**ISDA Procedures**

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| Outlined below are the procedures to be followed by ISDA. This memorandum explains the practical issues involved in signing up to the 2005 Novation Protocol and should be read in conjunction with the text of the Protocol itself. The memorandum focuses on how ISDA intends to deal with the Adherence Letter and other supporting documentation received from Adhering Parties and how ISDA’s web site will display the information received. Terms used in this section and in the Frequently Asked Questions section have the meaning ascribed to them in the 2005 Novation Protocol.**DOCUMENTATION REQUIREMENTS**As detailed in the 2005 Novation Protocol, in order to effect amendments to the Master Agreement between an Adhering Party and any other Adhering Party, each party must deliver a signed original Adherence Letter, as well as a conformed copy(1) of the Adherence Letter, via email to protocol@isda.org. No other documents are required to adhere to the Protocol.ISDA is willing to accept any supporting documents a party wants to provide, such as signing authority, resolutions and extracts from signature books, but does not require any such documentation and will not make these available to other Adhering Parties, unless requested in writing to do so.**ACCESS TO NOTICES PROVIDED**ISDA will post on the ISDA web site the conformed copies of any Adherence Letters received and those documents will be available to all “visitors” of the site in locked PDF format(2). Parties who wish to obtain hard copies can either request copies of the conformed Adherence Letter from ISDA at a nominal fee per Adherence Letter or contact the respective Adhering Party directly. Any copy of the signed original Adherence Letter or any further documents can be obtained by contacting the nominated representative stipulated in the Adherence Letter.The ISDA web site will display a main page which will show: (i) an alphabetical list of Adhering Parties; (ii) the number of Adherence Letters submitted by Adhering Parties; (iii) the date the most recent Adherence Letter was received. A link will also be provided to a page that lists by date the letters received by ISDA.The Adhering Party’s name will be hyperlinked to another page, which will itemize that Party’s Adherence Letters. Dates will be shown in reverse chronological order.**PROCEDURES FOR PROCESSING NOTICES RECEIVED**An Adhering Party must email the Adherence Letters to protocol@isda.org. ISDA will, in turn, acknowledge the receipt of documents by way of e-mail to the person designated in the Adherence Letter.The conformed Adherence Letter is displayed on ISDA’s web site along with the information provided by other Adhering Parties. ISDA will use its best efforts to publish documents received before 3:00 p.m. local time on a local business day (see Sample Timeline), on the first local business day after receipt.Even though ISDA will only post the Adherence Letter one or two days after it has been received, the original Adherence Letter will be deemed to take effect the day ISDA receives the documents.**REVIEWS OF ADHERENCE LETTER AND INQUIRIES**ISDA will take a minimal role in reviewing the Adherence Letter when submitted (e.g., to check to ensure no pages are missing and that the Adherence Letter is signed). Any qualifications that are displayed on a Adherence Letter will render the Adherence Letter invalid. It will be the responsibility of the Adhering Party to check that their Adherence Letter is being displayed correctly.In order to assist market participants in the use of the 2005 Novation Protocol, ISDA has prepared a list of Frequently Asked Questions (FAQ), which is accessible from ISDA’s web site (click [here](http://www.isda.org/2005novationprot/novprot_faq.html) for FAQs). The web site will also allow for market participants to download the text of the 2005 Novation Protocol. Adhering Parties and other parties who are interested in the 2005 Novation Protocol will be able to use the web site as a first point of reference. Further detailed questions can then be sent to ISDA directly, either by fax or e-mail.**CHARGES**There are no charges for adherence to the 2005 Novation Protocol.**SAMPLE TIMELINE(3)** The sample timeline shows how adherence to the 2005 Novation Protocol is effected and internally dealt with by ISDA. It also demonstrates how a match with a counterparty is achieved and on what timeframe1. **Initial Adherence by Bank A**
	1. Bank A sends Adherence Letter by email to ISDA NY on Day 1(4).
	2. ISDA receives Adherence Letter by Bank A at 10am NYT(5) on Day 1.
	3. Bank A’s Adherence Letter is deemed effective on the day it is received - in this case Day 1- and Bank A is considered to have amended their Master Agreements with any other Adhering Party that has adhered to 2005 Novation Protocol.
	4. ISDA will use its best efforts to post Bank A's Adherence Letter on ISDA’s web site on Day 2.
2. **Initial Adherence by Bank B**
	1. Bank B delivers Adherence Letter by email to ISDA NY on Day 3.
	2. ISDA receives Adherence Letter by Bank B at 5pm NYT on Day 3.
	3. Bank B’s Adherence Letter is deemed effective on the day it is received - in this case Day 3 - and as of Day 3, Bank B is deemed to have amended its Master Agreements with any other Adhering Party.
	4. ISDA will use its best efforts to post information on its web site on Day 5, as the Adherence Letter has been received after 3pm NYT on Day 3.

(1) A conformed copy is a duplicate of the original in which any signatures are replaced by the type-written names of the signatories.(2) PDF files can be read by the Program Adobe Acrobat Reader which can be downloaded from Adobe’s web site. ISDA’s site provides a link to the Adobe site to facilitate access to the Adherence Letters.(3) This timeline uses Adherence Letters emailed to the ISDA New York office as an example. (4) All “Days” in the Sample Timeline are defined as New York business days.(5)NYT is defined as New York City Time. |