

EMEA DC Statement 15 September 2017

The DC today resolved that any Auction in respect of Updated 2003 Transactions referencing Banco Popular Español SA (the **Reference Entity** or **Banco Popular**, and the **Relevant 2003 Transactions**, respectively) would be held on Thursday 5 October 2017.

Capitalised Terms otherwise used but not defined in this statement have the meaning given to them in the 2016 Credit Derivatives Determinations Committees Rules (January 20, 2016 version) (including in the Updated 2003 Definitions, as defined therein).¹

Auction Timing

The DC refers to its statement of 7 September 2017 (the **7 September DC Statement**)² regarding the process for holding Auction(s) in respect of Relevant 2003 Transactions. As described in that statement, the DC was of the view that it would not be desirable for market participants to be triggering their Relevant 2003 Transactions over the September CDS roll date as this might cause operational issues and subsequent confusion in the market – please see the 7 September DC Statement for further details.

Accordingly, the DC resolved today to hold any Auction in respect of Relevant 2003 Transactions according to the following timetable:

- (a) **Wednesday 20 September 2017: publication of Final List;**
- (b) **Friday 22 September 2017: Exercise Cut-off Date applicable to Seller;**
- (c) **Wednesday 27 September 2017: Exercise Cut-off Date applicable to Buyer;**
- (d) **Tuesday 3 October 2017: Movement Option Cut-off Date; and**
- (e) **Thursday 5 October 2017: Auction Date.**

As the DC did not receive any challenges to the obligations included on the Supplemental List by the Challenge Deadline of 5:00 p.m. London time on Thursday 14 September 2017, the DC would usually publish the Final List shortly after the Challenge Deadline. However, the DC resolved, pursuant to Section 3.3(f) (Timetables) of the DC Rules, to delay publication of the Final List to 20 September 2017. In such a way, the expiration of the relevant triggering periods will be of the usual duration but will be determined by reference to the 20 September 2017 CDS coupon payment date. In other words, Sellers can trigger on the two business days after such date and Buyers can trigger on the five business days after such date.

Note that the DC has not yet determined whether or not to hold Auctions in relation to the Reference Entity, as this will depend on the number of outstanding Relevant 2003 Transactions which are triggered on or before the relevant Exercise Cut-off Date.

Auction terms

The DC did not receive any comments on the draft form of Auction Settlement Terms with respect to Relevant 2003 Transactions during the related public comment period which expired at 5:00 p.m. London time on Thursday 14 September 2017. The DC therefore expects to publish the final Auction Settlement Terms with respect to Relevant 2003 Transactions (which will be in substantially the same form as the draft form) shortly after it has determined whether or not to hold Auctions (i.e. on or shortly after the Exercise Cut-off Date applicable to Buyer).

¹ Available at http://dc.isda.org/wp-content/files_mf/1453298092DC_Rules_Jan_2016_Update.pdf

² See [DC Statement of 7 September 2017](#)

In the meantime, the DC felt it would be helpful to flag the following provisions to market participants which will apply in relation to any Auction in respect of Relevant 2003 Transactions:

- (a) as discussed in more detail in the 7 September DC Statement, any such Auction and the settlement of any related RAST trade shall not be affected by any event or announcement which leads to (or may lead to) Banco Santander S.A. (and/or any of its Affiliates) being identified as a Successor to Banco Popular. Please see Section 13 the Auction Settlement Terms and the 7 September DC statement for further details on this provision; and
- (b) if the Auction Final Price determined for any Auction is greater than 100%, then, for purposes of settling Auction Covered Transactions only, the Auction Final Price will be deemed to be 100%.³ In other words, for purposes of settling Auction Covered Transactions, the Auction Final Price is capped at 100% whereas for purposes of settling any RAST trades created in such Auction, the Auction Final Price shall not be so capped.

³ See Section 12(f) of the Auction Settlement Terms in respect of Relevant 2003 Transactions.