party to a CDS Contract or if it determines that a Revocation Right would apply. No provision of the Rules or these CDS Procedures shall have the effect of binding any Clearing Member contractually to a Bilateral CDS Transaction in connection with any CDS Contract arising or proposed to arise under Rule 401(a)(xi), including without limitation, in any situation in which, prior to the Acceptance Time, such a proposed CDS Contract is rejected for Clearing.

4.5 ~~Rule~~Rules 401(a)(ix) ~~refers, (x) and (xi) refer~~ to a time to be specified pursuant to the Procedures for the acceptance of CDS Contracts ("**Acceptance Time**"). For CDS Contracts arising pursuant to Trade Date Clearing, the Acceptance Time shall be the time on a Business Day at which the TD Acceptance Notice was given. The Clearing House will include, in each TD Acceptance Notice, the time at which such notice is given. Such TD Acceptance Notice will be given by electronic message. For CDS Contracts arising pursuant to Weekly Clearing, the Acceptance Time shall be 12:01 a.m. on the calendar day following the Business Day on which the Weekly Acceptance Notice was given or deemed to be given, unless otherwise stated in a Circular or to any Clearing Member with prior notice in writing. For CDS Contracts arising pursuant to Rule 401(a)(x), the Acceptance Time shall be the time specified by the Clearing House in the relevant acceptance notice.

4.6

- (a) The Clearing House may accept the submission of Bilateral CDS Transactions for clearing for the account of a Clearing Member from a Representative of such Clearing Member that is an Affiliate of such Clearing Member or from a Trade Processing Platform as the Representative of such Affiliate; provided that such Affiliate is currently designated for this purpose as an authorised Representative of the Clearing Member in accordance with the Membership Procedures and such Trade Processing Platform is currently designated as a Representative of the Clearing Member.
- (b) Where a Bilateral CDS Transaction is recorded in the name of an Affiliate of a CDS Clearing Member and is submitted for Clearing to be recorded in the CDS Clearing Member's Proprietary Account:
  - (i) where Weekly Clearing applies, upon issuance of the relevant Acceptance Notice, the Clearing House is authorised by both CDS Clearing Members (in each case, for itself and, where applicable, on behalf of its Affiliate) to provide a termination notice to Deriv/SERV in respect of the Bilateral CDS Transaction;
  - (ii) where Weekly Clearing applies, the Clearing House will enter details of two new CDS Contracts in Deriv/SERV, one in the name of each of the CDS Clearing Members, and each of the CDS Clearing Members will enter details of the new CDS Contract to which it and the Clearing House is a party, in each case in accordance with the Procedures applicable to other Bilateral CDS Transactions;

- (iii) each Clearing Member submitting a Bilateral CDS Transaction to which an Affiliate was party shall be responsible for ensuring that any give-up or novation agreements or back-to-back CDS transactions between it and its Affiliate come in to effect and are properly documented at the appropriate time;
- (iv) for the avoidance of doubt, each relevant Affiliate shall be treated as a non-segregated Customer for purposes of the Rules and, accordingly, the Clearing House is not party to any Contract with the Affiliate and shall have no liability to the Affiliate;
- (v) the Affiliate shall be deemed to be on notice of this provision and shall (in the absence of evidence of a contrary intention under the relevant Bilateral CDS Transaction) be deemed to agree to its application by the Affiliate's conduct in having the relevant Bilateral CDS Transaction submitted for Clearing, so that Rules 402(b) and 404 shall operate in respect of any rights, liabilities or obligations of the Affiliate relating to, or arising out of or in connection with any Bilateral CDS Transaction (whether pursuant to contract, tort, equity, restitution or otherwise, pursuant to the laws of any jurisdiction, which fall or fell due for performance to any Person other than its affiliated Clearing Member in relation to the Bilateral CDS Transaction in question, excluding any right, liability or obligation to receive or make an Initial Payment under a Bilateral CDS Transaction submitted for Weekly Clearing (and accepted for Clearing) and excluding any performance due prior to the time at which a CDS Contract arises pursuant to Rule 401(a)) in the same way as such provisions apply in relation to the Transaction Rights or Obligations of the Clearing Member; and
- (vi) if Rule 404(e)(v) applies, the Bilateral CDS Transaction that must be submitted or, as the case may be, re-submitted to Deriv/SERV and which is deemed never to have been terminated is a Bilateral CDS Transaction to which the Affiliate (and not its affiliated CDS Clearing Member) is party.

4.7 Where, prior to the Acceptance Time, any Bilateral CDS Transaction is rejected for Clearing, or, where submitted for Weekly Clearing, the [Weekly](#) Acceptance Notice given in respect of it is revoked, the Transaction Rights or Obligations of the Clearing Members which are party thereto shall be deemed never to have been released and discharged pursuant to Rule 402(b).

4.8 The Clearing House will be entitled to assume and will assume that no Credit Event Notice relating to a Credit Event under a Bilateral CDS Transaction submitted for Clearing has been delivered by either party to the other prior to the Acceptance Time for that Bilateral CDS Transaction (other than any deemed delivery of a Credit Event Notice pursuant to a Credit Event Announcement). Each CDS Buyer and CDS Seller upon submitting a Bilateral CDS Transaction for clearing acknowledges and agrees that any Credit Event Notice (other than any deemed delivery of a Credit Event Notice pursuant to a Credit Event Announcement) delivered in relation to a Bilateral CDS Transaction which is accepted for Clearing shall be deemed, at the Acceptance Time, never to have been delivered. This paragraph shall have no effect on any Bilateral CDS Transaction which is not accepted for Clearing.

4.9 The Clearing House will be entitled to assume and will assume that no Notice of Physical Settlement under a Bilateral CDS Transaction submitted for Clearing has been delivered by one party to the other prior to the Acceptance Time for that Bilateral CDS Transaction. Each CDS Buyer and CDS Seller upon submitting a Bilateral CDS Transaction for clearing acknowledges and agrees that any Notice of Physical Settlement delivered in relation to a Bilateral CDS Transaction which is accepted for Clearing shall be deemed, at the Acceptance Time, never to have been delivered. This paragraph shall have no effect on any Bilateral CDS Transaction which is not accepted for Clearing.

4.10 Nothing in this paragraph 4 of itself is intended to result in any Bilateral CDS Transaction or Transaction Rights or Obligations being void or voided as between the original parties thereto.

- (b) assist the Clearing House in determining (and thereafter adjusting) any sale or transfer prices, target prices or minimum target prices for such CDS;
- (c) assist the Clearing House in relation to the unwinding of any CDS ~~Transactions~~Contracts which fall within paragraphs 4.11, 12.4 or 13.4, and otherwise as provided in the Rules and Procedures in relation thereto;
- (d) provide the Clearing House with recommendations as to how prudently to unwind the Open Contract Positions in CDS Contracts of a Defaulter that was a CDS Clearing Member and the related close-out of CDS and other hedging transactions, if any; and
- (e) without prejudice to the generality of the foregoing, assist and advise the Clearing House in determining whether or not the entry into of any hedging transactions under Rule 902(b) would achieve, or would be likely to achieve, the purpose of an orderly unwind of any Contracts to which a Defaulter is party or a reduction of the risk specified in Rule 902(b).

The minimum target price shall be established by the Clearing House in consultation with the CDS Default Committee (taking into account the results of any prior auctions) as the price, as determined in the reasonable discretion of the Clearing House (taking into account the interests of non-defaulting Clearing Members), at which it would be reasonable for the Clearing House to enter into relevant Contracts or hedging contracts under Rule 902. Any minimum target price so determined by the Clearing House may be adjusted by the Clearing House in consultation with the CDS Default Committee for market changes, and to take into account the result of any sales or auctions under Rules 902 and 903, from the time of the initial determination of the minimum target price to the time any new Contracts are entered into.

- 5.8 Each CDS Default Committee Participant and CDS Default Committee Member (each, for purposes of this paragraph 5.8, a "**Covered Party**") shall be subject to the provisions of Rule 106 as if it were the Clearing House. Each Covered Party further agrees not to use any information subject to Rule 106 ("**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 the Clearing House so that the Clearing House may seek a protective order, injunction or other remedy. In the event that such protective order, injunction 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 and shall not otherwise disclose Confidential Material.
- 5.9 Each CDS Default Committee Participant and CDS Default Committee Member shall be responsible for its own costs associated with its service in such position.
- 5.10 The Clearing House acknowledges and agrees that it will consider in good faith the recommendations of any CDS Default Committee in relation to matters over which the CDS Default Committee has competence.

## 6. **REGIONAL CDS COMMITTEES AND DISPUTE RESOLUTION PROCEDURES**

This paragraph 6 is subject to paragraph 6.2(d).

### 6.1 **Composition of the Regional CDS Committees**

- (a) For each CDS Region, there shall be a committee, governed by this paragraph 6 of these CDS Procedures, responsible for making determinations and resolving disputes related to CDS Contracts for that CDS Region (each, a "**Regional CDS Committee**"). For each CDS Region, the Clearing House will also determine the location and parameters for determining

- (i) For any CDS Sub-Account where CDS Contracts are recorded on a "trade by trade" basis, CDS Contracts will be netted and/or aggregated (as if the CDS Sub-Account were held on a "net" basis) prior to the processing of any Restructuring Credit Event so as to reflect the equivalent of an Open Contract Position in the relevant Set in respect of such CDS Sub-Account.
- (ii) Following the completion of the process in paragraph 8.4(b)(i), an algorithm shall be used by the Clearing House for purposes of allocating Matched Pairs under Rules 1507 and 1508. This algorithm shall minimise, to the extent reasonably practicable, each of the following:
  - (A) the number of Matched Pairs in respect of which the MP Amount is less than EUR 1,000,000 (or in the case of Sovereign Contracts USD1,000,000) (or such other amount as may be notified by the Clearing House by Circular, after consultation with the CDS Risk Committee) or not an integral multiple of such amount;
  - (B) the number of Matched Pairs into which an individual Clearing Member is matched, provided that the MP Amount for any Matched Pair shall not exceed EUR 50,000,000 (or in the case of Sovereign Contracts USD10,000,000) (or such other amount as may be notified by the Clearing House 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 Pair;
  - (C) the overall number of Matched Pairs; and
  - (D) the number of, and notional amounts in, External RMPs.
- (c) For purposes of Rule 1507 and 1508, the Clearing House will allocate to each Matched 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 such Set or Component Transactions of CDS Contracts of the same Set (as applicable); 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 such Set or Component Transactions of CDS Contracts of the same Set (as applicable).
- (d) If the Clearing House is obliged to issue Matched Pair Notices pursuant to Rule 1507 or 1508, it will endeavour to do so as soon as reasonably practicable after the date of the last Acceptance Notice after the date on which new [submissions of](#) Bilateral CDS Transactions relating to the relevant Set become ineligible for Clearing under paragraph 4.12 or 4.13 (as applicable). The Clearing House shall issue Matched Pair Notices pursuant to Rule 1507 following an Applicable Credit Event other than a Restructuring Credit Event prior to 4:30 p.m. on the tenth calendar day following either the No Auction Announcement Date, Auction Cancellation Date or the day on which a Regional CDS Committee Credit Event Announcement relevant to the Set in question occurs, as applicable. The Clearing House shall issue Matched Pair Notices pursuant to Rule 1508 following a Restructuring Credit Event prior to 4:30 p.m. on the Business Day prior to the first day of the CEN Triggering Period. Such Matched Pair Notices may in either case be delivered by the Clearing House by e-mail or fax. If the Clearing House fails to issue Matched Pair Notices by the relevant deadline specified in this paragraph 8.4(d), any Credit Event Notices delivered by Clearing Members directly to the Clearing House after that time must be made by fax or e-mail to the contact details specified in accordance with paragraph 8.3(d).

- (a) Initial Margin, Mark-to-Market Margin and Physical Settlement Margin shall continue to be called and payable in relation to any CDS Contract or Component Transaction which is to be settled in accordance with the Fallback Settlement Method except to the extent that: (i) the Physical Settlement Amount has been paid to the Clearing House in cleared funds and not returned to the CDS Seller as referred to in Rule 1510 and paragraph 8.5; or (ii) the Physical Settlement Amount has been paid to the relevant CDS Clearing Member in the Matched Pair as designee of the Clearing House and such designee has notified the Clearing House that physical settlement is complete in accordance with Rule 1511.
- (b) Where any Physical Settlement Amount is payable to the Clearing House by a CDS Seller, the Clearing House acknowledges and agrees that, in accordance with Rules 302 and 303, it will apply any Margin or other available funds on account in order to satisfy the obligation to pay the Physical Settlement Amount and shall only call the CDS Seller for additional cash to the extent that relevant Margin is less than the Physical Settlement Amount.
- (c) Margin transferred to the Clearing House by a CDS Clearing Member shall cease to be payable by a CDS Clearing Member (and shall be released by the Clearing House) in respect of any CDS Contract after the time at which the CDS Clearing Member has notified the Clearing House in accordance with Rule 1511 that settlement has, so far as it is aware, occurred successfully.

#### ~~8.9 Auction Settlement and Cash Settlement~~

~~8.9 Where a CDS Contract is to be settled in circumstances in which Rule 1514 does not apply, relevant cash payments between the Clearing House and CDS Clearing Members will take place through DTCC using CLS, unless otherwise specified by the Clearing House in a Circular prior to the date on which such cash payments are due. Not used.~~

#### 8.10 CDS Alternative Delivery or Settlement Procedure

- (a) CADP Notices received by the Clearing House after 15:00 hours will be deemed to have been received on the next Business Day.
- (b) CADP Notices must be submitted in the form published by the Clearing House from time to time.

### 9. CLEARED CDS PRODUCTS: ELIGIBLE SETS

- 9.1 The index series in respect of which CDS Contracts are eligible for Clearing are as notified from time to time by the Clearing House to Clearing Members by Circular. Each index series with an identical maturity and name will initially form a Set.
- 9.2 The Clearing House may add to, amend or make deletions from the list of index series for CDS Contracts eligible for Clearing by issuing a Circular. Any such addition, amendment or deletion, other than the updating of any Index Series following the occurrence of an Applicable Credit Event or Succession Event, shall be made following consultation with the CDS Risk Committee.
- 9.3 CDS Contracts on certain single names are eligible for Clearing, as set out in Circulars published by the Clearing House from time to time, each item mentioned as eligible in any such Circular initially forming a Set. The Clearing House may add to, amend or make deletions from such list, following consultation with the CDS Risk Committee, by issuing a further Circular.
- 9.4 The Clearing House will not make available for Clearing any Set of CDS Contracts which, having made reasonable enquiries, it is aware would not meet the requirements of the exemption granted by the Securities and Exchange Commission, exempting the Clearing House, Clearing Members and certain other third parties from the U.S. Securities Exchange Act of 1934 and the Securities Act of 1933 with respect to cleared CDS. Such requirements include that, in order to be eligible as a Set, the

- (i) Section 1.8(a)(ii) of the Credit Derivatives Definitions shall be deemed modified by adding, following the term "DC Credit Event Announcement" the phrase "or Regional CDS Committee Credit Event Announcement, as applicable,";
  - (ii) Section 1.8(a)(ii)(A) of the Credit Derivatives Definitions shall be deemed modified by adding, following the term "Credit Event Resolution Request Date" but before the comma the phrase "or the Event Determination Date Resolved by the Regional CDS Committee (or Dispute Resolver), as applicable";
  - (iii) Section 1.26(a) of the Credit Derivatives Definitions shall be deemed modified by inserting "; or" at the end of subsection (iii) thereof but before the comma and adding the following as a new subsection (iv) at the end thereof:
 

"(iv) if a Regional CDS Committee Credit Event Announcement occurs, the date that is 21 calendar days 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 Restructuring Credit Event has occurred for which there is Publicly Available Information, as described in paragraph 6.2(a)(iii) of the CDS Procedures with respect to the relevant CDS Contract,"; and
  - (iv) Section 1.26(b) of the Credit Derivatives Definitions shall be deemed modified by inserting "; or" at the end of subsection (ii) thereof but before the period and adding the following as a new subsection (iii) at the end thereof:
 

"(iii) a Regional CDS Committee Credit Event Announcement occurs, the date that is 21 calendar days 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 Restructuring Credit Event has occurred for which there is Publicly Available Information, as described in paragraph 6.2(a)(iii) of the CDS Procedures with respect to the relevant CDS Contract".
- (l) Article IX of the Credit Derivatives Definitions is hereby amended by adding new Sections 9.1(e) and (f) as follows:
- "(e) In respect of any ~~Bilateral CDS Transaction which is accepted for Clearing~~CDS Contract, the CDS Buyer and CDS Seller shall be deemed to agree at the ~~Acceptance Time~~time at which such CDS Contract arose:
    - (i) except as otherwise expressly provided in the Rules or the Procedures of the Clearing House, notwithstanding any provision in the Master Agreement between a Clearing Member and the Clearing House that governs the relevant CDS Contract that describes an alternative mechanism for resolving, in the absence of agreement between CDS Buyer and CDS Seller, any matter that is determined by the relevant Regional CDS Committee, any determination by the relevant Regional CDS Committee that is applicable to such CDS Contract shall be binding on CDS Buyer and CDS Seller to the extent that such determination of the Regional CDS Committee is made either by reference to the terms of the Credit Derivatives Definitions or by reference to the terms of any additional provisions published by ISDA and incorporated in the related Confirmation and provided that the effect of such determination would not reverse the most recent determination (if any) of the Credit Derivatives Determinations Committee with regard to such matter:

transact and to Deliver the Deliverable Obligations) and be open for acceptance to the relevant party for at least 30 minutes; and

- (C) be obtained on the basis that if the Relevant Buyer agrees to Deliver the Deliverable Obligations to such Quoting Dealer on the terms set forth herein, such Quoting Dealer agrees to pay the settlement amount (calculated and payable for this purpose in accordance with the relevant market standard documentation and based on the price so quoted) that would be payable for such Deliverable Obligations to the Relevant Buyer,

provided that:-

(D) if Rule 1512 applies: (I) on the same Business Day that the CDS Buyer (as if it were Calculation Agent) has attempted to obtain all Quotations that the Calculation Agent is required to attempt to obtain in accordance with Section 9.8(k) of the Credit Derivatives Definitions, the CDS Buyer shall offer the Clearing House the opportunity to provide a Quotation as if the Clearing House were a Dealer in accordance with Section 9.8(k) of the Credit Derivatives Definitions; and (II) if the Quotation provided by the Clearing House is higher than any Quotation obtained by the CDS Buyer (as if it were Calculation Agent) from the Dealers in accordance with Section 9.8(k) of the Credit Derivatives Definitions (including, for the avoidance of doubt any Weighted Average Quotation) such Quotation shall be deemed be the Highest Quotation and the CDS Buyer (as if it were Calculation Agent) shall use such Quotation to determine the Final Price; and

(E) if Rule 1513(a)(ii) applies: (I) on the same Business Day that the Matched CDS Buyer (as if it were Calculation Agent) has attempted to obtain all Quotations that the Calculation Agent is required to attempt to obtain in accordance with Section 9.8(k) of the Credit Derivatives Definitions, the Matched CDS Buyer shall offer the Clearing House the opportunity to provide a Quotation as if the Clearing House were a Dealer in accordance with Section 9.8(k) (as amended) of the Credit Derivatives Definitions; and (II) If the Quotation provided by the Clearing House is higher than any Quotation obtained by the Matched CDS Buyer (as if it were Calculation Agent) from the Dealers in accordance with Section 9.8(k) of the Credit Derivatives Definitions (including, for the avoidance of doubt any Weighted Average Quotation) such Quotation shall be deemed be the Highest Quotation and the Matched CDS Buyer (as if it were Calculation Agent) shall use such Quotation to determine the Final Price.

- (ii) Otherwise,"

## 11. CONTRACT TERMS FOR ITRAXX EUROPE CONTRACTS

11.1 This paragraph 11 specifies the additional Contract Terms applicable to all CDS Contracts cleared by the Clearing House of a nature described in paragraph 9.1:

- (a) The provisions of paragraph 11.2 will apply in respect of all such CDS Contracts for which the Acceptance Time falls on or after the MCA/STS Changeover Time.
- (b) In respect of all such CDS Contracts for which the Acceptance Time falls before the MCA/STS Changeover Time, the provisions of paragraph 11.3 will apply until the MCA/STS Changeover Time and thereafter the provisions of paragraph 11.4 will apply.
- (c) The provisions of paragraph 11.5 will apply to all such CDS Contracts, irrespective of the date of the related Acceptance Time.

Procedures) published by the Regional CDS Committee in relation to such Credit Event Announcement."; and

- (D) by the deletion of paragraph 7.7 (*De Minimis Cash Settlement*).
- (ii) The terms of the iTraxx Confirmation are hereby amended as follows:
  - (A) Deleting the words "ISDA Master Agreement" in the fourth line of the first paragraph and replacing it with "CDS Master Agreement";
  - (B) Deleting the fourth paragraph thereof and replacing it with the following: "This Confirmation supplements, forms a part of and is subject to the CDS Master Agreement between the relevant CDS Clearing Member and the Clearing House (the **Agreement**). All provisions contained in, or incorporated by reference in, the Agreement shall govern this Confirmation except as expressly modified below.";
  - (C) The "Calculation Agent" is the Clearing House, except as expressly provided otherwise in the Rules or the CDS Procedures;
  - (D) The "Source of Relevant Annex" is "Publisher";
  - (E) There are no "Excluded Reference Entities";
  - (F) There are no "Additional terms"; and
  - (G) Deleting the contact details for notices and the account details.
- (iii) The following terms will be determined from the iTraxx Confirmation which relates to the particular iTraxx Contract submitted for Clearing or, with respect to each iTraxx Contract arising pursuant to Rule 401(a)(vi), (x) or (xi), determined from the data provided by the Clearing House to the Clearing Member prior to the time at which such CDS Contract arose:
  - (A) Which of the Eligible iTraxx Indices is the "Index", including its version and series number;
  - (B) Which of the eligible Scheduled Termination Dates specified for the Index in the List of Eligible iTraxx Indices is the "Scheduled Termination Date";
  - (C) The "Original Notional Amount";
  - (D) The "Floating Rate Payer";
  - (E) The "Fixed Rate Payer";
  - (F) The "Annex Date";
  - (G) The "Initial Payment Payer", other than in relation to CDS Contracts arising pursuant to Weekly Clearing; and
  - (H) The "Initial Payment Amount", other than in relation to CDS Contracts arising pursuant to Weekly Clearing.

**11.3 iTraxx Europe (CDS Contracts with Acceptance Time before the MCA/STS Changeover Time; provisions applying until the MCA/STS Changeover Time)**

- (a) All CDS Contracts to which paragraph 11.3 applies and which form part of the Open Contract Position of a Clearing Member as at the MCA/STS Changeover Time will be deemed thereafter to be CDS Contracts on the terms set out in paragraph 11.2 and to which such paragraph applies, as modified below. The Annex Date will be the date of publication of the version of the index referred to in the Relevant Master Confirmations Agreement.
- (b) For the purposes of paragraph 11.4(a), the information in respect of each CDS Contract which would be determined (had the CDS Contract been one falling within paragraph 11.1(a)) by reference to the iTraxx Confirmation relating to the particular iTraxx Contract submitted for Clearing (as referred to in paragraph 11.2(c)) will instead be determined by reference to the CDS Contracts forming the relevant Open Contract Position of the relevant Clearing Member as at the MCA/STS Changeover Time.
- (c) From the MCA/STS Changeover Time, all CDS Contracts of a Set referencing a particular version and series of a particular Eligible iTraxx Index and having a particular Scheduled Termination Date and fixed rate and to which paragraph 11.3 had, up to that moment applied, shall be, and shall be treated as, fully fungible with all CDS Contracts of a Set referencing the same version and series of the same Eligible iTraxx Index having the same Scheduled Termination Date and fixed rate to which paragraph 11.2 applies.

#### 11.5 Updating Index Version of Fungible Contracts After a Credit Event or a Succession Event

- (a) Where the iTraxx Publisher of an Eligible iTraxx Index publishes one or more subsequent versions or annexes of the relevant series following a Credit Event or a Succession Event with respect to a Reference Entity included in such series, and the Clearing House determines that iTraxx Contracts referencing the earlier version or annex of such series are fungible with iTraxx Contracts referencing a later version or annex of such series that is an Eligible iTraxx Index and so notifies CDS Clearing Members, iTraxx Contracts referencing the earlier version or annex of such series shall become iTraxx Contracts referencing such later version or annex of such series on the date determined by the Clearing House (the "**Fungibility Date**"). Any iTraxx Contracts referencing the earlier version or annex of such series submitted for clearing after the related Fungibility Date shall, upon acceptance for clearing, become an iTraxx Contract referencing the latest version or annex of such series, as the case may be, that the Clearing House has determined is fungible with such earlier version or annex.
- (b) The Clearing House may determine a different Fungibility Date applicable to individual iTraxx Contracts or groups of iTraxx Contracts or may determine a Fungibility Date applicable to all iTraxx Contracts referencing the earlier version or annex of a series described in paragraph 11.5(a), as it deems appropriate.

## 12. CONTRACT TERMS FOR SINGLE NAME CDS CONTRACTS

12.1 This paragraph 12 specifies the additional Contract Terms applicable to all SNEC Contracts ~~arising on Clearing by the Clearing House of Bilateral CDS Transactions~~. In the event of any inconsistency between the relevant terms of a Bilateral CDS Transaction submitted for Clearing and this paragraph 12, this paragraph 12 will govern.

12.2 Definitions specific to this paragraph 12.

- (a) "**Eligible SNEC Reference Entities**" means each particular Reference Entity included from time to time in the List of Eligible SNEC Reference Entities by reference to a RED Code. Each RED Code shall be treated as referring to a separate Eligible SNEC Reference Entity.
- (b) "**Eligible SNEC Reference Obligations**" means, with respect to any SNEC Contract Reference Obligation for any Eligible SNEC Reference Entity, the Reference Obligations listed under the heading "Eligible Reference Obligations" for such SNEC Contract Reference

shall be as determined by the Clearing House with reference to the SR Auction(s) in accordance with the Procedures and, notwithstanding any other provision of the Rules, Initial Payments may be owed in respect to CDS Contracts entered into by the Clearing House pursuant to an SR Auction.

If an Affected Clearing Member is a Defaulter, this paragraph 12.4 shall not restrict the rights of the Clearing House to close out, terminate or liquidate any Contract in any other manner in accordance with Part 9 of the Rules.

## 12.5 Terms of the Cleared SNEC Contract.

- (a) The CDS Region for each SNEC Contract is the European Region.
- (b) The Standard SNEC Confirmation for each SNEC Contract shall be amended as follows:
  - (i) by deleting, in the second paragraph, the phrase "as supplemented by each of the May 2003 Supplement and the 2005 Matrix Supplement to the 2003 ISDA Credit Derivatives Definitions" and replacing it with the phrase "as supplemented by each of the 2005 Matrix Supplement to the 2003 ISDA Credit Derivatives Definitions and the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement to the 2003 ISDA Credit Derivatives Definitions (published on July 14, 2009)";
  - (ii) by deleting, in the third paragraph, the square brackets and deleting, in the third paragraph, the phrase "the ISDA Master Agreement dated as of [date]" and replacing it with the phrase "CDS Master Agreement";
  - (iii) in part numbered 2, by deleting references to the Initial Payment Payer and the Initial Payment Amount in relation to CDS Contracts arising pursuant to Weekly Clearing and by deleting the square brackets in such part;
  - (iv) by deleting parts numbered 4, 5, 6 and 7 in their entirety; and
  - (v) by including a new part 4 as follows: "4. Additional Term: Section 2.31 (*Merger of Reference Entity and Seller*) of the Credit Derivatives Definitions shall not apply."
- (c) The provisions specified below of the Standard SNEC Confirmation for each SNEC Contract shall be completed as follows:
  - (i) The "Transaction Type" is Standard European Corporate.
  - (ii) The "Matrix Publication Date" is the date of publication of the Relevant Physical Settlement Matrix.
  - (iii) The "Reference Obligation(s)" are the SNEC Contract Reference Obligation(s) specified in the List of Eligible SNEC Reference Entities with respect to the relevant Eligible SNEC Reference Entity.
  - (iv) The "Calculation Agent" is the Clearing House, except as provided in the Rules.
  - (v) The "Fixed Rate Payer Payment Dates" are March 20, June 20, September 20 and December 20.
- (d) For each SNEC Contract, the following terms will be determined according to the particular Bilateral CDS Transaction submitted for clearing, subject to paragraph 12.4 or, with respect to each SNEC Contract arising pursuant to Rule 401(a)(vi), (x) or (xi), according to the data provided by the Clearing House to the Clearing Member prior to the time at which such CDS Contract arose:

House pursuant to this paragraph. Submission of data in relation to CDS Contracts to Deriv/SERV under paragraph 4.4 shall take account of any such adjustments set out by the Clearing House in the Acceptance Notice.

### 13. CONTRACT TERMS FOR SOVEREIGN CONTRACTS

13.1 This paragraph 13 specifies the additional Contract Terms applicable to all Sovereign Contracts ~~arising on Clearing by the Clearing House of Bilateral CDS Transactions~~. In the event of any inconsistency between the relevant terms of a Bilateral CDS Transaction submitted for Clearing and this paragraph 13, this paragraph 13 will govern.

13.2 Definitions specific to this paragraph 13.

- (a) **"Eligible Sovereign Reference Entities"** means each particular Reference Entity included from time to time in the List of Eligible Sovereign Reference Entities by reference to a RED Code. Each RED Code shall be treated as referring to a separate Eligible Sovereign Reference Entity.
- (b) **"Eligible Sovereign Reference Obligations"** means, with respect to any Sovereign Contract Reference Obligation for any Eligible Sovereign Reference Entity, the Reference Obligations listed under the heading "Eligible Reference Obligations" for such Sovereign Contract Reference Obligation and Eligible Sovereign Reference Entity in the List of Eligible Sovereign Reference Entities.
- (c) **"RED Code"** means each of the Reference Entity Database codes (as published by Markit Group Limited or any successor thereto).
- (d) **"List of Eligible Sovereign Reference Entities"** means the list of Eligible Sovereign Reference Entities, maintained, updated and published from time to time by the Clearing House, specifying the following information with respect to each Eligible Sovereign Reference Entity:
  - (i) the name of such Eligible Sovereign Reference Entity and the RED Code therefor;
  - (ii) the Relevant Physical Settlement Matrix;
  - (iii) the Sovereign Contract Reference Obligation and each Eligible Sovereign Reference Obligation therefor;
  - (iv) each eligible "Scheduled Termination Date"; and
  - (v) with respect to any Sovereign Contract relating to such Eligible Sovereign Reference Entity, the currency in which the Floating Rate Payer Calculation Amount must be denominated and the currency to be used for the calculation of Margin.
- (e) **"Permitted Sovereign Fixed Rates"** means the Fixed Rates permitted for a Sovereign Contract, as determined from time to time by the Clearing House and notified to CDS Clearing Members by Circular.
- (f) **"Relevant Physical Settlement Matrix"** means, with respect to a Sovereign Contract, the "Credit Derivatives Physical Settlement Matrix" applicable to such Sovereign Contract, as specified in respect of the relevant Eligible Sovereign Reference Entity in the List of Eligible Sovereign Reference Entities.
- (g) **"Sovereign Contract"** means a single name Standard Western European Sovereign (as defined in the Relevant Physical Settlement Matrix) credit default swap, in the form of the Standard Sovereign Confirmation, in respect of any Eligible Sovereign Reference Entity

- (iii) in part numbered 2, by deleting references to the Initial Payment Payer and the Initial Payment Amount in relation to CDS Contracts arising pursuant to Weekly Clearing and by deleting the square brackets in such part;
  - (iv) by deleting parts numbered 4, 5, 6 and 7 in their entirety; and
  - (v) by including a new part 4 as follows:
    - "4. Additional Terms: Section 2.31 (*Merger of Reference Entity and Seller*) of the Credit Derivatives Definitions shall not apply."
- (c) The provisions specified below of the Standard Sovereign Confirmation for each Sovereign Contract shall be completed as follows:
- (i) The "Transaction Type" is Standard Western European Sovereign.
  - (ii) The "Matrix Publication Date" is the date of publication of the Relevant Physical Settlement Matrix.
  - (iii) The "Reference Obligation(s)" are the Sovereign Contract Reference Obligation(s) specified in the List of Eligible Sovereign Reference Entities with respect to the relevant Eligible Sovereign Reference Entity.
  - (iv) The "Calculation Agent" is the Clearing House, except as provided in the Rules.
  - (v) The "Fixed Rate Payer Payment Dates" are March 20, June 20, September 20 and December 20.
- (d) For each Sovereign Contract, the following terms will be determined according to the particular Bilateral CDS Transaction submitted for clearing or, with respect to each Sovereign Contracts arising pursuant to Rule 401(a)(vi), (x) or (xi), according to the data provided by the Clearing House to the Clearing Member prior to the time at which such CDS Contract arose:
- (i) Which of the Eligible Sovereign Reference Entities is the "Reference Entity".
  - (ii) Which of the eligible Scheduled Termination Dates specified for the Reference Entity in the List of Eligible Sovereign Reference Entities is the "Scheduled Termination Date".
  - (iii) The "Floating Rate Payer Calculation Amount".
  - (iv) The "Floating Rate Payer".
  - (v) The "Fixed Rate Payer".
  - (vi) The "Fixed Rate".
  - (vii) The "Initial Payment Payer", other than in relation to CDS Contracts arising pursuant to Weekly Clearing; and
  - (viii) The "Initial Payment Amount", other than in relation to CDS Contracts arising pursuant to Weekly Clearing.
- (e) Each Sovereign Contract will be governed by the terms set out in paragraph 10 and this paragraph 13, whether or not the relevant Bilateral CDS Transaction was in an equivalent form.