

# 2017 ISDA/FIA CLEARED DERIVATIVES **EXECUTION AGREEMENT**

dated as of [        ] between:  
and

.....  
("Party A"<sup>1</sup>)

.....  
("Party B"<sup>1</sup>)

## **1. General**

- (a) **Purpose.** This 2017 ISDA/FIA Cleared Derivatives Execution Agreement (this "**Agreement**"), which includes the annex (the "**Annex**"), has been entered into in order to facilitate the entry into of Derivatives Transactions and the clearing of such transactions with one or more CCPs located outside of the United States.
- (b) **Scope.** Party A and Party B may, from time to time, enter into Derivatives Transactions and this Agreement will apply to all such Derivatives Transactions.
- (c) **Standard of Care.** Party A and Party B will perform their respective obligations and exercise their respective rights under this Agreement in good faith and in a commercially reasonable manner under the circumstances.
- (d) **Inconsistency.** In the event of any inconsistency between the provisions of the Annex and the other provisions of this Agreement, the Annex will prevail.

## **2. Clearing of Derivatives Transactions**

- (a) **Matching and Submission.** In respect of each Derivatives Transaction, other than an Automatically Matched Transaction, Party A and Party B will each submit (or procure submission of) an electronic message to the relevant Matching System, as soon as practicable in the circumstances after execution of such Derivatives Transaction, to enable the trade details relating to such Derivatives Transaction to be matched and submitted, via the applicable Relevant Trade Source, to the relevant CCP for clearing of such Derivatives Transaction.
- (b) **Reasonable Steps to Clear.** Without prejudice to Section 3 and in accordance with Applicable STP Rules and Applicable System Rules, if any, the parties will take reasonable steps to enable a Derivatives Transaction to be cleared (including, without limitation, if a Relevant Event occurs), which such reasonable steps may include, without limitation and if applicable:
  - (i) Party A and Party B consulting in an effort to resolve any issues relating to the matching and submission of such Derivatives Transaction;
  - (ii) Party A or Party B or both Party A and Party B, as applicable, re-submitting (or procuring the re-submission of) an appropriate electronic message to the relevant Matching System;
  - (iii) Party A or Party B or both Party A and Party B, as applicable, procuring that ~~all of the information in respect of such Derivatives Transaction required by the relevant CCP in order to clear such Derivatives Transaction~~ the CCP Information is received by the relevant CCP;

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<sup>1</sup> It is intended through the use of Party A and Party B in this Agreement that Party B will be the party looking to access clearing for certain of its derivatives transactions and Party A will be the dealer facilitating such access to clearing.

- (iv) Party A or its affiliate agreeing with Party B that Party A or its affiliate, as applicable, will be the Clearing Member for Party B in respect of such Derivatives Transaction;
- (v) Party A or Party B or both Party A and Party B, as applicable, selecting an alternative Clearing Member(s) in respect of such Derivatives Transaction;
- (vi) Party A and Party B agreeing to submit such Derivatives Transaction for clearing through an alternative CCP; or
- (vii) Party A and Party B consulting in an effort to agree any other alternative course of action.

### 3. **Alternative Actions**

- (a) **Acceptance as a Bilateral Transaction.** Notwithstanding Section 2(b) and without prejudice to Section 3(b), if a Relevant Event occurs with respect to a Derivatives Transaction, the parties may, to the extent the Derivatives Transaction is not required to be cleared by Applicable Law, mutually agree to treat such Derivatives Transaction as a bilateral uncleared transaction, provided that they (i) agree on the modifications and amendments (which may include, without limitation, the pricing, collateral and other credit terms) required to the terms of such Derivatives Transaction in order to continue it as a bilateral uncleared transaction; and (ii) have entered into, or can agree on and enter into, appropriate documentation, in which case such Derivatives Transaction will no longer be subject to this Agreement.
- (b) **Termination.** Notwithstanding Sections 2(b) and 3(a), if a Relevant Event occurs with respect to a Derivatives Transaction and for so long as such Derivatives Transaction remains subject to this Agreement, a Terminating Party may, at any time at or following the applicable Termination Election Start Date, elect, in its sole discretion and by notice to the other party, to terminate such Derivatives Transaction, in which case the following provisions will apply:
  - (i) Party A will determine the Early Termination Amount in respect of such Derivatives Transaction as of the Early Termination Date or, if that would not be commercially reasonable, as of the date or dates following such Early Termination Date as would be commercially reasonable, provided that, if Party A fails to determine the Early Termination Amount in a timely manner (and in any event by the end of the fifth Local Business Day after the Early Termination Date) then the Early Termination Amount will be determined by Party B;
  - (ii) upon, or as soon as reasonably practicable following the determination of such Early Termination Amount, the party making such determination will notify the other party in writing of the Early Termination Amount (setting forth the details of the calculation in reasonable detail) and which of Party A and Party B is the payer in respect of such Early Termination Amount; and
  - (iii) Party A or Party B, as applicable, will pay the Early Termination Amount to the other party, such Early Termination Amount being due and payable on the Local Business Day following the day that notice of such amount is effective.
- (c) **Termination Long Stop.** If Termination Long Stop is specified as applicable in the Annex then, if a Relevant Event occurs with respect to a Derivatives Transaction and such Derivatives Transaction remains subject to this Agreement and outstanding on the applicable Termination Long Stop Date, then Party A will be deemed to have delivered a notice to Party B in accordance with Section 3(b) on such Termination Long Stop Date and the remainder of Section 3(b) will apply accordingly.

#### **4. Transactions Accepted for Clearing**

- (a) **Cleared Transactions.** Upon Registration of a Derivatives Transaction, neither Party A nor Party B will have any further rights against or obligations to the other (in each case, whether accrued or otherwise) with respect to such Derivatives Transaction.
- (b) **No Early Termination Amount.** If a Derivatives Transaction is Registered then, notwithstanding Section 3(b) and regardless of whether a Relevant Event has occurred in respect of such Derivatives Transaction, no Early Termination Amount will be payable by Party A to Party B or by Party B to Party A, as applicable, in respect of such Derivatives Transaction.

#### **5. Representations**

Each of Party A and Party B represents to the other, as at the time of execution of a Derivatives Transaction and, other than in respect of the representation in Section 5(d), as at the time of execution of this Agreement, that:

- (a) it is duly organised and validly existing under the laws of the jurisdiction of its organisation or incorporation and, if relevant under such laws, in good standing;
- (b) it has the power and authority to execute (where applicable), enter into, and perform its obligations under this Agreement, each Derivatives Transaction and each applicable corresponding Cleared Transaction;
- (c) its obligations under this Agreement, each Derivatives Transaction and each applicable corresponding Cleared Transaction constitute its legal, valid and binding obligations, enforceable in accordance with their terms (subject to applicable bankruptcy, reorganisation, 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
- (d) it has a clearing agreement with a relevant Clearing Member (or is a Clearing Member).

#### **6. Breach of Agreement**

- (a) **Consequences of Breach of Agreement.** Each of Party A and Party B agrees that a breach of any representation or obligation under this Agreement, other than a Payment Failure, will not constitute an event of default, termination event or similar event (howsoever described) for the purposes of this or any other agreement, and that the sole remedy in respect of such a breach will, without prejudice to Sections 2(b) and 3(a), be pursuant to Section 3(b).
- (b) **Payment Failure.** Each of Party A and Party B agrees that, in respect of a Payment Failure, for the purposes of the Default Under Specified Transaction Event of Default, as defined in and pursuant to any applicable Derivatives Agreement, this Agreement will be deemed to be a Specified Transaction and the scheduled payment date of the relevant payment will be deemed to be the last payment date of such Specified Transaction.

#### **7. Relationship with Clearing Agreement**

Party B agrees and acknowledges that, to the extent that Party A acts as Party B's Clearing Member in respect of any Cleared Transaction corresponding to a Derivatives Transaction, the relationship between Party B and Party A in respect of such Derivatives Transaction is entirely separate from and independent of the relationship between Party B and the Clearing Member in respect of the Cleared Transaction corresponding to such Derivatives Transaction, and nothing contained in this Agreement nor any action or

inaction taken by Party A in its role as an executing broker for Party B under or in connection with this Agreement, any Derivatives Transaction or corresponding Cleared Transaction will be construed as a release, waiver or amendment of any provision of the Clearing Agreement between the Clearing Member and Party B unless expressly agreed otherwise.

## 8. Limitation of Liability

Unless otherwise provided by Applicable [System](#) Rules or by Sections 3(b), 10 or 11, neither of the parties will be responsible or liable (whether in contract or in tort or otherwise) for losses or damages incurred by the other party or any other person that arise out of or in connection with:

- (a) error, negligence or misconduct of the other party, any Matching System or any CCP, or any service provider selected in good faith;
- (b) failure of transmission, communication or electronic order facilities; or
- (c) any other cause or causes beyond their control.

Without limiting the generality of the foregoing, unless otherwise provided by Applicable [System](#) Rules or by Sections 3(b), 10 or 11, in no event will either of the parties be liable to the other for any consequential, incidental, indirect, punitive or special damages, loss of goodwill or loss of business opportunity arising under or in connection with this Agreement. Nothing in this Agreement will exclude or limit any duty or liability which may not be excluded or limited under Applicable Law.

## 9. Termination

- (a) **Termination Rights.** This Agreement may be terminated by either of Party A or Party B upon prior written notice to the other party designating a time and day not earlier than the time and day such notice is effective as the Termination Time and Termination Date, respectively. Any such termination will have no effect upon any party's rights and obligations arising at or prior to the Termination Time on the Termination Date and this Agreement will remain in effect and govern any Derivatives Transactions executed at or prior to the Termination Time on the Termination Date and which have not been accepted for clearing by a CCP or which have otherwise been terminated or addressed pursuant to Sections 2 or 3, as applicable, prior to the Termination Time on the Termination Date.
- (b) **Survival.** Each of Sections 8, 9, 10 and 11 will survive termination of this Agreement.

## 10. Interest

If a party fails to pay any amount when due pursuant to this Agreement, such party will, to the extent permitted by Applicable Law, pay interest on the overdue amount to the other party on demand in the same currency as the overdue amount, for the period from and including the original due date for payment to (but excluding) the date of actual payment, at the Default Rate.

## 11. Expenses

If a party fails to pay any amount when due pursuant to this Agreement, such party will on demand indemnify and hold the other party harmless for and against all reasonable out-of-pocket expenses, including legal fees, execution fees and stamp tax, incurred by such other party by reason of the enforcement and protection of its rights under this Agreement or by reason of the early termination of any Derivatives Transaction pursuant to Section 3(b), including, without limitation, costs of collection. Any such amount will be due and payable on the Local Business Day following the day that notice of the amount payable is effective.

## 12. Transfer

To the extent permitted by Applicable Law, neither this Agreement nor any interest or obligation in or under this Agreement may be transferred (whether by way of security or otherwise) by either party without the prior written consent of the other party, provided, however, that a party may make such a transfer of this Agreement pursuant to a consolidation or amalgamation with, or merger with or into, or transfer of all or substantially all of its assets to, another entity (but without prejudice to any other right or remedy under this Agreement).

## 13. Notices

Unless expressly stated otherwise, any notice or other communication in respect of this Agreement may be given in any manner described below to the address or number or email details provided in the Annex and will be effective as indicated:

- (a) if in writing and delivered in person or by courier, the Notice Cut-off Time on the date it is delivered;
- (b) if sent by facsimile transmission, the Notice Cut-off Time on the date it is received by a responsible employee of the recipient in legible form (it being agreed that the burden of proving receipt will be on the sender and will not be met by a transmission report generated by the sender's facsimile machine);
- (c) if sent by certified or registered mail (airmail, if overseas) or the equivalent (return receipt requested), the Notice Cut-off Time on the date it is delivered or its delivery is attempted; or
- (d) if sent by email, the Notice Cut-off Time on the date it is delivered,

unless the date of that delivery (or attempted delivery) or that receipt, as applicable, is not a Local Business Day or that communication is delivered (or attempted) or received, as applicable, after the Notice Cut-off Time on a Local Business Day, in which case that communication will be deemed given and effective at 9.00 a.m. Local Time on the first following day that is a Local Business Day.

## 14. Recordings

Each party (a) consents to the recording of telephone conversations between the trading, marketing and other relevant personnel of the parties in connection with this Agreement or any potential Derivatives Transaction, (b) agrees to obtain any necessary consent of, and give any necessary notice of such recording to, its relevant personnel and (c) agrees, to the extent permitted by Applicable Law, that recordings may be submitted in evidence in any Proceedings.

## 15. Third Party Rights

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement but this will not affect any right or remedy of a third party which exists or is available apart from that Act.

## 16. Miscellaneous

- (a) **Entire Agreement.** This Agreement constitutes the entire agreement and understanding of the parties with respect to its subject matter and supersedes all oral communication and prior writings with respect thereto. Each of the parties acknowledges that in entering into this Agreement it has not relied on any oral or written representation, warranty or other assurance (except as provided for or referred to in this Agreement) and waives all rights and remedies which might otherwise be available

to it in respect thereof, except that nothing in this Agreement will limit or exclude any liability of a party for fraud.

- (b) **Amendments.** An amendment, modification or waiver in respect of this Agreement will only be effective if in writing (including a writing evidenced by a facsimile or email) and executed by each of the parties.
- (c) **Survival of Obligations.** The obligations of the parties under this Agreement will survive the termination of any Derivatives Transaction.
- (d) **Remedies Cumulative.** Except as provided in this Agreement, the rights, powers, remedies and privileges provided in this Agreement are cumulative and not exclusive of any rights, powers, remedies and privileges provided by law.
- (e) **Counterparts.** This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by facsimile or email), each of which will be deemed an original.
- (f) **No Waiver of Rights.** A failure or delay in exercising any right, power or privilege in respect of this Agreement will not be presumed to operate as a waiver, and a single or partial exercise of any right, power or privilege will not be presumed to preclude any subsequent or further exercise of that right, power or privilege or the exercise of any other right, power or privilege.
- (g) **Headings.** The headings used in this Agreement are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Agreement.

## 17. Governing Law and Jurisdiction

- (a) **Governing Law.** This Agreement and any non-contractual rights arising in relation thereto will be governed by and construed in accordance with English law.
- (b) **Jurisdiction.** With respect to any Proceedings, each party irrevocably:
  - (i) submits to (A) the non-exclusive jurisdiction of the English courts if the Proceedings do not involve a Convention Court and (B) the exclusive jurisdiction of the English courts if the Proceedings do involve a Convention Court;
  - (ii) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have jurisdiction over such party;
  - (iii) agrees, to the extent permitted by Applicable Law, that the bringing of Proceedings in any one or more jurisdictions will not preclude the bringing of Proceedings in any other jurisdiction; and
  - (iv) waives any and all right to trial by jury in any Proceedings.
- (c) **Service of Process.** Each party irrevocably appoints the process agent, if any, specified in respect of such party in the Annex to receive, for it and on its behalf, service of process in any Proceedings. If for any reason any party's process agent is unable to act as such, such party will promptly notify the other party and within 30 days appoint a substitute process agent acceptable to the other party. Nothing in this Agreement will affect the right of either party to serve process in any other manner permitted by Applicable Law.

- (d) **Waiver of Immunities.** Each party irrevocably waives, to the fullest extent permitted by Applicable Law, with respect to itself and its revenues and assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similar grounds from (i) suit, (ii) jurisdiction of any court, (iii) relief by way of injunction, or order for specific performance or for recovery of property, (iv) attachment of its assets (whether before or after judgment) and (v) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be entitled in any Proceedings in the courts of any jurisdiction, and irrevocably agrees, to the extent permitted by Applicable Law, that it will not claim any such immunity in any Proceedings.

## 18. Defined Terms

As used in this Agreement:

"**Applicable Law**" means any applicable national, federal, supranational, state, regional, provincial, local or other statute, law, ordinance, regulation, rule, code, guidance, order, published practice or concession, judgment or decision of a Governmental Authority.

"Applicable STP Rules" means, in respect of a Derivatives Transaction, the Applicable Law or market practices, if any, in respect of the submission and acceptance of such Derivatives Transaction for clearing applicable to either of the parties or the Clearing Member of either of the parties. In the event that more than one set of Applicable STP Rules apply in relation to a Derivatives Transaction and give rise to more than one period of time in which a party must perform an obligation hereunder, the Applicable STP Rules will be deemed to stipulate only the shortest such period for the purposes of this Agreement.

~~"Applicable"~~ "Applicable System Rules" means the rules, regulations, interpretations, protocols, customs and usages of any applicable Matching System or CCP, as amended from time to time.

"**Automatically Matched Transaction**" means a Derivatives Transaction in respect of which the electronic facility (or other relevant facility) by which the parties have entered into such Derivatives Transaction, either itself or through a third party facility or system, provides for automatic matching and submission of such Derivatives Transaction to the relevant CCP for clearing of such Derivatives Transaction.

"**CCP**" means a clearing organisation on which derivatives transactions may be cleared.

"**CCP Business Day**" means, in respect of a CCP, a day on which such CCP is open for business.

"CCP Acceptance Cut-off" means:

~~"CCP Cut-off" means, in respect of a Derivatives Transaction executed: (a) prior to the Late-day Cut-off, one hour before the End of Day Cut-off on the day on which such Derivatives Transaction was executed~~(a) in respect of a Derivatives Transaction concluded prior to the Late-day Cut-off, such period of time as permitted by the Applicable STP Rules for the CCP to accept such Derivatives Transaction, provided that, if (i) there are no relevant Applicable STP Rules, (ii) the relevant Applicable STP Rules do not specify such a period of time or (iii) there is a dispute between the parties as to the period of time permitted by the relevant Applicable STP Rules, the CCP Acceptance Cut-off will be the earlier of (A) the period of time as permitted by the Applicable System Rules and (B) 130 seconds from the Submission Cut-off; and

- (b) in respect of a Derivatives Transaction concluded at or after the Late-day Cut-off, 12:00pm CCP Local Time on the ~~first~~ CCP Business Day immediately following the day on which such Derivatives Transaction was ~~executed~~concluded.<sup>2</sup>

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<sup>2</sup> Parties to give consideration to the Late-day Cut-off feature in the context of CCP Acceptance Cut-off and the Applicable STP Rules.

**"CCP Information"** means all information required by a CCP from the parties in respect of a Derivatives Transaction in order to clear such Derivatives Transaction.

**"CCP Local Time"** means, in respect of a CCP, the time in the city where such CCP is located, provided that, where a CCP offers more than one clearing platform or makes clearing available through a single platform in multiple jurisdictions having different CCP Local Times, the time zone stated as applicable in such CCP's rules for a particular platform, and jurisdiction will be the relevant CCP Local Time for that CCP with respect to that platform for the purposes of this Agreement.

**"Clearing Agreement"** means, in respect of a Cleared Transaction and a party to this Agreement: (a) if such party is a client of a Clearing Member in relation to such Cleared Transaction, the agreement that such party has with its Clearing Member governing such Cleared Transaction; or (b) if such party is a Clearing Member in relation to such Cleared Transaction, the applicable arrangements such party has with the relevant CCP governing such Cleared Transaction and, in either case, including all annexes, schedules and other supplements thereto.

**"Cleared Transaction"** means, in respect of a Derivatives Transaction and a party to this Agreement, the cleared derivatives transactions arising upon Registration of such Derivatives Transaction, governed by the applicable Clearing Agreement.

**"Clearing Member"** means a party that is eligible to perform a clearing function with respect to a Derivatives Transaction at the relevant CCP on which the Derivatives Transaction is to be cleared on behalf of Party A or Party B (as applicable), which may include Party A or Party B if such entity is eligible to perform such clearing function.

**"Clearing Member Cut-off" means:**

~~**"Clearing Member Cut-off" means, in respect of a Derivatives Transaction executed: (a) prior to the Late-day Cut-off, 90 minutes after the submission of that Derivatives Transaction to the Clearing Member for its acceptance or rejection**~~**(a) in respect of a Derivatives Transaction concluded prior to the Late-day Cut-off, such period of time as permitted by the Applicable STP Rules for the relevant Clearing Member(s) to accept such Derivatives Transaction, provided that, if (i) there are no relevant Applicable STP Rules, (ii) such Applicable STP Rules do not specify such a period of time or (iii) there is a dispute between the parties as to the period of time permitted by the relevant Applicable STP Rules, the Clearing Member Cut-off will be the earlier of (A) the period of time as permitted by the Applicable System Rules and (B) 120 seconds from the Submission Cut-off; and**

(b) **in respect of a Derivatives Transaction concluded** at or after the Late-day Cut-off, the later of 90 minutes ~~after the submission of that Derivatives Transaction to the Clearing Member for its acceptance or rejection and 10:30 a.m.~~ **from the relevant Submission Cut-off and 10:30am** CCP Local Time on the CCP Business Day immediately following the day on which ~~such the~~ **Derivatives Transaction was concluded.**<sup>3</sup>

**"Convention Court"** means any court which is bound to apply to the Proceedings either Article 17 of the 1968 Brussels Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters or Article 17 of the 1988 Lugano Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters.

**"Default Rate"** means a rate per annum equal to the cost (without proof or evidence of any actual cost) to the relevant payee (as certified by it) if it were to fund or of funding the relevant amount plus 1% per annum.

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<sup>3</sup> Parties to give consideration to the Late-day Cut-off feature in the context of the Clearing Member Cut-off and the Applicable STP Rules.

**"Derivatives Agreement"** means the master agreement or deemed master agreement, if any, specified in the Annex that will apply in respect of this Agreement.

**"Derivatives Transaction"** means any over-the-counter swap, forward, option or similar transaction between the parties:

- (a) that is subject to and forms part of the Derivatives Agreement, if any;
- (b) that both parties have agreed will be submitted for Registration subject to, and in accordance with, this Agreement; and
- (c) in respect of which, both parties have agreed at or about the time such transaction is entered into which CCP and via which Relevant Trade Source such transaction will be submitted for Registration,

other than any futures and options on futures contracts and other Derivatives Transactions executed in anonymous markets ~~or~~ markets operated as central limit order books or on trading venues (including, without limitation, multilateral trading facilities and organised trading facilities as defined in Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014).

**"Early Termination Amount"** means, in respect of a Derivatives Transaction that has been terminated in accordance with Section 3(b), an Early Termination Amount as defined in and determined pursuant to the terms of the Standard Early Termination Provision on the basis that:

- (a) the Early Termination Date will be deemed to have arisen from an Additional Termination Event in respect of which such Derivatives Transaction is the sole Affected Transaction;
- (b) the "material terms" (for the purposes of clause (a) of the definition of Close-out Amount) of such Derivatives Transaction will, for the avoidance of doubt, include the fact that such Derivatives Transaction was to be cleared by the relevant CCP;
- (c) if such Derivatives Transaction fails to clear because:
  - (i) (A) Party A fails to submit (or procure submission of) an electronic message to the relevant Matching System in relation to such Derivatives Transaction in accordance with Section 2, (B) such Derivatives Transaction is an Automatically Matched Transaction and Party A's action or inaction causes the relevant electronic facility (or other facility) to fail to match and submit such Derivatives Transaction to the relevant CCP for clearing, (C) Party A breaches any obligation or representation to Party B with respect to such Derivatives Transaction under this Agreement, (D) Party A's Clearing Member has not accepted the Derivatives Transaction or rejects such Derivatives Transaction for clearing, including, without limitation, because Party A has violated a position or credit limit imposed by Party A's Clearing Member, or (E) a relevant CCP has not accepted or rejects such Derivatives Transaction for clearing for any reason related to Party A or Party A's Clearing Member, including, without limitation, Party A's Clearing Member having violated a position or credit limit imposed by such CCP, then Party A will be the sole Affected Party solely for purposes of the Standard Early Termination Provision, references to the "Determining Party" in the first paragraph of the definition of Close-out Amount in the Reference ISDA Agreement will be deemed to be references to the "Non-affected Party" and the party determining the Early Termination Amount will be the party responsible for determining the Early Termination Amount pursuant to Section 3(b)(i);
  - (ii) (A) Party B fails to submit (or procure submission of) an electronic message to the relevant Matching System in relation to such Derivatives Transaction in accordance with Section 2, (B) such Derivatives Transaction is an Automatically Matched Transaction and Party B's

action or inaction causes the relevant electronic facility (or other facility) to fail to match and submit such Derivatives Transaction to the relevant CCP for clearing, (C) Party B breaches any obligation or representation to Party A with respect to such Derivatives Transaction under this Agreement, (D) Party B's Clearing Member has not accepted the Derivatives Transaction or rejects such Derivatives Transaction for clearing, including, without limitation, because Party B has violated a position or credit limit imposed by Party B's Clearing Member, or (E) a relevant CCP has not accepted or rejects such Derivatives Transaction for clearing for any reason related to Party B or Party B's Clearing Member, including, without limitation, Party B's Clearing Member having violated a position or credit limit imposed by such CCP, then Party B will be the sole Affected Party solely for purposes of the Standard Early Termination Provision, references to the "Determining Party" in the first paragraph of the definition of Close-out Amount in the Reference ISDA Agreement will be deemed to be references to the "Non-affected Party" and the party determining the Early Termination Amount will be the party responsible for determining the Early Termination Amount pursuant to Section 3(b)(i); and

- (iii) (A) such Derivatives Transaction is an Automatically Matched Transaction and the relevant electronic facility (or other facility) fails to match and submit such Derivatives Transaction to the relevant CCP for clearing for any reason not described in sub-paragraphs (i) or (ii) above or for more than one reason where at least one reason is described in sub-paragraph (i) above and at least one reason is described in sub-paragraph (ii) above or (B) a relevant CCP has not accepted such Derivatives Transaction for clearing or rejects such Derivatives Transaction for clearing for any reason not described in sub-paragraphs (i) or (ii) above or for more than one reason where at least one reason is described in sub-paragraph (i) above and at least one reason is described in sub-paragraph (ii) above, then the party responsible for determining the Early Termination Amount pursuant to Section 3(b)(i) will determine the Early Termination Amount at mid-market pursuant to sub-sections (ii)(3)(A) and (B) of the Standard Early Termination Provision (for the purposes of which, such party is the Determining Party and the other party is the sole Affected Party).

For the avoidance of doubt, the reference in this definition to the Standard Early Termination Provision is included solely for the purpose of incorporating the methodology and defined terms applicable under the Standard Early Termination Provision in order to determine the Early Termination Amount, and, without prejudice to the Derivatives Agreement, no other provision of the Reference ISDA Agreement will be applicable to, or otherwise incorporated into, this Agreement.

Capitalised terms used but not otherwise defined in this definition or this Agreement have the meanings specified in the Reference ISDA Agreement.

**"Early Termination Date"** means, in respect of a Derivatives Transaction that a Terminating Party has elected, or has deemed to have elected, to terminate in accordance with Section 3(b), the date on which notice of such election, or deemed election, is effective.

**"End-of-Day Cut-off"** means, in respect of a CCP and a given day, the earlier of: (a) 7:00 p.m. CCP Local Time; and (b) the latest time at which a Derivatives Transaction may be submitted to such CCP and accepted for clearing on the same day.<sup>4</sup>

**"Governmental Authority"** means any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation anywhere in the world with competent jurisdiction.

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<sup>4</sup> [Parties to give consideration to the End-of-Day Cut-off feature in the context of Applicable STP Rules.](#)

"**ISDA**" means the International Swaps and Derivatives Association, Inc..

"**Late-day Cut-off**" means, in respect of a Derivatives Transaction to be cleared on a CCP, the time falling three hours prior to the End-of-Day Cut-off.<sup>5</sup>

"**Local Business Day**" has the meaning given to it in the Annex.

"**Local Time**" has the meaning given to it in the Annex.

"**Matching System**" means an electronic facility, trading system or platform that provides services for real-time or post-execution centralised matching of trade data in relation to Derivatives Transactions submitted by its participants and, in relation to a Derivatives Transaction, means such electronic facility, trading system or platform that is agreed between the parties.

"**Notice Cut-off Time**" means (a) if a Notice Cut-off Time is specified in the Annex, that time, and (b) otherwise, 3:00pm Local Time.

"**Payment Failure**" means in respect of a party to this Agreement, a failure by such party to make, when due, any payment under this Agreement.

"**Proceedings**" means any legal action, suit or proceeding relating to any dispute arising out of or in connection with this Agreement.

"**Reference ISDA Agreement**" means the ISDA 2002 Master Agreement, as published by ISDA but without any Schedule except for the election of the law of England and Wales as the governing law.

"**Registered**" means, with respect to a Derivatives Transaction, that such Derivatives Transaction has been accepted and registered for clearing by a CCP in accordance with the rules of such CCP such that Party A and Party B are party to separate Cleared Transactions corresponding to such Derivatives Transaction and "**Register**" and "**Registration**" will be construed accordingly.

"**Relevant Event**" means, in respect of a Derivatives Transaction, any of the following events:

- (a) the trade details relating to such Derivatives Transaction are not matched and submitted to the relevant CCP for clearing, either in accordance with Section 2(a) or, in respect of an Automatically Matched Transaction, by the electronic facility or other relevant facility, by the Submission Cut-off;
- (b) a party's Clearing Member has not accepted such Derivatives Transaction (where such acceptance is required) by the Clearing Member Cut-off;
- (c) a CCP rejects such Derivatives Transaction at any time; or
- (d) no CCP has accepted such Derivatives Transaction for clearing by the CCP [Acceptance](#) Cut-off.

"**Relevant Trade Source**" means, in relation to a CCP and a Derivatives Transaction:

- (a) the Trade Source specified by such CCP;
- (b) if such CCP does not specify a single Trade Source, the Trade Source agreed between Party A and Party B; or

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<sup>5</sup> [Parties to give consideration to the Late-day Cut-off feature in the context of Applicable STP Rules.](#)

- (c) if such CCP does not specify a single Trade Source and the parties are unable to agree a Trade Source, the Trade Source specified by Party A.

"**Standard Early Termination Provision**" means Section 6(e) of the Reference ISDA Agreement.

"**Submission Cut-off**" means ~~in respect of a Derivatives Transaction, 150 minutes after execution in respect of a Derivatives Transaction, such period of time as permitted by the Applicable STP Rules either from the conclusion of such Derivatives Transaction or previous submission in relation to such Derivatives Transaction, as applicable, to submit, or re-submit in accordance with Section 2(b)(ii), as applicable, relevant information in relation to such Derivatives Transactions to the relevant CCP, provided that, if (a) there are no relevant Applicable STP Rules, (b) such Applicable STP Rules do not specify such a period of time or (c) there is a dispute between the parties as to the period of time permitted by the relevant Applicable STP Rules, the earlier of (i) the period of time as permitted by the relevant Applicable System Rules, if any, and (ii) 30 minutes from the conclusion~~ of such Derivatives Transaction.

"**Terminating Party**" has the meaning given to it in the Annex.

"**Termination Date**" means the date designated in accordance with Section 9.

"**Termination Election Start Date**" has the meaning given to it in the Annex.

"**Termination Long Stop**", if designated as applicable in the Annex, has the meaning given to it in Section 3(c).

"**Termination Long Stop Date**" has the meaning given to it in the Annex, if any.

"**Termination Time**" means the time designated in accordance with Section 9.

"**Trade Source**" means, in relation to a CCP and a Derivatives Transaction, an electronic system or process through which such CCP will accept from its participants submission of such Derivatives Transaction for clearing pursuant to the rules of such CCP.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be duly executed and delivered by their respective authorised officers as of the date set forth above.

.....  
(Name of Party)

.....  
(Name of Party)

By: .....  
Name:  
Title:  
Date:

By: .....  
Name:  
Title:  
Date:

**ANNEX**

**1. Contact Information**

All instructions, notices or other communications regarding this Agreement should be given to the contact persons of the relevant party hereto, whose names, addresses, and numbers are set forth below. Either party may change its contact information by notice to the other party.

**Party A**

**Party B**

**For Trading**

**For Trading**

Name of Person: .....

Name of Person: .....

Address: .....

Address: .....

Fax No.: .....

Fax No.: .....

Email: .....

Email: .....

**For Documentation**

**For Documentation**

Name of Person: .....

Name of Person: .....

Address: .....

Address: .....

Fax No.: .....

Fax No.: .....

Email: .....

Email: .....

**For Notices**

**For Notices**

Name of Person: .....

Name of Person: .....

Address: .....

Address: .....

Fax No.: .....

Fax No.: .....

Email: .....

Email: .....

**2. Process Agent**

Party A appoints as its Process Agent: [not applicable][.....]<sup>26</sup>

Party B appoints as its Process Agent: [not applicable][.....]<sup>26</sup>

**3. Derivatives Agreement**

"*Derivatives Agreement*" means [not applicable][the 1992 ISDA Master Agreement][the ISDA 2002 Master Agreement][a deemed master agreement in the form of a [1992 ISDA Master Agreement][ISDA 2002

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<sup>26</sup>Delete as applicable

Master Agreement]] [.....]<sup>37</sup> between Party A and Party B [dated [as of] .....]<sup>26,48</sup>

#### 4. Local Business Day and Local Time

"*Local Business Day*" means: .....

"*Local Time*" means: .....

#### 5. Notice Cut-off Time

"*Notice Cut-off Time*" means: ..... Local Time.

#### 6. Termination

"*Terminating Party*" means: Party A [and Party B]<sup>26</sup>.

"*Termination Election Start Date*" means:

- (a) in respect of Party A and a Relevant Event, the day on which such Relevant Event occurs; and
- (b) in respect of Party B and a Relevant Event, [not applicable][the day on which such Relevant Event occurs][the day [.....] Local Business Days after the day on which such Relevant Event occurs]<sup>26</sup>.

"*Termination Long Stop*" is [applicable][not applicable]<sup>26</sup>.

"*Termination Long Stop Date*" means, in respect of a Relevant Event: [not applicable][[.....] Local Business Days after the day on which such Relevant Event occurs].<sup>26</sup>

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<sup>37</sup> If applicable, insert details of other relevant master agreement governing the Derivatives Transactions

<sup>48</sup> If applicable, the parties should give consideration to whether Derivatives Transactions are to be collateralised in accordance with the Derivatives Agreement prior to being cleared. Without any further provisions, if a collateral arrangement is in place in relation to a Derivatives Agreement that would cover any transaction under such Derivatives Agreement, Derivatives Transactions would be required to be collateralised pursuant to the terms of the Derivatives Agreement. If the parties do not want this to be the case, they should include appropriate language here. For example, in the case of a Derivatives Agreement that is a 1992 ISDA Master Agreement or an ISDA 2002 Master Agreement and in relation to which there is a 1995 ISDA Credit Support Annex (Bilateral Form – Transfer), the following language could be included at the end of the definition of Derivatives Agreement if Derivatives Transactions are not to be collateralised: "*provided that, for the purposes of the definition of Exposure in any 1995 Credit Support Annex (Bilateral Form - Transfer) that supplements and forms part of such Derivatives Agreement, any Derivatives Transaction shall be deemed not to be a Transaction*"

Comparison Details	
Title	<b>pdfDocs compareDocs Comparison Results</b>
Date & Time	10/10/2017 17:05:42
Comparison Time	7.74 seconds
compareDocs version	v4.2.306.1

Sources	
Original Document	[#27993375] [v1] Original CDEA
Modified Document	[#27134117] [v6] [2017 UPDATE] ISDA/FIA Cleared Derivatives Execution Agreement

Comparison Statistics	
Insertions	32
Deletions	12
Changes	19
Moves	16
TOTAL CHANGES	79

Word Rendering Set Markup Options	
Name	Standard
<u>Insertions</u>	
<del>Deletions</del>	
<u>Moves</u> / <del>Moves</del>	
Inserted cells	
Deleted cells	
Merged cells	
Formatting	Color only.
Changed lines	Mark left border.
Comments color	By Author.
Balloons	False

compareDocs Settings Used	Category	Option Selected
Open Comparison Report after Saving	General	Always
Report Type	Word	Formatting
Character Level	Word	True
Include Headers / Footers	Word	True
Include Footnotes / Endnotes	Word	True
Include List Numbers	Word	True
Include Tables	Word	True
Include Field Codes	Word	True
Include Moves	Word	True
Show Track Changes Toolbar	Word	False
Show Reviewing Pane	Word	False
Update Automatic Links at Open	Word	False
Summary Report	Word	End
Include Change Detail Report	Word	Separate
Document View	Word	Print
Remove Personal Information	Word	False
Flatten Field Codes	Word	True