



International Swaps and Derivatives Association, Inc.

## ISDA 2019 NTCE PROTOCOL

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by the International Swaps and Derivatives Association, Inc.

The International Swaps and Derivatives Association, Inc. (**ISDA**) has published this ISDA 2019 NTCE Protocol (this **Protocol**) to enable parties to Protocol Covered Transactions and/or Protocol Covered Agreements to amend the terms of such Protocol Covered Transactions and Protocol Covered Agreements.

Accordingly, a party that has entered and/or anticipates entering into a Protocol Covered Transaction or a Protocol Covered Agreement may adhere to this Protocol and be bound by its terms by completing and delivering a letter substantially in the form of Exhibit 1 to this Protocol (an **Adherence Letter**) to ISDA, as agent, as described below.

### 1. Adherence to and Effectiveness of this Protocol

- (a) By adhering to this Protocol in the manner set forth in this paragraph 1, a party (an **Adhering Party**) that wishes to amend the terms of a Protocol Covered Transaction or a Protocol Covered Agreement, in each case on the terms and subject to the conditions set forth in this Protocol and the relevant Adherence Letter, agrees that the terms of each Protocol Covered Transaction and Protocol Covered Agreement, if any, between it and each other Adhering Party will be amended with effect from the Amendment Effective Date in accordance with the terms of Schedule 1 (*Amendments*) hereto.
- (b) Adherence to this Protocol will be evidenced by the execution and online delivery, in accordance with this paragraph, to ISDA, as agent, of an Adherence Letter (in accordance with subparagraphs 1(b)(i), (ii) and (iii) below) at any time during the period from and including the date of publication of this Protocol to and including 5:00 p.m., New York time, on October 14, 2019 or such later date determined as set out below (in either case, the **Cut-off Time** and the **Cut-off Date**, respectively) or on any day during the Subsequent Adherence Period (if any) determined in accordance with paragraph 1(i) below. ISDA may designate a date later than October 14, 2019 as the Cut-off Date by notice published no later than noon, New York time, on October 11, 2019 on its website at [www.isda.org](http://www.isda.org) (or by other suitable means) if it determines in its absolute discretion that market interest justifies such an extension to the adherence period. In addition, the Cut-off Date may be extended in accordance with paragraph 1(h) below. ISDA will not accept any Adherence Letters to this Protocol received after the Cut-off Time on the Cut-off Date, subject to the designation of a Subsequent Adherence Period pursuant to paragraph 1(i) below.
  - (i) Each Adhering Party will access the Protocol section of the ISDA website at [www.isda.org](http://www.isda.org) to enter information online that is required to generate its form of Adherence Letter and to submit payment of any applicable fee. Either by directly downloading the populated Adherence Letter from the Protocol system or upon receipt via e-mail of the populated Adherence Letter, each Adhering Party will print, sign and upload the signed Adherence Letter as a PDF (portable document format)

attachment into the Protocol system. Once the signed Adherence Letter has been approved and accepted by ISDA, the Adhering Party will receive an e-mail confirmation of the Adhering Party's adherence to this Protocol;

- (ii) a conformed copy of each Adherence Letter containing, in place of each signature, the printed or typewritten name of each signatory will be published by ISDA so that it may be viewed by all Adhering Parties. Each Adhering Party agrees that, for evidentiary purposes, a conformed copy of an Adherence Letter certified by the General Counsel (or other appropriate officer) of ISDA will be deemed to be an original; and
  - (iii) each Adhering Party agrees that the determination of the date and time of acceptance of any Adherence Letter will be determined by ISDA in its absolute discretion.
- (c) As between any two Adhering Parties, the agreement to make the amendments contemplated by this Protocol, on the terms and subject to the conditions set forth in this Protocol, will be effective on the date, if any, that the Protocol Effectiveness Condition is satisfied (or, if either Adhering Party adheres during a Subsequent Adherence Period, on the date of acceptance by ISDA, as agent, of an Adherence Letter (in accordance with paragraph 1(b) above) from the later of such two Adhering Parties to adhere). Any such amendments will, if the Protocol Effectiveness Condition is satisfied, apply to each Protocol Covered Transaction and/or Protocol Covered Agreement between the Adhering Parties (whether entered into before, on or after the Cut-off Date) with effect from the Amendment Effective Date.
- (d) The Adhering Parties further agree that if the Protocol Effectiveness Condition is satisfied, any Protocol Covered Agreement between them shall be amended by this Protocol as set forth in Schedule 1 (*Amendments*) hereto (in addition to the amendments made to Protocol Covered Transactions documented thereunder) with effect from the Amendment Effective Date. Notwithstanding the foregoing, such amendments (including the amendments specified in paragraph 1(c) above) shall not be made to any Party Agreed Excluded Transaction, and the remainder of this Protocol shall be construed accordingly.
- (e) This Protocol is intended for use without negotiation, but without prejudice to any amendment, modification or waiver in respect of a Protocol Covered Transaction or Protocol Covered Agreement that the parties may otherwise effect in accordance with the terms of that Protocol Covered Transaction or Protocol Covered Agreement, as applicable, and the Governing Master Agreement.
  - (i) In adhering to this Protocol, an Adhering Party may not specify additional provisions, conditions or limitations in its Adherence Letter; and
  - (ii) Any purported adherence that ISDA, as agent, determines in good faith is not in compliance with this Protocol will be void and ISDA will inform the relevant party of such fact as soon as reasonably possible after making such determination.
- (f)
  - (i) An Adhering Party that adheres prior to the Cut-off Time on the Cut-off Date may deliver to ISDA, as agent, a notice substantially in the form of Exhibit 2 to the Protocol (a **Revocation Notice**, and such a party, for these purposes, a **Revoking Party**). Any Revocation Notice must be in writing and delivered as a PDF (portable document format) attachment to an email to ISDA at [ProtocolManagement@isda.org](mailto:ProtocolManagement@isda.org) prior to the Cut-off Time on the Cut-off Date. Such a Revocation Notice will be

deemed effectively delivered on the date it is delivered unless such date is not an ISDA NY Business Day or that communication is delivered after 5:00 p.m., New York time, in which case that communication will be deemed effectively delivered on the next ISDA NY Business Day. Once the signed Revocation Notice has been approved and accepted by ISDA, such Revoking Party will receive an e-mail confirmation of such revocation;

- (ii) a conformed copy of each Revocation Notice containing, in place of each signature, the printed or typewritten name of each signatory will be published by ISDA so that it may be viewed by all Adhering Parties. Each Revoking Party agrees that, for evidentiary purposes, a conformed copy of a Revocation Notice certified by the General Counsel (or other appropriate officer) of ISDA will be deemed to be an original;
  - (iii) each Revoking Party agrees that the determination of the date and time of acceptance of any Revocation Notice will be determined by ISDA in its absolute discretion;
  - (iv) each Revoking Party acknowledges and agrees that any fee paid in respect of the Adherence Letter shall not be reimbursed to them; and
  - (v) a Revoking Party may only submit a subsequent Adherence Letter on or prior to 5:00 p.m. (New York time) on the Cut-off Date (without regard to any extension of the Cut-off Date pursuant to paragraph 1(h) below) or in a Subsequent Adherence Period.
- (g) Upon the acceptance by ISDA, as agent, of a Revocation Notice in accordance with this Protocol, the prior Adherence Letter of the relevant Revoking Party shall be deemed not delivered and such party shall cease to be an Adhering Party (subject to the subsequent delivery of a new Adherence Letter in accordance with the terms of this Protocol). Any purported revocation that ISDA, as agent, determines in good faith is not in compliance with this Protocol will be void and ISDA will inform the relevant party of such fact as soon as reasonably possible after making such determination.
- (h) If at any time prior to the Cut-off Date, an Adhering Party effectively delivers a Revocation Notice as described in subparagraph 1(f)(i) above:
- (i) ISDA, as agent, will promptly publish a notice on its website at [www.isda.org](http://www.isda.org) (or give notice to Adhering Parties by other suitable means) stating that such Adhering Party has delivered a Revocation Notice; and
  - (ii) if an Adhering Party effectively delivers a Revocation Notice to ISDA at any time after 5:00 p.m. (New York time) on the ISDA NY Business Day immediately prior to the Cut-off Date, the Cut-off Time and Cut-off Date shall be deemed extended until 5:00 p.m. (New York time) on the ISDA NY Business Day immediately following that Cut-off Date, unless it is no longer possible for the Protocol Effectiveness Condition to be satisfied, in which case the Cut-off Date shall not be further extended.

The application of this paragraph 1(h) may be repeated in respect of any such extended Cut-off Date.

- (i) If ISDA determines in its absolute discretion that market interest justifies reopening adherence to this Protocol, ISDA may designate the first and final date of a subsequent adherence period (a **Subsequent Adherence Period**) by giving no less than two ISDA NY

Business Days' notice on its website at [www.isda.org](http://www.isda.org) (or by other suitable means), provided that in no event shall the final day of the Subsequent Adherence Period be later than September 30, 2020. If adherence is reopened:

- (i) each Adherence Letter effectively delivered on any day during the Subsequent Adherence Period in accordance with the terms of this Protocol shall be deemed to have been effectively delivered;
  - (ii) unless otherwise specified herein, all references herein to the Implementation Date shall be deemed to be references to the Subsequent Implementation Date in relation to the Subsequent Adherence Period and any Credit Derivative Transaction or master confirmation agreement or other documentation which becomes a Protocol Covered Transaction or Protocol Covered Agreement by virtue of the adherence by one or more of the parties thereto during the Subsequent Adherence Period;
  - (iii) each Adhering Party that adheres during the Subsequent Adherence Period acknowledges and agrees that such adherence to this Protocol is irrevocable;
  - (iv) each Adhering Party as of the Cut-off Time on the Cut-off Date in respect of the initial adherence period shall continue to be an Adhering Party for purposes of the Subsequent Adherence Period without such Adhering Party being required to deliver an Adherence Letter during the Subsequent Adherence Period;
  - (v) no Subsequent Adherence Period shall occur unless each of the Protocol Effectiveness Condition and the CCP Condition were satisfied in respect of the initial adherence period; and
  - (vi) there shall be no Protocol Effectiveness Condition or CCP Condition during the Subsequent Adherence Period.
- (j) (i) Notwithstanding the above, if the CCP Condition is not satisfied on or prior to the fifth ISDA NY Business Day prior to the scheduled Implementation Date then, after consultation with the ISDA Credit Steering Committee, ISDA will, by giving notice on its website at [www.isda.org](http://www.isda.org) (or by other suitable means), either:
- (A) delay the Implementation Date until such later date that ISDA determines; or
  - (B) (I) open a revocation period of five ISDA NY Business Days commencing on the ISDA NY Business Day after the date that ISDA gives the relevant notice (the **CCP Revocation Period**) and (II) delay the Implementation Date until such later date falling after the end of the CCP Revocation Period that ISDA determines.
- (ii) During the CCP Revocation Period, an Adhering Party may deliver a Revocation Notice to ISDA in accordance with sub-paragraphs (f) to (h) above provided that for this purpose:
- (A) the references in such sub-paragraphs to the Cut-off Time and Cut-off Date should be read as references to 5:00 p.m. New York time on the last ISDA NY Business Day of the CCP Revocation Period respectively; and
  - (B) sub-paragraph (h)(ii) is replaced with the following:  
“if an Adhering Party effectively delivers a Revocation Notice to ISDA at

any time after 5:00 p.m. (New York time) on the ISDA NY Business Day immediately prior to the last ISDA NY Business Day of the CCP Revocation Period, the Cut-off time in respect of the CCP Revocation Period shall be deemed extended until 5:00 p.m. (New York time) on the ISDA NY Business Day immediately following the last ISDA NY Business Day of the CCP Revocation Period, unless, following Revocation Notices being delivered to ISDA, less than six Reference Banks are Adhering Parties at such time, in which case the CCP Revocation Period will not be extended.”

- (iii) If ISDA determines that due to Revocation Notices less than six Reference Banks are Adhering Parties at the end of the CCP Revocation Period then ISDA shall publish a notice on its website at [www.isda.org](http://www.isda.org) (or by other suitable means) and notwithstanding the other provisions of this this Protocol, the agreement to make the amendments contemplated by this Protocol, on the terms and subject to the conditions set forth in this Protocol, will cease to be effective and no such amendments will apply to any Protocol Covered Transaction and/or Protocol Covered Agreement (and in relation to a Covered Swaption Transaction, no such amendments will apply to the Underlying CDS).

The application of this paragraph 1(j) will be repeated in respect of any such extended Implementation Date.

## 2. Representations and Agreements

- (a) Each Adhering Party makes the following representations to each other Adhering Party with which it has entered into a Protocol Covered Transaction or Protocol Covered Agreement on the date that the Protocol Effectiveness Condition is satisfied (provided that for any Adhering Party adhering during the Subsequent Adherence Period, such representations will be made as of the date on which such Adhering Party adheres to this Protocol).
  - (i) **Status.** It is, if relevant, duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing or, if it otherwise represents its status in or pursuant to the Governing Master Agreement, has such status;
  - (ii) **Powers.** It has the power to execute and deliver the Adherence Letter and to perform its obligations under the Adherence Letter and the Governing Master Agreement, in each case as amended by the Adherence Letter and this Protocol, and has taken all necessary action to authorize such execution, delivery and performance;
  - (iii) **No Violation or Conflict.** Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets;
  - (iv) **Consents.** All governmental and other consents that are required to have been obtained by it with respect to the Adherence Letter and the Governing Master Agreement, in each case as amended by the Adherence Letter and this Protocol, have been obtained and are in full force and effect and all conditions of any such consents have been complied with;



- (v) ***Obligations Binding.*** Its obligations under the Adherence Letter and the Governing Master Agreement, as amended by the Adherence Letter, and this Protocol, constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)); and
  - (vi) ***Credit Support.*** Its adherence to this Protocol and any amendment contemplated by this Protocol will not, in and of itself, adversely affect the enforceability, effectiveness or validity of any obligations owed, whether by it or by any third party, under any Third Party Credit Support Document in respect of its obligations relating to the Governing Master Agreement.
- (b) Each Adhering Party agrees with each other Adhering Party with which it has entered or anticipates entering into a Governing Master Agreement that each of the foregoing representations will be deemed to be a representation for purposes of Section 5(a)(iv) of each such Governing Master Agreement that is an ISDA Master Agreement (or, in the case of a Governing Master Agreement that is not an ISDA Master Agreement, any analogous provision in such Governing Master Agreement) entered into prior to the Amendment Effective Date between them.
- (c) ***Representation and Undertaking in respect of a Protocol Covered Transaction or Protocol Covered Agreement subject to Third Party Credit Support Documents.*** With respect to a Protocol Covered Transaction or Protocol Covered Agreement subject to Third Party Credit Support Documents that expressly require the consent, approval, agreement, authorization or other action of a Third Party to be obtained, each Adhering Party whose obligations under such arrangements are secured, guaranteed or otherwise supported by such Third Party represents to each other Adhering Party with which it has entered into such arrangements that it has obtained the consent (including by way of paragraph 2(d) below), approval, agreement, authorization or other action of such Third Party and undertakes that it will, upon demand, deliver evidence of such consent, approval, agreement, authorization or other action to such other Adhering Party.
- (d) ***Deemed Third Party Consent.*** Each Adhering Party which is also a Third Party in relation to a Third Party Credit Support Document is hereby deemed to have consented to the amendments imposed by this Protocol on all Protocol Covered Transactions and Protocol Covered Agreements which are covered by such Third Party Credit Support Document.

### 3. Miscellaneous

- (a) ***Entire Agreement; Restatement; Survival.***
  - (i) This Protocol constitutes the entire agreement and understanding of the Adhering Parties with respect to its subject matter and supersedes all oral communication and prior writings (except as otherwise provided herein) with respect thereto. Each Adhering Party acknowledges that in adhering to this Protocol it has not relied on any oral or written representation, warranty or other assurance (except as provided for or referred to elsewhere in this Protocol or in Schedule 1 (*Amendments*) hereto) and waives all rights and remedies which might otherwise be available to it in respect thereof, except that nothing in this Protocol will limit or exclude any liability

of an Adhering Party for fraud; and

- (ii) except for any amendment deemed to be made pursuant to this Protocol in respect of any Protocol Covered Transaction or Protocol Covered Agreement, all terms and conditions of each Protocol Covered Transaction and Protocol Covered Agreement will continue in full force and effect in accordance with the provisions of its Confirmation as in effect immediately prior to the Amendment Effective Date. Except as explicitly stated in this Protocol, nothing herein shall constitute a waiver or release of any rights of any Adhering Party under the Documentation for the Protocol Covered Transaction or Protocol Covered Agreement, as applicable. This Protocol will, with respect to its subject matter, survive, and any amendments deemed to be made pursuant to this Protocol will form a part of, each Protocol Covered Transaction and Protocol Covered Agreement between the Adhering Parties notwithstanding Section 9(a) (or in the case of an ISDA Master Agreement that is a 1992 ISDA Master Agreement (Local Currency – Single Jurisdiction), Section 8(a)) of the Governing Master Agreement (or in the case of a Governing Master Agreement that is not an ISDA Master Agreement, any analogous provision in such Governing Master Agreement).
- (b) **Amendments.** As between two Adhering Parties, an amendment, modification or waiver in respect of the matters contemplated by this Protocol will only be effective if made in accordance with the terms of the relevant Governing Master Agreement and then only with effect between the parties to the Governing Master Agreement (and in the case of a Protocol Covered Transaction or a Protocol Covered Agreement, will only be effective to amend or override the provisions contained in paragraph 1 of this Protocol and Schedule 1 (*Amendments*) hereto if it expressly refers in writing to this paragraph 3(b) of this Protocol and would otherwise be effective in accordance with Section 9(b) (or in the case of an ISDA Master Agreement that is a 1992 ISDA Master Agreement (Local Currency – Single Jurisdiction), Section 8(b)) of the Governing Master Agreement (or in the case of a Governing Master Agreement that is not an ISDA Master Agreement, any analogous provision in such Governing Master Agreement)).
- (c) **Headings.** The headings used in this Protocol and any Adherence Letter are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Protocol, any Adherence Letter or any Revocation Notice.
- (d) **Governing Law.** This Protocol and each Adherence Letter will, as between two Adhering Parties, be governed by and construed in accordance with the laws of the State of New York, without reference to choice of law doctrine, provided that the amendments to each Protocol Covered Transaction and Protocol Covered Agreement shall be governed by and construed in accordance with the law specified to govern that Protocol Covered Transaction or Protocol Covered Agreement, as applicable, and otherwise in accordance with the applicable choice of law doctrine.

(e) ***Party Agreed Exclusions.***

- (i) Adhering Parties may agree by separate bilateral agreement(s) (including, for the avoidance of doubt, in the relevant Confirmation(s)) that one or more specified Credit Derivative Transactions entered into between them shall not be Protocol Covered Transactions for purposes of this Protocol (each such Credit Derivative Transaction, a **Party Agreed Excluded Transaction**); and
- (ii) Adhering Parties may agree by separate bilateral agreement(s) that one or more specified Covered MCAs entered into between them shall not be Protocol Covered Agreements for purposes of this Protocol (each such Covered MCA, a **Party Agreed Excluded MCA**). Any Credit Derivative Transaction documented under a Party Agreed Excluded MCA shall be deemed to be a Party Agreed Excluded Transaction until otherwise agreed by separate bilateral agreement.

(f) ***Ability of an Agent to Adhere to this Protocol on Behalf of a Client and to Revoke such Adherence.***

- (i) An Agent may adhere to this Protocol:
  - (A) on behalf of all Clients represented by such Agent (in which case such Agent need not identify each Client in its Adherence Letter) as of the Implementation Date;
  - (B) on behalf of Clients represented by such Agent that are specifically named or identified in the Adherence Letter or an attachment thereto; or
  - (C) on behalf of all Clients represented by such Agent as of the Implementation Date, except any Client that the Agent and an Adhering Party that has entered into a Protocol Covered Transaction or Protocol Covered Agreement with such Client agree bilaterally will not be covered by this Protocol,

provided, in each case, that such adherence shall only be effective with respect to Protocol Covered Transactions and Protocol Covered Agreements entered into by such Agent on behalf of such Clients;

- (ii) where an Agent adheres to this Protocol on behalf of a Client by executing and delivering an Adherence Letter on behalf of such Client in accordance with paragraph 1 and this paragraph 3(f), references to the Adhering Party for purposes of this Protocol and Schedule 1 (*Amendments*) hereto and the Adherence Letter shall be interpreted to refer to such Client; and
- (iii) where an Agent has adhered to this Protocol on behalf of one or more Clients by delivering an Adherence Letter on behalf of such Client(s) in accordance with paragraph 1 and this paragraph 3(f), the Agent may revoke such adherence by delivery of a Revocation Notice in accordance with paragraph 1 and references to the Adhering Party for the purposes of this Protocol (including in Schedule 1 (*Amendments*) hereto) and the Revocation Notice shall be interpreted to refer to each such Client. A Revocation Notice delivered by an Agent (other than on its own behalf) must relate to all Clients that became Adhering Parties pursuant to the delivery of the related Adherence Letter and not some only.



- (g) ***Ability of the Relevant Credit Derivatives Determinations Committee to Interpret or Amend Protocol Terms.*** Each Adhering Party agrees and acknowledges that if the relevant Credit Derivatives Determinations Committee Resolves pursuant to the DC Rules:
- (i) a question of interpretation regarding the provisions of this Protocol (including, without limitation, the definition of Protocol Covered Transaction or Protocol Covered Agreement and any of the amendments contemplated by Schedule 1 (*Amendments*) hereto), such Resolution shall be binding on each Adhering Party; and
  - (ii) to amend the provisions of Schedule 1 (*Amendments*) hereto in order to correct errors or otherwise give effect to the purpose of the 2019 NTCE Supplement and this Protocol in respect of any Protocol Covered Transaction or Protocol Covered Agreement, each such amendment shall be deemed to take effect in the manner prescribed by the relevant Credit Derivatives Determinations Committee.

#### **4. Definitions**

As used in this Protocol, **Confirmation**, **Credit Support Document** and **Transaction** each has the meaning given to such term in the related Governing Master Agreement. Each capitalized term used in this Protocol or Schedule 1 (*Amendments*) hereto but not defined herein has the meaning given to such term in the 2014 ISDA Credit Derivatives Definitions as published by ISDA (the **2014 Definitions**).

References in this Protocol and Schedule 1 (*Amendments*) hereto to the following terms have the meaning indicated below:

**2019 NTCE Supplement** means the 2019 Narrowly Tailored Credit Event Supplement to the 2014 ISDA Credit Derivatives Definitions as published by ISDA on July 15, 2019.

**Adherence Letter** has the meaning specified in the second paragraph of this Protocol.

**Adhering Party** has the meaning specified in paragraph 1(a) of this Protocol.

**Affected Portion** means the portion, if any, of a Credit Derivative Transaction attributable to an Excluded Reference Entity.

**Agent** means an entity that enters into a Protocol Covered Transaction or Protocol Covered Agreement and executes and delivers an Adherence Letter or Revocation Notice with respect to this Protocol on behalf of, and as agent for, one or more clients, investors, funds, accounts and/or other principals.

**Amendment Effective Date** means, if the Protocol Effectiveness Condition is satisfied:

- (a) in the case of a Protocol Covered Transaction (other than a Legacy Risk Covered Index Transaction which is within the scope of sub-clause (b) immediately below) or a Protocol Covered Agreement, the Implementation Date; and
- (b) in the case of a Legacy Risk Covered Index Transaction (as defined in Schedule 2 (*Transaction Definitions*) herein) which falls within sub-clause (ii)(B) of the definition of Protocol Covered Transaction, the Trade Date, or Swaption Trade Date, as applicable, of such Protocol Covered Transaction.

For the avoidance of doubt, no Amendment Effective Date shall occur unless and until the Protocol Effectiveness Condition is satisfied.

**CCP** means each of ICE Clear Credit LLC, ICE Clear Europe Limited and LCH S.A..

**CCP Condition** means a condition that shall be satisfied if (a) each CCP notifies ISDA that it has received all relevant regulatory authorisations and will implement on the Implementation Date equivalent amendments to those made under this Protocol in respect of credit derivative transactions cleared by such CCP; and (b) ISDA publishes a notice of such notifications having been made on its website at [www.isda.org](http://www.isda.org) (or by other suitable means).

**CCP Revocation Period** has the meaning specified in paragraph 1(j) of this Protocol.

**Client** means a client, investor, fund, account and/or other principal on whose behalf an Agent acts.

**Covered MCA** means a master confirmation agreement which incorporates the 2014 Definitions.<sup>1</sup>

**Credit Derivative Transaction** means any credit derivative transaction, the Documentation evidencing which incorporates the 2014 Definitions.

**Cut-off Date** has the meaning specified in paragraph 1(b) of this Protocol.

**Cut-off Time** has the meaning specified in paragraph 1(b) of this Protocol.

**Documentation** means the Governing Master Agreement, Standard Terms Supplement (or master confirmation, general terms confirmation, letter agreement or any document analogous thereto) and Confirmation (or transaction supplement or any document analogous thereto) relating to a Protocol Covered Transaction or Protocol Covered Agreement, as amended, supplemented, varied or modified as at the Amendment Effective Date.

**Excluded Reference Entity** means an entity which is a Sovereign.

**Excluded Reference Entity Transaction** means any Credit Derivative Transaction in respect of which one or more Reference Entities is an Excluded Reference Entity (and in relation to a swaption, including where one or more Reference Entities in the Underlying CDS is an Excluded Reference Entity).

**Excluded Transaction** means an Excluded Reference Entity Transaction or a Party Agreed Excluded Transaction.

**Governing Master Agreement** means, in respect of a Protocol Covered Transaction or a Protocol Covered Agreement, the ISDA Master Agreement or other form of master agreement governing such Protocol Covered Transaction or Protocol Covered Agreement and of which such Protocol Covered Transaction or Protocol Covered Agreement forms part, whether executed by the parties thereto or incorporated by reference in the Documentation relating to such Protocol Covered Transaction or Protocol Covered Agreement.

**Implementation Date** means the later of:

- (a) January 13, 2020;
- (b) if either (i) the CCP Condition is not satisfied on or prior to the fifth ISDA NY Business Day prior to the date that was scheduled to be the Implementation Date; (ii) the Cut-off Date is delayed such that it falls on or after January 13, 2020 or (iii) ISDA determines in its sole discretion that a delay to the Implementation Date is justified in the interests of market efficiency, such other date selected by ISDA in its absolute discretion and published by ISDA

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<sup>1</sup> **Note to Draft:** We understand there may be MCAs used in the market that should be covered. Please comment on whether those should be covered by this Protocol.

on its website at [www.isda.org](http://www.isda.org) (or by other suitable means) at least one ISDA NY Business Day prior to the date that was otherwise scheduled to be the Implementation Date.

The Implementation Date may be delayed more than once.<sup>2</sup>

**ISDA Master Agreement** means any of the following: (a) the 2002 ISDA Master Agreement; (b) the 1992 ISDA Master Agreement (Multicurrency – Cross Border); (c) the 1992 ISDA Master Agreement (Local Currency – Single Jurisdiction); (d) the 1987 ISDA Interest Rate and Currency Exchange Agreement; and (e) the 1987 ISDA Interest Rate Swap Agreement.

**ISDA NY Business Day** means any day on which (a) commercial banks and foreign exchange markets are generally open to settle payments in New York and (b) ISDA's New York office is open.

**Party Agreed Excluded MCA** has the meaning specified in paragraph 3(e) of this Protocol.

**Party Agreed Excluded Transaction** has the meaning specified in paragraph 3(e) of this Protocol.

**Protocol Covered Agreement** means any Covered MCA in respect of which each of the parties is an Adhering Party; and

- (1) that is entered into prior to the Implementation Date, provided that any Covered MCA that is a Party Agreed Excluded MCA shall not be a Protocol Covered Agreement; and
- (2) if:
  - (i) any consent, approval, agreement, authorization or other action of any Third Party is expressly required, under the terms of a Third Party Credit Support Document or Governing Master Agreement relating to such Covered MCA, to amend or otherwise modify such Covered MCA;
  - (ii) such Third Party Credit Support Document or such Governing Master Agreement includes express terms to the effect that any amendment or modification of such Covered MCA without the consent, approval, agreement, authorization or other action of any such Third Party would void, impair or otherwise adversely affect existing or future obligations owed under such Third Party Credit Support Document; or
  - (iii) such Covered MCA, if amended or modified in accordance with this Protocol without the consent, approval, agreement, authorization or other action of any such Third Party would void, impair or otherwise adversely affect existing or future obligations owed under such Third Party Credit Support Document,

then such Covered MCA shall not be a Protocol Covered Agreement unless such consent, approval, agreement, authorization or other action has been obtained or is deemed to have been given under paragraph 2(d) above.

**Protocol Covered Transaction** means any Credit Derivative Transaction that is a Covered Index Transaction, a Covered Swaption Transaction or a Covered Non-Swaption Transaction (each as defined in Schedule 2 (*Transaction Definitions*) herein) in respect of which:

- (i) each of the parties is an Adhering Party;

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<sup>2</sup> **Note to Draft:** This provision allowing ISDA to extend the Implementation Date has been introduced to ensure that the Implementation Date occurs after CCPs receive regulatory approval to make the corresponding changes to their rulebooks and to align with any other processing required by infrastructure providers.

- (ii) either (A) the Trade Date or, in respect of a Covered Swaption Transaction (as defined in Schedule 2 (*Transaction Definitions*) herein), the Swaption Trade Date, or, in respect of a Novation Transaction (as defined in Schedule 2 (*Transaction Definitions*) herein), the Novation Trade Date, is prior to, but excluding, the Implementation Date; or (B) only in respect of a Legacy Risk Covered Index Transaction, the Trade Date, or in respect of a Legacy Risk Covered Index Transaction that is a Covered Swaption Transaction (as defined in Schedule 2 (*Transaction Definitions*) herein), the Swaption Trade Date, is on or after the Implementation Date;
- (iii) the Scheduled Termination Date or, in respect of a Covered Swaption Transaction, the Expiration Date (as defined in such Covered Swaption Transaction), is on or after the Implementation Date;
- (iv) no Event Determination Date (as defined in the Documentation relating to such Credit Derivative Transaction) has occurred prior to the Implementation Date; and no Early Termination Date (as defined in the Governing Master Agreement relating to such Credit Derivative Transaction, or in the case of a Governing Master Agreement which is not an ISDA Master Agreement, any event analogous thereto) in respect of the relevant Credit Derivative Transaction has occurred or been effectively designated under the Governing Master Agreement prior to the Implementation Date,

provided that:

- (1) subject to clause (2) below, any Transaction that is an Excluded Transaction shall not be a Protocol Covered Transaction;
- (2) in respect of any Credit Derivative Transaction that relates to more than one Reference Entity and that would otherwise be a Protocol Covered Transaction but for the inclusion of any Affected Portion therein, such Affected Portion shall be excluded for purposes of this Protocol and the remaining portion of such Credit Derivative Transaction shall be deemed to be a Protocol Covered Transaction; and
- (3) if:
  - (i) any consent, approval, agreement, authorization or other action of any Third Party is expressly required, under the terms of a Third Party Credit Support Document or Governing Master Agreement relating to such Credit Derivative Transaction, to amend or otherwise modify such Credit Derivative Transaction;
  - (ii) such Third Party Credit Support Document or such Governing Master Agreement includes express terms to the effect that any amendment or modification of such Credit Derivative Transaction without the consent, approval, agreement, authorization or other action of any such Third Party would void, impair or otherwise adversely affect existing or future obligations owed under such Third Party Credit Support Document; or
  - (iii) such Credit Derivative Transaction, if amended or modified in accordance with this Protocol without the consent, approval, agreement, authorization or other action of any such Third Party would void, impair or otherwise adversely affect existing or future obligations owed under such Third Party

Credit Support Document,

then such Credit Derivative Transaction shall not be a Protocol Covered Transaction unless such consent, approval, agreement, authorization or other action has been obtained or is deemed to have been given under paragraph 2(d) above.

**Protocol Effectiveness Condition** means a condition that shall be satisfied if ISDA (a) determines that, as of the Cut-off Time on the Cut-off Date, not less than six Reference Banks are Adhering Parties and (b) publishes a notice of such determination on its website at [www.isda.org](http://www.isda.org) (or by other suitable means).

**Reference Bank** means each Global Dealer Voting Member or Regional Dealer Voting Member as determined for the "List Review Date" on March 30, 2019 (in each case, as defined in the DC Rules).

**Revocation Notice** has the meaning specified in paragraph 1(f) of this Protocol.

**Revoking Party** has the meaning specified in paragraph 1(f) of this Protocol.

**Standard Terms Supplement** means, in relation to a Protocol Covered Transaction between two Adhering Parties, the standard terms supplement published by ISDA, IHS Markit Ltd., Markit North America, Inc., International Index Company Limited, CDS IndexCo LLC, any analogous institution or any successor or predecessor thereto and incorporated by reference into the relevant Confirmation.

**Subsequent Adherence Period** has the meaning specified in paragraph 1(i) of this Protocol.

**Subsequent Implementation Date** means the day selected by ISDA in its absolute discretion and published by ISDA on its website at [www.isda.org](http://www.isda.org) (or by other suitable means).

**Swaption** means an option to enter into an Underlying CDS that references one, or more than one Reference Entity.

**Third Party** means in relation to an agreement supported by a Third Party Credit Support Document, any party to such Third Party Credit Support Document other than either of the Adhering Parties which are parties to the agreement.

**Third Party Credit Support Document** means, with respect to an Adhering Party and either a Protocol Covered Transaction or a Protocol Covered Agreement, any Credit Support Document (or other document which by its terms secures, guarantees or otherwise supports such Adhering Party's obligations under the Protocol Covered Transaction or Protocol Covered Agreement, as applicable) which is executed by one or more Third Parties (whether or not an Adhering Party is a party thereto), whether or not such document is specified as a Credit Support Document in the Governing Master Agreement, Protocol Covered Transaction or Protocol Covered Agreement, as applicable.

**Underlying CDS** means, in respect of a Single Name Swaption or Portfolio Swaption, the underlying Credit Derivative Transaction to which the relevant unexercised option relates.



**EXHIBIT 1**  
**to the ISDA 2019 NTCE Protocol Form of Adherence**

**Letter**

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[Letterhead of Adhering Party]

[Date]

**International Swaps and Derivatives Association, Inc.**

Dear Sirs,

**ISDA 2019 NTCE Protocol - Adherence**

The purpose of this letter is to confirm our adherence to the ISDA 2019 NTCE Protocol, as published by the International Swaps and Derivatives Association, Inc. on August 27, 2019 (the **Protocol**). This letter constitutes, as between each other Adhering Party and us, an Adherence Letter as referred to in the Protocol. The definitions and provisions contained in the Protocol are incorporated into this Adherence Letter, which will supplement and form part of each Protocol Covered Transaction and Protocol Covered Agreement (now or in the future) entered into between us and each other Adhering Party.

**1. Specified Terms**

As between each other Adhering Party and us, the amendments in Schedule 1 (*Amendments*) of the Protocol shall apply to each Protocol Covered Transaction and Protocol Covered Agreement to which we are a party in accordance with the terms of the Protocol and this Adherence Letter.

**2. Appointment as Agent and Release**

We hereby appoint ISDA as our agent for the limited purposes of the Protocol and accordingly we waive any rights and hereby release ISDA from any claims, actions or causes of action whatsoever (whether in contract, tort or otherwise) arising out of or in any way relating to this Adherence Letter or our adherence to the Protocol or any actions contemplated as being required by ISDA.

**3. Payment**

Each Adhering Party must submit a one-time fee of U.S. \$500 to ISDA at or before the submission of the Adherence Letter.

**4. Contact Details**

Our contact details for purposes of this Adherence Letter are:

Name:

Address:

Telephone:

Fax:

E-mail:

We consent to the publication of a conformed copy of this letter by ISDA and to the disclosure by ISDA of the contents of this letter.

Yours faithfully,

[ADHERING PARTY]<sup>1</sup> [LEGAL ENTITY IDENTIFIER]

By:

Name:
Title:
Signature:

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<sup>1</sup> Specify legal name of Adhering Party.

If you are an Agent and act on behalf of multiple Clients, you may sign the Adherence Letter using one of the options below.

First, if you have the authority to adhere to this Protocol as Agent on behalf of all Clients as of the Implementation Date, you may indicate the following in the signature block: “acting on behalf of the funds, accounts or other principals listed in the relevant Governing Master Agreement (or other agreement which deems a Governing Master Agreement to have been created) between it (as agent) and another Adhering Party” or such other language that indicates the Clients to which this letter is applicable. If such a signature block is used, a separate Adherence Letter for each Client does *not* need to be submitted to ISDA and no specific names of Clients will be publicly disclosed on the ISDA website in connection with this Protocol.

Second, if you have the authority to adhere to this Protocol as Agent on behalf of certain Clients only, you may indicate the following in the signature block: “acting on behalf of the funds, accounts or other principals listed in the appendix to this Adherence Letter in relation to the relevant Governing Master Agreement (or other agreement which deems a Governing Master Agreement to have been created) between it (as agent) on behalf of such fund, account or other principal and another Adhering Party” and include with the Adherence Letter an attachment that names each Client. If you cannot or do not wish to name such Clients, then provided that you can identify the adhering Clients by way of specific identifiers which will be known and recognized by all other Adhering Parties with which the relevant Clients have entered into Protocol Covered Transactions/Protocol Covered Agreements, you may identify such Clients using specific identifiers and without including any names. In such case, the specific identifiers will be listed on the ISDA website with the Adherence Letter. If you are able to do so, you may, if you wish, identify Clients by using both names and specific identifiers but this is optional and, provided you supply at least either names or specific identifiers, choosing not to provide both does not affect the legal validity and binding nature of this Protocol.

Note also that an Agent can adhere on its own behalf by completing a separate Adherence Letter.

## EXHIBIT 2

to the ISDA 2019 NTCE Protocol

### Form of Revocation Notice

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[Letterhead of Revoking Party]

[Date]

**International Swaps and Derivatives Association, Inc.**

Dear Sirs,

#### **ISDA 2019 NTCE Protocol - Revocation**

Further to our Adherence Letter dated [●], the purpose of this letter is to notify you that we wish to designate the date of effective delivery of this letter to ISDA as the date upon which we revoke our adherence to the ISDA 2019 NTCE Protocol, as published by the International Swaps and Derivatives Association, Inc. on August 27, 2019 (the **Protocol**).

This letter constitutes a Revocation Notice referred to in the Protocol. The definitions and provisions contained in the Protocol are incorporated into this Revocation Notice.

We consent to the publication of the conformed copy of this notice by ISDA and to the disclosure by ISDA of the contents of this letter.

Yours faithfully, [REVOKING PARTY]<sup>1</sup> [LEGAL ENTITY IDENTIFIER]

By:

Name:
Title:
Signature:

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<sup>1</sup> Specify legal name of Adhering Party delivering Revocation Notice.

If you are an Agent and you adhered to the Protocol on behalf of one or more Client(s), the Revocation Notice shall be in respect of each such Client.

## **SCHEDULE 1**

### **AMENDMENTS**

With effect from the relevant Amendment Effective Date, the Documentation relating to each Protocol Covered Transaction and Protocol Covered Agreement shall be modified as set forth in this Schedule 1 (*Amendments*) (and in relation to a Covered Swaption Transaction, such modification will have the effect of modifying the Underlying CDS resulting from the exercise of the relevant option in the same manner). To the extent that any provision of the Documentation relating to a Protocol Covered Transaction or Protocol Covered Agreement is inconsistent with the terms of this Schedule 1 (*Amendments*), the terms of this Schedule 1 (*Amendments*) shall govern.

With respect to all Protocol Covered Transactions and Protocol Covered Agreements, all references therein to the 2014 Definitions shall be deemed to be the 2014 Definitions as supplemented by the 2019 NTCE Supplement and the 2019 NTCE Supplement shall be applicable to such Protocol Covered Transactions and Protocol Covered Agreements (and in relation to a Covered Swaption Transaction, to the Underlying CDS).

With respect to all Protocol Covered Transactions and Protocol Covered Agreements, “Fallback Discounting” and “Credit Deterioration Requirement” shall be deemed to be applicable to such Protocol Covered Transactions and Protocol Covered Agreements (and in relation to a Covered Swaption Transaction, to the Underlying CDS).

## SCHEDULE 2

### TRANSACTION DEFINITIONS

References in this Protocol to the following terms have the meaning indicated below.

**Bespoke Portfolio Transaction** means a Bespoke Tranching Portfolio Transaction or a Bespoke Untranching Portfolio Transaction.

**Bespoke Tranching Portfolio Transaction** means a tranching Credit Derivative Transaction that references more than one Reference Entity and is not governed by Index Documentation.

**Bespoke Untranching Portfolio Transaction** means an untranching Credit Derivative Transaction that references more than one Reference Entity and is not governed by Index Documentation.

**CDX Documentation** means Documentation referencing a CDX index, published by Markit North America, Inc., or any predecessor or successor thereto, with such modifications to which the parties thereto have agreed.

**Constant Maturity Swap Transaction** means any Portfolio Constant Maturity Swap Transaction or any Single Name Constant Maturity Swap Transaction.

**Covered CDX Tranching Transaction** means a tranching Credit Derivative Transaction that references a CDX index and is governed by CDX Documentation.

**Covered CDX Untranching Transaction** means a Credit Derivative Transaction that is not a Covered CDX Tranching Transaction but that references a CDX index and is governed by CDX Documentation.

**Covered Index Transaction** means a Covered CDX Tranching Transaction, a Covered CDX Untranching Transaction, a Covered iTraxx® Tranching Transaction or a Covered iTraxx® Untranching Transaction.

**Covered iTraxx® Tranching Transaction** means a tranching Credit Derivative Transaction that references an iTraxx® index and is governed by iTraxx® Documentation.

**Covered iTraxx® Untranching Transaction** means a Credit Derivative Transaction that is not a Covered iTraxx® Tranching Transaction but that references an iTraxx® index and is governed by iTraxx® Documentation.

**Covered Non-Swap Transaction** means any Credit Derivative Transaction that is a Single Name CDS Transaction, a Constant Maturity Swap Transaction, a Principal Only Transaction, an Interest Only Transaction, a First to Default Transaction, an Nth to Default Transaction, a Recovery Lock Transaction, a Fixed Recovery Transaction, a Preferred CDS Transaction, a Reference Obligation Deliverable Transaction or a Bespoke Portfolio Transaction.

**Covered Swaption Transaction** means any Credit Derivative Transaction that is either a Single Name Swaption or a Portfolio Swaption.

**First to Default Transaction** means a Credit Derivative Transaction that references more than one Reference Entity pursuant to which Auction Settlement Amounts, Cash Settlement Amounts or Physical Settlement Amounts, as applicable, will only be paid to the Buyer after any conditions to settlement have been satisfied for the first time or following the first occurrence of an Event Determination Date in respect of any of the relevant Reference Entities.



**Fixed Recovery Transaction** means a Credit Derivative Transaction in respect of which the Final Price is pre-determined and specified in the relevant Documentation.

**Index Documentation** means CDX Documentation or iTraxx® Documentation.

**Interest Only Transaction** means a Credit Derivative Transaction that references more than one Reference Entity under which (a) Seller pays to Buyer either an upfront amount or a floating interest rate, (b) neither party pays Auction Settlement Amounts or Cash Settlement Amounts during the term of the Transaction and (c) Buyer pays Fixed Amounts to Seller during the term of the Transaction (which Fixed Amounts are reduced due to Credit Events).

**iTraxx® Documentation** means Documentation referencing an iTraxx® index published by Markit Group Limited or any predecessor or successor thereto, with such modifications to which the parties thereto have agreed.

**Legacy Risk Covered Index Transaction** means a Covered Index Transaction referencing a CDX index or iTraxx® index which has an index annex date (or analogous date) that is prior to the Implementation Date.

**Nth to Default Transaction** means a Credit Derivative Transaction that references more than one Reference Entity pursuant to which Auction Settlement Amounts, Cash Settlement Amounts or Physical Settlement Amounts, as applicable, will only be paid to Buyer after any conditions to settlement have been satisfied in respect of any of the relevant Reference Entities that is the nth Reference Entity in respect of which an Event Determination Date has occurred, where "n" is the number (greater than one) specified for such purpose in the Documentation in respect of such Credit Derivative Transaction.

**Novation Trade Date** means the date on which a Transferor, Transferee and Remaining Party enter into a novation transaction (or other analogous agreement).

**Novation Transaction** means any new Credit Derivative Transaction between a Transferee and a Remaining Party entered into pursuant to the novation of an existing Credit Derivative Transaction.

**Portfolio Constant Maturity Swap Transaction** means a Credit Derivative Transaction that references more than one Reference Entity in respect of which the Fixed Rate is reset at the end of each Fixed Rate Payer Calculation Period to the then-current market rate for the relevant Credit Derivative Transaction.

**Portfolio Swaption** means any unexercised option to enter into an Underlying CDS (other than another Swaption) that references more than one Reference Entity.

**Preferred CDS Transaction** means a Credit Derivative Transaction that references preferred securities or similar hybrid securities as Reference Obligations or Deliverable Obligations and which contains specific provisions pertaining thereto.

**Principal Only Transaction** means a Credit Derivative Transaction that references more than one Reference Entity under which Seller pays an upfront amount to Buyer, neither party pays any Fixed Amounts or Cash Settlement Amounts during the term of the Credit Derivative Transaction and, upon termination of the Credit Derivative Transaction, Buyer pays to Seller the notional amount of the Credit Derivative Transaction, minus aggregate Auction Settlement Amounts or Cash Settlement Amounts.

**Recovery Lock Transaction** means a Credit Derivative Transaction in respect of which the Reference Price is specified in the relevant Documentation as a price less than 100 per cent, and for which either Buyer or Seller can deliver a Notice of Physical Settlement.

**Reference Obligation Deliverable Transaction** means:

- (a) a Credit Derivative Transaction in respect of which the applicable Settlement Method is Physical Settlement and "Reference Obligations Only" is specified as the Deliverable Obligation Category; or
- (b) a Credit Derivative Transaction in respect of which the applicable Settlement Method is Cash Settlement and the relevant Confirmation specifies only one or more specifically identified Reference Obligations.

**Remaining Party** means a party which consents to a Transferor's transfer by novation and the acceptance thereof by a Transferee of all of such Transferor's rights, liabilities, duties and obligations under and in respect of the novated amount of a Credit Derivative Transaction that is originally between it and such Transferor.

**Single Name CDS Transaction** means a Credit Derivative Transaction that references not more than one Reference Entity that is not a Single Name Constant Maturity Swap Transaction.

**Single Name Constant Maturity Swap Transaction** means a Credit Derivative Transaction that references not more than one Reference Entity for which the Fixed Rate is reset at the end of each Fixed Rate Payer Calculation Period to the then-current market rate for the relevant Credit Derivative Transaction.

**Single Name Swaption** means any unexercised option to enter into an Underlying CDS (other than another Swaption) that references not more than one Reference Entity.

**Transferee** means a party which accepts by way of novation from a Transferor all of such Transferor's rights, liabilities, duties and obligations under and in respect of the novated amount of a Credit Derivative Transaction that is originally between such Transferor and a Remaining Party.

**Transferor** means a party which transfers by way of novation to a Transferee all of such party's rights, liabilities, duties and obligations under and in respect of the novated amount of a Credit Derivative Transaction that is originally between such party and a Remaining Party.