



ISDA RESOLUTION STAY JURISDICTIONAL MODULAR PROTOCOL ITALIAN JURISDICTIONAL MODULE

Published on December 18, 2018 by the International Swaps and Derivatives Association, Inc.

Note to Adhering Parties

The process for adhering to this Italian Jurisdictional Module is set forth in paragraph 1 of the Protocol. By adhering to this Italian Jurisdictional Module, a Module Adhering Party agrees to amend the agreements set forth in this Italian Jurisdictional Module that it has entered into with, provided to or received from any “Regulated Entity” that such Module Adhering Party has designated as a “Regulated Entity Counterparty” with respect to it. The amendments provided in this Italian Jurisdictional Module shall be made to each such agreement.

As provided in paragraph 1 of the Protocol, an Adhering Party that is subject to the Italian Regulation can identify itself as a “Regulated Entity” for purposes of this Italian Jurisdictional Module. Each such “Regulated Entity” agrees to amend certain agreements that it has entered into with, provided to or received from any Module Adhering Party that has designated the “Regulated Entity” as a Regulated Entity Counterparty.

This Italian Jurisdictional Module (the “**Italian Jurisdictional Module**”) is a “Jurisdictional Module” for purposes of the ISDA Resolution Stay Jurisdictional Modular Protocol (the “**Protocol**”).

As provided in paragraph 1 of the Protocol, (i) an Adhering Party that identifies itself as a Module Adhering Party with respect to this Italian Jurisdictional Module in its Adherence Letter shall be a Module Adhering Party with respect to this Italian Jurisdictional Module and (ii) an Adhering Party that identifies itself as a Regulated Entity with respect to this Italian Jurisdictional Module in its Adherence Letter shall be a Regulated Entity Counterparty with respect to any Module Adhering Party that identifies such Adhering Party as a Regulated Entity Counterparty in its Adherence Letter or through the delivery of a Module Adherence Notice, with respect to this Italian Jurisdictional Module (in the manner provided in paragraph 2 of the Protocol).

A Module Adhering Party and a Regulated Entity Counterparty with respect to such Module Adhering Party each agree that the terms of this Italian Jurisdictional Module, including the amendments contained herein, shall apply to each Italian Regulated Agreement between such Module Adhering Party and such Regulated Entity Counterparty, each Italian Regulated Agreement provided by such Regulated Entity Counterparty for the benefit of such Module Adhering Party and each Italian Regulated Agreement provided by such Module Adhering Party for the benefit of such Regulated Entity Counterparty (each such agreement, a “**Covered Agreement**”).

Capitalized terms not defined herein have the meaning ascribed to them in the Protocol.

1. Rule of Construction

Words and phrases in quotation marks have the meaning given in the Italian Regulation to the bracketed Italian word or phrase immediately following such word or phrase, and such words or phrases as used in this Italian Jurisdictional Module shall be interpreted in accordance with the Italian Regulation.

2. Effectiveness

- (a) Subject to clause (b) below, a Module Adhering Party and a Regulated Entity Counterparty with respect to such Module Adhering Party agree that with respect to the Covered Agreements between such parties, provided by such Regulated Entity Counterparty for the benefit of such Module Adhering Party or provided by such Module Adhering Party for the benefit of such Regulated Entity Counterparty, the amendments in paragraph 3 hereof shall be deemed to be made to such Covered Agreements as of the Compliance Date with respect to such Covered Agreements, as determined in accordance with clause (c) hereof.
- (b) The amendments in paragraph 3 hereof shall not apply to a Covered Agreement if either:—
 - (i) the Regulated Entity Counterparty that is a party to such Covered Agreement does not satisfy the definition of Regulated Entity in this Italian Jurisdictional Module; or
 - (ii) such Covered Agreement is an Excluded Agreement.
- (c) The compliance date with respect to a Covered Agreement (such date, the “**Compliance Date**”) shall be as follows:—
 - (i) if both parties to such Covered Agreement are “G-SIBs” [*banche sistemiche a livello internazionale*], the Compliance Date shall be the Implementation Date; and
 - (ii) otherwise, the Compliance Date with respect to such Covered Agreement shall be the later of the Implementation Date and 31 January 2019.

3. Stay in Resolution

A Module Adhering Party and each Regulated Entity Counterparty with respect to such Module Adhering Party agrees that with respect to each Covered Agreement between such Module Adhering Party and Regulated Entity Counterparty, provided by such Regulated Entity Counterparty for the benefit of such Module Adhering Party or provided by such Module Adhering Party for the benefit of such Regulated Entity Counterparty:—

- (a) should the Regulated Entity Counterparty be an “institution under resolution” [*ente sottoposto a risoluzione*], such Module Adhering Party shall “subject itself to” the [*accetta di subire gli effetti della*] “competent resolution authority’s” [*autorità di risoluzione competente*] “power” [*potere*] to “temporarily suspend termination rights” [*sospendere temporaneamente i meccanismi terminativi*] pursuant to Article 68, paragraph 1 of Legislative Decree 180/2015 [*Articolo 68, comma 1, del Decreto Legislativo 180/2015*];
- (b) (i) if the Regulated Entity Counterparty is a “bank” [*banca*] or “financial company” [*società finanziaria*] with a “registered office” [*sede legale*] in Italy that is Controlled by either a Parent Regulated Entity that is an “institution under resolution” [*ente sottoposto a risoluzione*] or a Banking Group Regulated Entity that is an “institution under resolution” [*ente sottoposto a risoluzione*] and such Covered Agreement is a Supported Covered Agreement, such Module Adhering Party shall “subject itself to” the [*accetta di subire gli effetti della*] “competent resolution authority’s” [*autorità di risoluzione competente*] “power” [*potere*] to “temporarily suspend termination rights” [*sospendere temporaneamente i meccanismi terminativi*] pursuant to Article 68, paragraph 2 of Legislative Decree 180/2015 [*Articolo 68, comma 2, del Decreto Legislativo 180/2015*]; and
- (ii) if the Regulated Entity Counterparty is a “bank” [*banca*] or “financial company” [*società finanziaria*] with a “registered office” [*sede legale*] “abroad” [*all'estero*] that is Controlled by either a Parent Regulated Entity that is an “institution under resolution” [*ente sottoposto a risoluzione*] or a Banking Group Regulated Entity that is an “institution under resolution” [*ente sottoposto a risoluzione*] and such Covered Agreement is a Supported Covered Agreement, such Module Adhering Party shall “subject itself to” the [*accetta di subire gli effetti della*] “competent resolution authority’s” [*autorità di risoluzione competente*] “power” [*potere*] to “temporarily suspend termination rights” [*sospendere temporaneamente i meccanismi terminativi*] pursuant to Article 68, paragraph 2 of Legislative Decree 180/2015 [*Articolo 68, comma 2, del Decreto Legislativo 180/2015*].

4. Definitions

As used in this Italian Jurisdictional Module:—

“**Control**” means the “power to exercise the activity of direction and coordination” [*potere di esercitare l’attività di direzione e coordinamento*] over a “company” [*società*] pursuant to Article 23 of the Consolidated Law on Banking [*Articolo 23 del Testo Unico Bancario, D.Lgs. 385/1993*].

“**Covered Agreement**” has the meaning given to such term in the opening paragraphs hereof.

“**Excluded Agreement**” means a Covered Agreement:—

- (a) that is entered into “within the context of payment systems” [*concluso nell’ambito di sistemi di pagamento*] or systems for “securities settlement” [*regolamento titoli*]; or
- (b) where the Module Adhering Party is a:—
 - (i) “related operator” [*relativi operatori*] of a payment system or securities settlement system;
 - (ii) “central counterparty” [*controparti centrali*]; or
 - (iii) “central bank” [*banche centrali*].

“**G-SIB**” means any “bank” [*banca*] included in the list of Global Systemically Important Banks identified annually by the Financial Stability Board, in consultation with the Basel Committee on Banking Supervision and with “national competent authorities” [*autorità nazionali competenti*].

“**Italian Regulated Agreement**” means a “financial contract” [*contratto finanziario*] as referred to in Article 1, paragraph 1, letter (o), numbers 1), 2), 3), 4) and 6) of Legislative Decree 180/2015 [*Articolo 1, comma 1, lettera (o), numeri 1), 2), 3), 4) e 6) del D.Lgs. 180/2015*] “governed by the law of a third country” [*regolati dal diritto di uno Stato Terzo*].

“**Italian Regulation**” means the Regulatory Measures Concerning the Temporary Suspension of Termination Rights by the Resolution Authority in Relation to Financial Contracts Governed by the Law of a Third Country [*Disposizioni in materia di sospensione temporanea da parte dell’autorità di risoluzione dei meccanismi terminativi dei contratti finanziari disciplinati da diritto di uno Stato Terzo*].

“**Regulated Entity**” means a:—

- (a) “bank that is not part of a banking group” [*banche non appartenenti a gruppi bancari*], which bank has its “registered office” [*sede legale*] in Italy;
- (b) “bank,” [*banche*] “financial company” [*società finanziarie*] or “mixed financial holding company” [*società di partecipazione finanziaria mista*] with a “registered office” [*sede legale*] in Italy that is the “parent company” [*capogruppo*] of a “banking group” [*gruppo bancario*] pursuant to Article 61 of the Consolidated Law on Banking [*Articolo 61 del Testo Unico Bancario, D.Lgs. n. 385/1993*] (“**Parent Regulated Entity**”);
- (c) “bank” [*banca*] or “financial company” [*società finanziaria*] with a “registered office” [*sede legale*] in Italy that is part of a “banking group” [*gruppo bancario*] pursuant to Article 60 of the Consolidated Law on Banking [*Articolo 60 del Testo Unico Bancario, D.Lgs. 385/1993*] (“**Banking Group Regulated Entity**”); or

- (d) “bank” [*banca*] or “financial company” [*società finanziaria*] with a “registered office” [*sede legale*] “abroad” [*all'estero*] that is Controlled by either a Parent Regulated Entity or a Banking Group Regulated Entity,

in each case, “within the competence of the” [*rientranti nella competenza della*] Single Resolution Board pursuant to paragraphs (2), (4)(b) and (5) of Article 7 of Regulation EU no 806/2014.

“**Supported Covered Agreement**” means a Covered Agreement that meets the following conditions:—

- (a) the “obligations” [*obblighi*] stemming from such Covered Agreement are “guaranteed” [*garantiti*] by a Parent Regulated Entity or Banking Group Regulated Entity or are “otherwise supported by” [*fanno comunque capo a*] such entity; and
- (b) the “prerequisite” [*presupposto*] for the “exercise of termination rights” [*l’attivazione dei meccanismi terminativi*] is the “insolvency” [*insolvenza*] of the applicable Parent Regulated Entity or Banking Group Regulated Entity or is otherwise determined with regard to the applicable Parent Regulated Entity or Banking Group Regulated Entity’s “financial situation” [*situazione finanziaria*].