

## Standard Elections for European LCDS

Unless otherwise specified in the relevant Confirmation, the following standard elections apply for European LCDS trades documented under the European Loan CDS Documentation published by ISDA on July 30, 2007:

Trade Confirm Election	Default Response	Explanation
Continuity	Applicable	This relates to whether the contract trades as non-cancellable (i.e., continuity), or cancellable. The default is non-cancellable for Street trades.
Delivery of Commitments	Applicable	This relates to whether any undrawn commitments can be delivered as part of the NOPS. As with the current Euro LCDS contract, undrawn commitments should be permitted as a default in Street trades.
Buyer obtains Quotations	Applicable (for Dealer/Dealer traders) Not Applicable (for Dealer/Client trades)	This relates to overriding the Calc Agent function when holding an auction under the Buyer's Cash Settlement Election - i.e., the Buyer will hold the auction instead of the Seller in the instance the Seller is the Calc Agent. This should only be applicable for: 1) inter-dealer trades; and 2) for physically settled trade, not Cash Settled. For client trades, the dealer would be the Calc Agent and this would be Not Applicable.
Seller obtains Quotations	Applicable (for Dealer/Dealer traders) Not Applicable (for Dealer/Client trades)	This relates to overriding the Calc Agent function when holding an auction under the Seller's Cash Settlement Election - i.e., the Seller will hold the auction instead of the Buyer in the instance the Buyer is the Calc Agent. This should only be applicable for: 1) inter-dealer trades; and 2) for physically settled trade, not Cash Settled. For client trades, the dealer would be the Calc Agent and this would be Not Applicable.
Additional Currencies	Not Applicable	This relates to the situation where the Ref Ob contains, or may contain (if drawn at a later date) a currency other than the Specified Currencies. If additional currencies were identified, they would each be specified in the confirm. I would expect the dealer community to use similar terms throughout the market when a non-Specified Currency is identified to avoid any trading issues.
Cash Settlement Only	Not Applicable	The default for all trades will be physical settlement, unless otherwise specified at the time of the trade. If Cash Settlement is elected, then 'Applicable' will be specified. Also, if Cash Settlement is elected, the Calc Agent would hold the auction.