**Transferee Obligations**

The 2005 Novation Protocol provides that, after the Transferee receives evidence of the consent of the Remaining Party, it should promptly advise the Remaining Party as to the details of the trade that is being transferred. The transfer is effective upon receipt by the Transferee of the Remaining Party’s consent and there is no requirement for the Transferee to respond to the Remaining Party in order for the novation to be valid.

We understand that some Remaining Parties have taken the view that the novation is not effective unless they receive confirmation from the Transferee by 6:00 p.m. in the Transferee location on the day such transfer is agreed to. Neither the terms of the Protocol nor the Guide to the Implementation of the 2005 ISDA Novation Protocol support this view.