

## **DETAILS RELATING TO THE ISDA NOVATION PROTOCOL II**

### **What changes have been made to the operative novation provisions (Annex I) to the Protocol since the 2005 Novation Protocol?**

No changes have been made. NPII, includes unamended all of the novation terms of the original Novation Protocol. There have been certain changes made to the adherence process as outline below.

### **Limited Right of Revocation**

#### **Can I revoke my participation in NPII?**

NPII contains a limited right of revocation. Once an Adherence Letter has been accepted by ISDA, an Adhering Party is bound by all amendments by with other parties that have already adhered to the Protocol or, subject to the discussion below, that adhere before a designation of the Annual Revocation Date.

An Adhering Party may, at any time during the period from January 1 to January 31 of a calendar year, deliver to ISDA a notice specifying the Annual Revocation Date as its cut-off date in respect of amendments with future Adhering Parties. The effect of such a letter will be to withdraw adherence for future Adhering Parties as of February 15 in that calendar year. Although amendments already made will not be revoked, any subsequent adherence by new Adhering Parties after the designated Annual Revocation Date, will not bind the party that has submitted a Revocation Notice.

### **Does the NPII in any way effect NPI**

No. NPI and NPII are free standing protocols, identical in all respects regarding novation processes. NPII does not amend NPI, and NPI continues to operate without amendment.

### **If I adhered to NPI, do I have to also adhere to NPII?**

It depends on what kind of novations business you do. If you want to do novations business with the new entities adhering to NPII, you should adhere to NPII. We anticipate that many new adhering parties will be funds, often in the position of Transferor, so parties that are often in the position of Remaining Party or Transferee most likely will need to adhere to NPII.