

**Amendment to Schedule 4 (*Standard Reference Obligation Rules*) of the 2018 Credit Derivatives  
Determinations Committees Rules**

**SCHEDULE 4**

**STANDARD REFERENCE OBLIGATION RULES**

**1. GENERAL**

- 1.1 SRO List.** The SRO Administrator shall determine the Regions in respect of which an SRO List will be compiled and maintained. When making such determination in respect of a Region, the SRO Administrator may take into account, amongst other factors, whether an SRO List already exists for such Region, whether market participants have requested the adoption of an SRO List for such Region and whether funding is available to maintain such SRO List. The SRO Administrator may consult with appropriate industry bodies when making such determination. In respect of each relevant Region, the SRO Administrator shall compile and maintain an SRO List in respect of certain Reference Entities whose Transaction Type is included in that Region.
- 1.2 SRO Rules.** The selection and replacement of the Standard Reference Obligation to be included on the SRO List with respect to a Reference Entity for the applicable Seniority Level shall be governed by these Standard Reference Obligation Rules (the “**SRO Rules**”). The SRO Manual (if any) will supplement, and be subject to, these SRO Rules.
- 1.3 SRO Administrator and the other DC Parties.** The SRO Administrator will be appointed by the DC Secretary on such terms as agreed between the SRO Administrator and the DC Secretary. The DC Secretary will act in its sole discretion when agreeing such terms with the SRO Administrator and the DC Secretary is not required to consult with any other DC Party as to the terms of appointment of the SRO Administrator.

The SRO Administrator shall perform all of its functions required by these SRO Rules and the SRO Manual in a commercially reasonable manner. Communications from Eligible Market Participants to the SRO Administrator shall be made in the manner prescribed and in accordance with the contact information published from time to time for this purpose by the SRO Administrator on the SRO Website.

For the avoidance of doubt, Section 5.1 of the DC Rules (*Disclaimer by the DC Parties*) applies in respect of each of the Schedules to the DC Rules (including, without limitation, these SRO Rules). No other DC Party, and no outside legal counsel or other third-party professional hired by any DC Party, is responsible for or liable for the actions or inactions of the SRO Administrator (including, without limitation, any breach of these SRO Rules by the SRO Administrator). Without limiting the foregoing, the SRO Administrator shall not be responsible for assessing the compliance of any Standard Reference Obligation with the Legal Terms Requirement, the Seniority Requirement, the suitability or appropriateness of such obligation or any other requirements of these SRO Rules, the 2014 Definitions or the terms of any Credit Derivatives Transactions, other than as expressly set out in these SRO Rules.

These SRO Rules do not impose any duty on any DC Party, or any outside legal counsel or other third-party professional hired by any DC Party, to fund a request for the adoption of a Standard Reference Obligation in respect of any Reference Entity (whether under the primary route set out under Section 2.1 below or under the Alternative Track). The operation of these Standard Reference Obligation Rules will be subject to sufficient funding being available to meet the related costs.

- 1.4 Trading volume.** Where these SRO Rules refer to the SRO Administrator or the Relevant

Convened DC having regard to the trading volume in respect of a Reference Entity, this does not require the SRO Administrator or the Relevant Convened DC to have access to actual trading volume data. Each such reference will be construed as including the SRO Administrator or the Relevant Convened DC (as applicable) having the right to consider (i) whether such Reference Entity is a constituent in a credit derivative index; (ii) whether such Reference Entity is a constituent in any list of most commonly traded Reference Entities published by any market infrastructure provider or data provider; and (iii) information provided directly to the SRO Administrator or the Relevant Convened DC by any market infrastructure provider or data provider (if any).

## 2. IDENTIFYING STANDARD REFERENCE OBLIGATIONS

### 2.1 Quarterly selection by the SRO Administrator

- (a) **SRO List Proposal.** The SRO Administrator may from time to time publish proposed updates to the SRO List for a Region (an "**SRO List Proposal**") (including, without limitation, adopting an SRO List for a Region for the first time or expanding an SRO List to include additional Reference Entities). In respect of an SRO List Proposal and each Reference Entity proposed for inclusion for the first time or in respect of which the existing Standard Reference Obligation will be replaced, the SRO Administrator shall identify: (i) the proposed Standard Reference Obligation (the "**Potential SRO**"); (ii) the SRO Relevant Transaction Type(s); and (iii) the Seniority Level.
- (b) **Eligible Potential SROs.** The SRO Administrator may select a Potential SRO for any Reference Entity under these provisions (without requiring recourse to the Alternative Track) if the SRO Administrator determines that the relevant Reference Entity satisfies any one or more of the following gateways:
- (i) the Reference Entity is included in the “on-the-run” series of a credit derivative index;
  - (ii) the Reference Entity is included in at least one of the two most recent series which are not the “on-the-run” series of a credit derivative index;
  - (iii) the Reference Entity is referenced (including as a component of a credit derivative index) in 2014 Transactions that are cleared by a Relevant CCP;
  - (iv) an SRO was previously selected in respect of the Reference Entity and such SRO was a Section 2.1 Eligible SRO at the time of such selection; and/or
  - (v) the Reference Entity is referenced in Transactions which are outstanding and which originally referenced another Reference Entity (i.e. a Successor was identified) and an SRO was previously selected in respect of the prior Reference Entity which was a Section 2.1 Eligible SRO.

Gateway (iv) and (v) will be permanently satisfied in respect of a Reference Entity so long as in the past an SRO was selected that was a Section 2.1 Eligible SRO – for example, if an SRO is initially selected under gateway (i) and then replaced under gateway (iv) such SRO can continue to be replaced from time to time under gateway (iv) in reliance upon the initial selection of an SRO under gateway (i). Similarly, if an SRO is refreshed in respect of a Reference Entity under the Alternative Track and the refreshed SRO is not itself capable of satisfying gateways (i) to (iii) above but a previous SRO was a Section 2.1 Eligible SRO then future refreshes of such SRO will remain possible under this provision.

A "**Section 2.1 Eligible SRO**" means (A) an SRO selected in respect of a Reference Entity pursuant to the process set out in this Section 2.1 and Section 2.2 and the related provisions of these SRO Rules; or (B) an SRO selected under the Alternative Track and at the time of selection under the Alternative Track, one of the gateways specified above was satisfied notwithstanding that such selection occurred pursuant to the Alternative Track.

No existing SRO selected under the SRO Rules as they existed prior to [●] 2025 is a Section 2.1 Eligible SRO but such existing SROs may be refreshed under this process if at such time the Reference Entity satisfies any of gateways (i) to (iii) above. Once an existing SRO has been refreshed on or after [●] 2025, then such refreshed SRO may constitute a Section 2.1 Eligible SRO.

- (c) **Selection of Potential SROs.** Subject to the remainder of this sub-paragraph, when selecting Potential SROs, the SRO Administrator will use reasonable efforts to identify an obligation of the relevant Reference Entity (either directly or as provider of a guarantee) for the applicable Seniority Level and the SRO Relevant Transaction Type(s) on the basis of the following order of priority:
- (i) first, if the Reference Entity is part of a credit derivative index, the "Reference Obligation" specified in respect of such Reference Entity for the applicable Seniority Level in such credit derivative index; or if no such obligation is available,
  - (ii) secondly, the Market Standard Reference Obligation in respect of the Reference Entity for the applicable Seniority Level; or if no such obligation is available,
  - (iii) thirdly, the General Criteria Obligation in respect of the Reference Entity for the applicable Seniority Level, provided that if such Reference Entity has more than one General Criteria Obligation the Potential SRO shall be selected in accordance with the General Criteria Obligation Priority Rules.

The above selection criteria (the "**Selection Criteria**") for purposes of identifying a Potential SRO shall in all cases be applied by reference to the terms of the obligation of the relevant Reference Entity as at the relevant Assessment Date.

Notwithstanding the above, the SRO Administrator may consult with any industry bodies in relation to the selection of a Potential SRO and following such consultation the SRO Administrator may select an alternative obligation of the relevant Reference Entity (either directly or as provider of a guarantee) for the applicable Seniority Level as the Potential SRO. Without limiting the generality of the foregoing, the SRO Administrator may consult with any industry bodies as to the appropriate Potential SRO if the relevant obligation in respect of a Reference Entity that would be identified under the Selection Criteria would differ from the obligation that the SRO Administrator identifies as typically being specified as the Reference Obligation in single-name 2014 Transactions entered into by Eligible Market Participants in respect of the relevant Reference Entity.

- (d) **Challenge window.** An Eligible Market Participant may challenge the inclusion of a Potential SRO on the SRO List within the Challenge Window. An Eligible Market Participant's challenge will only be valid if it is submitted in writing to the SRO Administrator and includes a written statement setting out the reasons for such challenge in reasonable detail, which may include, without limitation, that:
- (i) the Selection Criteria have not been correctly applied in respect of the selection of the relevant obligation;

- (ii) the Legal Terms Requirement and/or the Seniority Requirement are not satisfied; or
- (iii) another obligation of the relevant Reference Entity would be more suitable and/or appropriate as the Standard Reference Obligation (the "**Alternative Potential SRO**") on account of factors such as, without limitation, having a larger notional, being directly issued rather than guaranteed by the Reference Entity, or being more widely traded in the market, in which case such challenge must include the Required Information in respect of the Alternative Potential SRO and cite public information supporting such factors.

Challenges must include copies of, or unrestricted internet links to, any documentation or information referenced in such challenge and, if such challenge includes or relies upon any factual information, copies of, or unrestricted internet links to, any documentation or information that evidences such factual information. Documentation or information provided in connection with a challenge must be publicly available or capable of being made public without violating any law, agreement, understanding or other restriction regarding the confidentiality of such documentation or information.

By submitting a challenge, the Eligible Market Participant is making the representation in Section 2.1(c) of the DC Rules (*Representations by Eligible Market Participant*) in relation to such submission and any supporting documentation and information.

The SRO Administrator may publish requirements as to the format in which any challenges (whether such challenges are First Challenges or Additional Challenges) and any Seconding of any challenges must be submitted.

- (e) **Acceptance of the SRO List Proposal.** On the first Business Day following the expiry of the Challenge Window, the SRO Administrator will announce whether any valid challenges were received during the Challenge Window in respect of any Potential SROs on the SRO List Proposal.

If no valid challenges were received within the Challenge Window in respect of a Potential SRO, such Potential SRO shall be added to the relevant SRO List as the Standard Reference Obligation in respect of the relevant Reference Entity, Seniority Level and Relevant SRO Transaction Type(s) with effect from the next Quarterly Roll Date.

If one valid challenge was submitted in respect of a Potential SRO within the Challenge Window (such challenge, the "**First Challenge**"): (I) the SRO Administrator will publish the First Challenge (including the written statement explaining the reasons for challenge and any supporting information) on the SRO Website on, or as soon as reasonably practicable following, the first Business Day following the end of the original Challenge Window (the date of such publication, the "**First Challenge Publication Date**"); and (II) a further challenge window of 15 calendar days will commence on but exclude the First Challenge Publication Date in respect of the Potential SRO (the "**Further Challenge Window**").

If more than one valid challenge (raising different grounds for challenge) was submitted in respect of a Potential SRO within the Challenge Window (such challenges, the "**Multiple Challenges**"), the SRO Administrator will publish the details of each of the Multiple Challenges (including the written statement explaining the reasons for each of the challenges and any supporting information) on the SRO Website on, or as soon as reasonably practicable following, the end of the original Challenge Window. If the Challenge Condition is satisfied at such time, then no Further Challenge Window will

apply. Otherwise the Further Challenge Window will apply *provided* that (i) such Further Challenge Window will commence on but exclude the date of publication of the Multiple Challenges; and (ii) references to the First Challenge will be read as references to each of the Multiple Challenges.

Subject to any requirements under any applicable law or regulation, the identity of any Eligible Market Participant challenging such Potential SRO will not be disclosed by the SRO Administrator.

- (f) **Further Challenge Window.** During the Further Challenge Window in respect of a Potential SRO, any Eligible Market Participant may: (i) submit an additional challenge in respect of the Potential SRO (on grounds that differ to the grounds raised in the First Challenge) to the SRO Administrator (each, an "**Additional Challenge**"); or (ii) notify the SRO Administrator that it supports the First Challenge or an Additional Challenge (and such support is referred to in these SRO Rules as the Eligible Market Participant having "**Seconded**" the First Challenge or the Additional Challenge (as applicable) or as "**Seconding**" the First Challenge or the Additional Challenge (as applicable)). The submission of an Additional Challenge will only be valid if it satisfies the requirements under paragraph (d) above.

Any Eligible Market Participant that submitted the First Challenge or an Additional Challenge or that Seconded a First Challenge or an Additional Challenge may withdraw such challenge or withdraw its Seconding of such challenge by written notice to the SRO Administrator on or prior to the last day of the Further Challenge Window.

The SRO Administrator will promptly publish on the SRO Website (x) the submission of any Additional Challenge, (y) any First Challenge or Additional Challenge that has been Seconded and (z) any withdrawal of any of the First Challenge, an Additional Challenge or the Seconding of any First Challenge or Additional Challenge.

Subject to any requirements under any applicable law or regulation, the identity of any Eligible Market Participant challenging such Potential SRO or Seconding a challenge will not be disclosed by the SRO Administrator.

- (g) **Steps following a Challenge.**

- (i) The "**Challenge Condition**" will be satisfied at the end of the Challenge Window or the Further Challenge Window if the SRO Administrator determines that:
- (A) upon the expiry of the original Challenge Window, Multiple Challenges were received in respect of a Potential SRO and such Multiple Challenges have been submitted and not withdrawn by at least two Eligible Market Participants that are not Affiliates of each other; or
  - (B) upon the expiry of the Further Challenge Window in respect of a Potential SRO and taking into account any withdrawal of challenges or Seconding, two valid challenges on separate grounds have been raised by two Eligible Market Participants that are not Affiliates of each other and/or a single challenge is supported by at least two Eligible Market Participants that are not Affiliates of each other.
- (ii) The SRO Administrator may assume an Eligible Market Participant is not an Affiliate of another Eligible Market Participant unless the relevant individual person(s) at the SRO Administrator performing the relevant functions has actual

knowledge to the contrary. The SRO Administrator is not required to undertake any diligence as to the identity of an Eligible Market Participant or its relationship to any other Eligible Market Participant.

- (iii) If the Challenge Condition is satisfied then the SRO Administrator will promptly announce the same on the SRO Website and the SRO Administrator may elect to:
- (I) remove such Potential SRO from the SRO List Proposal and cease further consideration of such Potential SRO;
  - (II) provided that such challenge is not that an Alternative Potential SRO should be selected or that the Selection Criteria were incorrectly applied, refer such Potential SRO and the related challenge to the DC Review process in respect of the next Quarterly Roll Date;
  - (III) defer further consideration of such Potential SRO until a future Quarterly Roll Date selected by the SRO Administrator *provided* that in such case the DC Review process in respect of such Potential SRO will automatically be triggered without the requirement for any further challenges at such time; or
  - (IV) if the challenge is that an Alternative Potential SRO should be selected or that the Selection Criteria were not applied correctly, the SRO Administrator may consider such Alternative Potential SRO or re-run the selection process applying the Selection Criteria (as applicable). The SRO Administrator may consult with any industry bodies as to whether the original Potential SRO or the Alternative Potential SRO would be the most suitable and appropriate and also as to the results of the Selection Criteria.

If option (IV) applies, then the SRO Administrator will decide to either (i) retain the original Potential SRO (in which case the challenge will be dismissed and, subject to the resolution of any other challenges being reviewed by DC Review, the Potential SRO will be added to the relevant SRO List in accordance with sub-paragraph (iv) immediately below) or (ii) propose the Alternative Potential SRO or re-run the selection process (and in either case the process in this Section 2.1 will restart).

The Selection Criteria is not mandatory as the SRO Administrator is permitted to disapply it following consultation with industry bodies. If the SRO Administrator has disapplied the Selection Criteria and a challenge is raised that the Selection Criteria should have been followed, the SRO Administrator may consult with industry bodies when deciding whether to either (i) retain the Potential SRO or (ii) to restart the process applying the Selection Criteria.

The SRO Administrator may have regard to, amongst other things, the number of challenges to resolve, the level of funding available for the DC Review process at the relevant time and the trading volume in respect of a particular Reference Entity when determining which option to elect in respect of a Potential SRO. The SRO Administrator may consult with the Relevant Convened DC pursuant to the DC Review Process (if applicable) when making such determination.

If more than one challenge is raised in respect of a Potential SRO and the SRO Administrator determines that option (II) and/or (IV) should apply, then the SRO Administrator will determine the order such challenges will be resolved in. The SRO Administrator may consult with the Relevant Convened DC convened

pursuant to the DC Review Process (if applicable) when making such determination. A challenge relating to whether or not an Alternative Potential SRO should be selected or relating to the application of the Selection Criteria will be resolved by the SRO Administrator (even if other challenges are resolved under the DC Review Process).

- (iv) If, upon the expiry of the Further Challenge Window in respect of a Potential SRO, the Challenge Condition is not satisfied, then the SRO Administrator will promptly announce the same on the SRO Website and the Potential SRO shall be added to the relevant SRO List as the Standard Reference Obligation in respect of the relevant Reference Entity, Seniority Level and Relevant SRO Transaction Type(s) with effect from the next Quarterly Roll Date.

## 2.2 DC Review Process

- (a) **Commencing the DC Review Process.** If the SRO Administrator elects to refer a Potential SRO to the DC Review process pursuant to Section 2.1(g)(iii)(II) above, the SRO Administrator shall notify the DC Secretary and the Legal Review Counsel of the same. The DC Secretary will then notify the Committee for the Region that includes the SRO Relevant Transaction Type(s) applicable to the Reference Entity (the "**Relevant Convened DC**").

The SRO Administrator will also attempt to source, and provide Legal Review Counsel with, the Required Information in respect of such Potential SRO as soon as practicable. In relation to any Potential SRO originally identified by an Eligible Market Participant in an SRO Request, the SRO Administrator will also provide Legal Review Counsel with any Required Information that it has received from the Eligible Market Participant that submitted the relevant SRO Request. However, the SRO Administrator will only provide the Relevant Convened DC and Legal Review Counsel with documentation and information which is publicly available or which can be made public without violating a law, agreement, understanding or other restriction regarding the confidentiality of such documentation or information, provided that the SRO Administrator can rely on the representation in Section 2.1(c) of the DC Rules (*Representations by Eligible Market Participant*) given by the Eligible Market Participant that submitted the relevant challenge and will not make such representation on its own account in respect of such documentation or information.

The Relevant Convened DC will prioritize the Potential SROs subject to the DC Review process for a particular Quarterly Roll Date in its sole discretion by Supermajority DC Resolution. Without limiting the foregoing, factors that the Relevant Convened DC may take into account include, amongst others, the complexity of the challenges in respect of such Potential SROs, the volume of the documentation to review in respect of a Potential SRO and the trading volume in respect of the relevant Reference Entities.

The Relevant Convened DC may also defer the DC Review in relation to any Potential SRO by Supermajority DC Resolution.

In respect of any Potential SRO in respect of which the DC Review process is not complete on the fifth Relevant City Business Day immediately preceding the Quarterly Roll Date (or such other date as determined by the DC by Supermajority), the selection of such Potential SRO will be deferred until the next Quarterly Roll Date following the completion of the relevant DC Review process.

- (b) **Legal Review of Potential SRO.** In respect of each Potential SRO subject to DC Review,

and subject to any prioritization or deferral by the Relevant Convened DC in accordance with Section 2.2(a) above, Legal Review Counsel shall review the Required Information it has received from the SRO Administrator in respect of the Potential SRO for the purposes of advising the Relevant Convened DC whether such Potential SRO satisfies the Legal Terms Requirement and the Seniority Requirement. Legal Review Counsel shall notify the SRO Administrator and the Relevant Convened DC of its advice and analysis as soon as reasonably practicable.

- (c) **Resolving Potential SROs.** In respect of each Potential SRO submitted for DC Review, the Relevant Convened DC may Resolve by a Supermajority whether such Potential SRO satisfies the Legal Terms Requirement and the Seniority Requirement. After giving effect to External Review, if the DC Resolution is affirmative, such DC Resolution shall constitute a DC Resolution that is an "**SRO Identification Resolution**" or, if the DC Resolution is negative, such DC Resolution shall constitute a DC Resolution that is an "**SRO Non-Identification Resolution**".
- (d) **Publication of DC Resolutions.** The DC Secretary shall promptly publish any SRO Identification Resolution or SRO Non-Identification Resolution on its Website.
- (e) **Selection of SRO.** Provided that the SRO Identification Resolution is not passed under the Alternative Track, if the DC Secretary publishes an SRO Identification Resolution, then the Potential SRO shall be added to the relevant SRO List as the Standard Reference Obligation in respect of the relevant Reference Entity, Seniority Level and Relevant SRO Transaction Type(s) with effect from the next Quarterly Roll Date.

If the DC Secretary publishes an SRO Non-Identification Resolution, then the Potential SRO shall not be the Standard Reference Obligation. In such cases, the SRO Administrator may restart the process in Section 2.1 of these SRO Rules above to identify a Standard Reference Obligation (including, without limitation, consulting with industry bodies as to an appropriate alternative Standard Reference Obligation). An SRO Non-Identification Resolution under the Alternative Track may be subject to challenge in accordance with the Alternative Track provisions.

### 2.3 Alternative Track SRO Resolutions

- (a) **Applicability.** If any of the following apply, then the "**Alternative Track**" as set out in this Section 2.3 will apply:
  - (i) the SRO Administrator believes that a Potential SRO should be adopted under these provisions rather than under Section 2.1 of these SRO Rules above (including, without limitation, because the Standard Reference Obligation needs to be adopted on an expedited basis or the SRO Administrator believes the Potential SRO it has selected is an INCRO in which case an INCRO SRO Request will be deemed to have been made);
  - (ii) an Eligible Market Participant submits (x) an SRO Request that is an INCRO SRO Request or that is an Loan SRO Request or (y) an SRO Request and notes that such SRO Request needs to be processed on an expedited basis or under the Alternative Track for another reason; and/or
  - (iii) the Relevant Convened DC is exercising its power to select an SRO on its own initiative.

Any reference to a Potential SRO under these Alternative Track provisions is to the



potential obligation being considered for selection as the Standard Reference Obligation under these Alternative Track provisions.

- (b) **Notifying the DC Secretary and Legal Review Counsel.** If Section 2.3(a)(i) or (ii) above applies, then the SRO Administrator will notify the DC Secretary and Legal Review Counsel of the relevant Potential SRO (and, if applicable, the SRO Request). The DC Secretary will convene the Committee for the Region that includes the SRO Relevant Transaction Type(s) applicable to the Reference Entity (unless a Convened DC is already in place in respect of the Reference Entity) (the "**Relevant Convened DC**") and shall notify the Relevant Convened DC of the relevant request under Section 2.3(a).

In respect of any Alternative Track Potential SRO, the SRO Administrator will comply with the same information obligations that would apply to it under Section 2.2(a) of these SRO Rules in respect of a Potential SRO subject to the DC Review Process and provide the Required Information to the Legal Review Counsel (including any information submitted by the Eligible Market Participant that submitted the relevant SRO Request). However, the SRO Administrator will only provide the Relevant Convened DC and Legal Review Counsel with documentation and information which is publicly available or which can be made public without violating a law, agreement, understanding or other restriction regarding the confidentiality of such documentation or information.

- (c) **Acceptance onto Alternative Track.**

The relevant request under Section 2.3(a) above will only proceed onto the Alternative Track if a Qualified Majority of the Dealer Members of the Relevant Convened DC notifies the SRO Administrator that they accept the request being accepted onto the Alternative Track by no later than 5:00 p.m. Relevant City Time on the second Relevant City Business Day following the first Relevant Convened DC meeting to consider such request.

The Dealers Members of such Relevant Convened DC are under no obligation to accept any request under this Section 2.3(c). Amongst other factors, such Dealer Members may have regard to the level of funding (if any) available for processing any such request and whether such request is likely to be of relevance to the market generally. When determining if a request is of relevance to the market generally, the Dealer Members may take into account trading volume and any applicable trading standards in respect of such Reference Entity.

As at the date of adoption of these Standard Reference Obligation Rules, acceptance onto the Alternative Track is expected to be uncommon.

Notwithstanding the foregoing, if (I) an SRO Request was submitted by a Relevant CCP for processing under the Alternative Track; (II) such SRO Request relates to a Reference Entity and Seniority Level that is referenced (including as a component of a credit derivative index) in 2014 Transactions that are cleared by such Relevant CCP; and (III) either the Relevant CCP agrees to fund the SRO Request or an alternative funding solution is in place, then such SRO Request shall automatically be deemed to be accepted without the requirement for any Dealer Members of the Relevant Convened DC to notify the SRO Administrator that it accepts such SRO Request; provided, however, that a Qualified Majority of Dealer Members of the Relevant Convened DC may amend the terms of such SRO Request so as to replace the Submitted Obligation (if any) specified therein or to include a Submitted Obligation therein (and accordingly to conform the status of such SRO Request to reflect such new Submitted Obligation) except that a Submitted Obligation may not be replaced or included if the effect of such replacement or inclusion

would be to change the Seniority Level specified in such SRO Request.

- (d) If an Alternative Track Request is accepted, then such Potential SRO shall be subject to the legal review process in Section 2.2(b) to Section 2.2(e) of these SRO Rules above and the Relevant Convened DC may then Resolve an SRO Identification Resolution or SRO Non-Identification Resolution as set out in Section 2.2(c) (in each case without any requirement for the process set out in Section 2.1 to have first been conducted). Any DC Resolution under this Section is an "**Alternative Track SRO Resolution**".
- (e) Any SRO Identification Resolution or SRO Non-Identification Resolution that is made under this Section 2.3 is subject to challenge under Section 2.5 of these SRO Rules below.
- (f) If the Potential SRO to which an SRO Identification Resolution relates is an INCRO, the SRO Identification Resolution shall identify the Potential SRO as such and specify each corresponding Deliverability Flaw.
- (g) If an SRO Identification Resolution relating to a Potential SRO for the relevant Reference Entity and Seniority Level either (A) is unsuccessfully challenged or (B) is not subject to any challenge by the Challenge Deadline, in each case, in accordance with Section 2.5 of these SRO Rules below, then that Potential SRO shall be the Standard Reference Obligation for that Reference Entity and Seniority Level and the SRO Administrator shall promptly publish such Standard Reference Obligation, the Reference Entity and Seniority Level and the relevant SRO Relevant Transaction Type on the SRO List. If the Standard Reference Obligation is an INCRO, the SRO Administrator shall identify such Standard Reference Obligation as an INCRO, and specify each corresponding Deliverability Flaw identified in the SRO Identification Resolution, on the SRO List.
- (h) If a SRO Non-Identification Resolution is passed for the relevant Reference Entity and Seniority Level and either (A) is unsuccessfully challenged or (B) is not subject to any challenge by the Challenge Deadline, then there shall be no Standard Reference Obligation for that Reference Entity and Seniority Level identified on the SRO List (other than in accordance with Section 2.7 or Section 5 of these SRO Rules below) unless and until a Standard Reference Obligation is subsequently selected in accordance with these SRO Rules.

## 2.4 SRO Requests by Eligible Market Participants

- (a) **Notifying the SRO Administrator of an SRO Request.** An Eligible Market Participant may at any time propose to the SRO Administrator that a Standard Reference Obligation be selected for a specific Reference Entity and Seniority Level (an "**SRO Request**").

An SRO Request in respect of a Reference Entity and Seniority Level may also include an explicit request by the Eligible Market Participant that: (i) an INCRO be selected as the Standard Reference Obligation (an "**INCRO SRO Request**"); or (ii) an obligation of the Reference Entity that is a Loan or in respect of which the Underlying Obligation is a Loan (in either case, other than a Private-side Loan) be considered as part of the Standard Reference Obligation selection process (a "**Loan SRO Request**").

- (b) **SRO Request Requirements**
  - (i) An SRO Request that is an SRO Request in respect of the Subordinated Level, an INCRO SRO Request and/or a Loan SRO Request, must identify and include a description of an obligation of the Reference Entity (the "**Submitted Obligation**") that the Eligible Market Participant believes would be a suitable and appropriate

Standard Reference Obligation in respect of such SRO Request; provided, however, that any other type of SRO Request may also identify a Submitted Obligation.

- (ii) An SRO Request that is a Loan SRO Request must include copies of, or unrestricted internet links to, all material documentation and, as applicable, guarantees in respect of the Submitted Obligation and, in each case, such documentation or information must be documentation or information which is publicly available or which can be made public without violating a law, agreement, understanding or other restriction regarding the confidentiality of such documentation or information. In respect of any other SRO Request, the SRO Administrator may request the Eligible Market Participant source and submit the Required Information.
  - (iii) An SRO Request that is an INCRO SRO Request, must identify each Deliverability Flaw that results in the Submitted Obligation not constituting a Conforming Obligation.
  - (iv) An SRO Request must specify the SRO Relevant Transaction Type(s).
  - (v) An SRO Request must include agreement by the Eligible Market Participant that it is prepared to pay any of the reasonable costs incurred by the SRO Administrator or the DC Secretary in connection with the selection of a Standard Reference Obligation for the Reference Entity and Seniority Level specified in such SRO Request including, without limitation, in obtaining advice and analysis from Legal Review Counsel (and irrespective of whether the Submitted Obligation (if any) is selected as the Standard Reference Obligation).
  - (vi) If an Eligible Market Participant includes documentation or information as part of its SRO Request then the Eligible Market Participant is making the representation in Section 2.1(c) of the DC Rules (*Representations by Eligible Market Participant*) in relation to such documentation and information.
- (c) **Processing SRO Requests.** An SRO Request will be considered by the SRO Administrator. When considering whether to accept an SRO Request, amongst other factors, the SRO Administrator may have regard to trading volumes in respect of the relevant Reference Entity and the level of funding available for the selection of Standard Reference Obligations at such time. The SRO Administrator may also consult with industry bodies when determining whether or not to process such SRO Request. If the SRO Administrator accepts such SRO Request, then such SRO Request will be processed in accordance with Section 2.1 of these SRO Rules above in the next SRO List Proposal. If the SRO Administrator rejects an SRO Request, no further action will be taken in respect of such SRO Request.

Notwithstanding the above, if the SRO Request is an INCRO SRO Request or a Loan SRO Request or the Eligible Market Participant requests that such SRO Request is processed on an expedited basis or under the Alternative Track, then the SRO Administrator will refer such SRO Request to the DC Secretary and request that the DC Secretary notify the relevant Committee. Such an SRO Request will be processed under Section 2.3 of these SRO Rules.

## 2.5 Challenging Alternative Track SRO Resolutions

- (a) Any Eligible Market Participant may challenge an Alternative Track SRO Resolution in accordance with the provisions set out below. This Section 2.5 does not apply to any

Standard Reference Obligation that is not identified pursuant to an Alternative Track SRO Resolution.

- (b) Any challenge by an Eligible Market Participant must: (i) have been effectively received by the SRO Administrator by 5:00 p.m. Relevant City Time on the fifth Relevant City Business Day immediately following the publication of the relevant Standard Reference Obligation DC Resolution on the Website (the “**Challenge Deadline**”); (ii) include a statement of the reasons why such challenge is being made in reasonable detail which may include, without limitation, that (A) the requirements to constitute a Potential SRO are or are not satisfied, (B) the Legal Terms Requirement and/or the Seniority Requirement are or are not, as the case may be, satisfied or (C) another obligation of the relevant Reference Entity would be more suitable and/or appropriate as the Standard Reference Obligation, in which case such challenge must include Required Information in respect of the proposed obligation; and (iii) include agreement by such Eligible Market Participant that it is prepared to pay any of the reasonable costs related to such challenge, if unsuccessful.
- (c) The Relevant Convened DC shall Resolve each challenge to an Alternative Track SRO Resolution by a Majority. Each challenge must be Resolved by 5:00 p.m. Relevant City Time on the fifth Relevant City Business Day immediately following the relevant Challenge Deadline (the “**Challenge Resolution Date**”). Promptly following resolution of any such challenge, the DC Secretary shall publish such DC Resolution on its Website. The SRO Administrator shall publish the outcome of any challenge as soon as practicable, but in any case, promptly after the Challenge Resolution Date on the SRO Website. Notwithstanding the above, the Relevant Convened DC may refer a challenge under Section 2.5 of these SRO Rules to the SRO Administrator and request that the SRO Administrator resolves such challenge if such challenge would fall under Section 2.1(g)(iii)(IV) under the primary method of selecting Standard Reference Obligations. If the Relevant Convened DC makes such referral then the SRO Administrator’s decision will be binding. The SRO Administrator may consult with industry bodies when making its determination.
- (d) If the Relevant Convened DC Resolves that any such challenge is successful, then the Relevant Convened DC shall be deemed to have Resolved that the relevant Alternative Track SRO Resolution was not passed.

Following any such successful challenge, the Relevant Convened DC may in its sole discretion and by Majority DC Resolution determine the next steps (if any) that such Relevant Convened DC, any Eligible Market Participant or the SRO Administrator must or may need to take in order to identify a Standard Reference Obligation in respect of the relevant Reference Entity and Seniority Level, adhering to the extent possible to the process set out in these SRO Rules and taking into account any obligations of the relevant Reference Entity and Seniority Level that the Eligible Market Participant may have submitted with such challenge.

- (e) For each Alternative Track SRO Resolution that is unsuccessfully challenged, the institution(s) that challenged such resolution may be required to and, if so, shall, pro rata, bear the reasonable costs incurred by the SRO Administrator, Legal Review Counsel, the DC Secretary or the Relevant Convened DC in connection with such challenge.

## 2.6 Identifying Standard Reference Obligations for Sovereign Reference Entities

Notwithstanding anything to the contrary in this Section 2 (*Identifying Standard Reference Obligations*), if a Potential SRO (howsoever identified) relates to a Reference Entity which is a Sovereign and in respect of which one or more Package Observable Bonds have been published on

the POB Website as at the relevant Assessment Date, then if (i) the SRO Administrator proposes the Relevant Package Observable Bond as the Potential SRO; or (ii) it is selected under the Alternative Track, then such selection shall not be subject to any challenge by any Eligible Market Participant.

Upon such selection, that Relevant Package Observable Bond shall be the Standard Reference Obligation for that Sovereign Reference Entity and the SRO Administrator shall promptly publish such obligation on the SRO List.

## **2.7 Identifying a Standard Reference Obligation for the Subordinated Level**

- (a) If an Eligible Market Participant believes that there would otherwise be no Standard Reference Obligation identified with respect to a Reference Entity for the Subordinated Level pursuant to the selection process and criteria set out above, it may submit an SRO Request in accordance with, and subject to, Section 2.4 of these SRO Rules above, except that such SRO Request may identify as the Submitted Obligation (i) an obligation of such Reference Entity which has previously been redeemed or (ii) in circumstances where a suitable previously redeemed obligation of such Reference Entity is not available, an obligation of another entity (which may or may not have been previously redeemed) which will serve as a proxy obligation for such Reference Entity. In either case, any such obligation identified as the Submitted Obligation shall be deemed to be an obligation of the Reference Entity for the purposes of Section 2.6 (*Standard Reference Obligation*) of the 2014 Definitions and these SRO Rules.
- (b) If the Submitted Obligation is selected as the Standard Reference Obligation with respect to such Reference Entity for the Subordinated Level, it shall immediately thereafter be treated as an Affected SRO for the purposes of these SRO Rules as though an event under paragraph (a) or (c) (as applicable) of the definition of SRO Substitution Event had occurred in respect of such Affected SRO. Pursuant to Section 3.2(b)(i) of these SRO Rules below, such Affected SRO shall therefore immediately cease to be the Standard Reference Obligation with respect to the relevant Reference Entity and Seniority Level provided, however, that such Affected SRO shall constitute the "Prior Reference Obligation" of such Reference Entity and Seniority Level for the purposes of the 2014 Definitions.

## **2.8 Identification of a Standard Reference Obligation that is solely applicable to Credit Derivative Transactions referencing a specific SRO Relevant Transaction Type**

A Standard Reference Obligation with respect to a Reference Entity and Seniority Level that is solely applicable to Credit Derivative Transactions referencing a specific SRO Relevant Transaction Type which incorporates one or more sets of terms or additional provisions, or supplements (including, without limitation, the 2014 CoCo Supplement to the 2014 ISDA Credit Derivatives Definitions), may be identified using the selection process and criteria set out above.

Any Standard Reference Obligation that is so identified (i) will be identified on the SRO List as being solely applicable to Credit Derivative Transactions referencing such specific SRO Relevant Transaction Type and (ii) may be replaced as the Standard Reference Obligation in accordance with the replacement process in respect of Standard Reference Obligations set out in these SRO Rules.

## **3. SRO SUBSTITUTION EVENTS**

### **3.1 Identification of SRO Substitution Events**

- (a) **Identification of SRO Substitution Events.** In respect of each Quarterly Roll Date, the SRO Administrator shall use reasonable efforts to identify any SRO Substitution Events that have occurred with respect to any Standard Reference Obligation and shall collate these, together with any SRO Substitution Events notified to it by an Eligible Market Participant in accordance with Section 3.1(b) of these SRO Rules below (any such Standard Reference Obligation in respect of which an SRO Substitution Event has occurred, an "**Affected SRO**"). The SRO Administrator will consider updating the SRO List to address any such SRO Substitution Events in accordance with Section 2.1 of these SRO Rules above.
- (b) **Potential SRO Substitution Events.** An Eligible Market Participant may from time to time notify the SRO Administrator to bring to the SRO Administrator's attention any SRO Substitution Event that such Eligible Market Participant believes has occurred in respect of any Standard Reference Obligation. Any such notification must include a reasonably detailed description of the relevant SRO Substitution Event and supporting information in respect thereof that is consistent with the definition of Eligible Information.

### 3.2 Consequences of a Substitute SRO Determination Event

With respect to an Affected SRO of a specific Reference Entity and Seniority Level:

- (a) The SRO Administrator will consider whether to identify a replacement Standard Reference Obligation to replace the Affected SRO in accordance with Section 2.1 of these SRO Rules above.
- (b)
  - (i) If any of the events set forth under paragraphs (a) or (c) of the definition of SRO Substitution Event have occurred with respect to the Affected SRO, then with effect from and including the SRO Substitution Event Date, the Affected SRO shall be deemed to have been removed from the SRO List and at such time shall immediately cease to be the Standard Reference Obligation with respect to the relevant Reference Entity and Seniority Level. Accordingly, the SRO Administrator shall remove references to the Affected SRO from the SRO List as soon as reasonably practicable after becoming aware of the SRO Substitution Event Date in respect of any such SRO Substitution Event;
  - (ii) If any of the events set forth under paragraphs (b), (d), (e) or (f) of the definition of SRO Substitution Event have occurred with respect to the Affected SRO, then the Affected SRO will remain on the SRO List until the earlier of: (A) subject to sub-clauses (iii) and (iv) below, the date on which the replacement Standard Reference Obligation is identified in accordance with Section 2.1 of these SRO Rules above; and (B) the date on which any of the events set forth under paragraphs (a) or (c) of the definition of SRO Substitution Event occurs with respect to the Affected SRO;
  - (iii) If the event set forth under paragraph (d) of the definition of SRO Substitution Event has occurred with respect to the Affected SRO, notwithstanding anything to the contrary in these SRO Rules, any obligation identified in accordance with Section 2.1 of these SRO Rules above shall only constitute the replacement Standard Reference Obligation, and shall only be published on the SRO List, if such obligation is in the first Maturity Bucket as at the relevant Assessment Date; and
  - (iv) If the event set forth under paragraph (e) of the definition of SRO Substitution Event has occurred with respect to the Affected SRO, any obligation identified in accordance with Section 2.1 of these SRO Rules above shall promptly be

published on the SRO List but identified thereon as not constituting the replacement Standard Reference Obligation in respect of the Affected SRO until the date on which any of the events set forth under paragraphs (a), (b) or (c) of the definition of SRO Substitution Event occurs with respect to the Affected SRO (and until such time the Affected SRO will remain on the SRO List and constitute the Standard Reference Obligation). Any amendments to the terms of such obligation between the date of identification in accordance with Section 2.1 of these SRO Rules above and immediately prior to the date on which any of the events set forth under paragraphs (a), (b) or (c) of the definition of SRO Substitution Event occurs with respect to the Affected SRO shall not prevent such obligation from constituting the replacement Standard Reference Obligation for the Affected SRO.

- (c) If a replacement Standard Reference Obligation is not available for the Affected SRO or has not been identified, then, and notwithstanding the fact that the Affected SRO may have been removed from the SRO List in accordance with Section 3.2(b) above, the SRO Administrator may continue to seek to identify a replacement Standard Reference Obligation in accordance with Section 2.1 of these SRO Rules above.

#### **4. REPLACEMENT OF SROS AND CHALLENGES RELATING TO WHETHER AN AFFECTED SRO WAS A CONFORMING OBLIGATION**

In respect of a proposed update to the SRO List which relates to a SRO Substitution Event that has occurred with respect to an Affected SRO prior to a Quarterly Roll Date:

- (a) If the Affected SRO was not identified as an INCRO when added to the SRO List as the Standard Reference Obligation and was not subsequently identified as an INCRO by the Relevant Convened DC immediately prior to the SRO Substitution Event Date (provided that neither the SRO Administrator nor the Relevant Convened DC shall be obliged to monitor for any such Affected SRO), then a replacement Standard Reference Obligation shall be identified by the SRO Administrator under Section 2.1 of these SRO Rules above as though:
  - (i) a valid SRO Request that is not an INCRO SRO Request (nor, if the Affected SRO is not a Loan or in respect of which the Underlying Obligation is not a Loan, a Loan SRO Request) has been received and accepted by the SRO Administrator;
  - (ii) no Submitted Obligation is required to be, and no Submitted Obligation has been, included with respect to such SRO Request; and
  - (iii) the Comparison Obligation is the Affected SRO with the Seniority Level as of the date it was originally selected as the Standard Reference Obligation.
- (b) If the Affected SRO was identified by the SRO Administrator or the Relevant Convened DC as an INCRO when it was added to the SRO List as the Standard Reference Obligation and/or immediately prior to the SRO Substitution Event Date, a replacement Standard Reference Obligation shall be identified with respect to such Reference Entity and Seniority Level as though:
  - (i) a valid SRO Request that is an INCRO SRO Request has been received by the SRO Administrator;
  - (ii) no Submitted Obligation is required to be, and no Submitted Obligation has been, included with respect to such SRO Request;

- (iii) the Comparison Obligation is the Affected SRO with the Seniority Level as of the date it was originally selected as the Standard Reference Obligation; and
- (iv) the Legal Terms Requirement, with respect to such SRO Request and a Potential SRO of such Reference Entity and Seniority Level, shall be:
  - (A) that the Potential SRO is an INCRO on the SRO Substitution Date which has the same Deliverability Flaws which resulted in the Affected SRO constituting an INCRO when added to the SRO List as the Standard Reference Obligation and/or immediately prior to the SRO Substitution Event Date; or, if no Potential SROs can be identified that satisfy the foregoing requirements,
  - (B) that the Potential SRO is an INCRO on the SRO Substitution Date which has at least one of the same Deliverability Flaws which resulted in the Affected SRO constituting an INCRO when added to the SRO List as the Standard Reference Obligation and/or immediately prior to the SRO Substitution Event Date; or, if no Potential SROs can be identified that satisfy the foregoing requirements,
  - (C) provided that the relevant Reference Entity has one or more Potential SROs that satisfies the definition of Conforming Obligation, that the Potential SRO is a Conforming Obligation on the SRO Substitution Date.

If the Affected SRO was not identified as an INCRO but was in fact an INCRO, an Eligible Market Participant may challenge the proposed replacement under Section 2.1(d) and/or (f) of these SRO Rules on the basis the process in this Section 4(b) should have been followed in relation to the selection of the replacement Standard Reference Obligation.

## **5. PRIOR REFERENCE OBLIGATIONS**

In circumstances where (i) "Standard Reference Obligation" is specified as applicable (or no election is specified) in the Confirmation of a Credit Derivative Transaction with respect to a Reference Entity and (ii) there is no Reference Obligation applicable to such Credit Derivative Transaction, then the most recent Standard Reference Obligation (if any) with respect to such Reference Entity for the Seniority Level shall be the "Prior Reference Obligation" for the purposes of such Credit Derivative Transaction.

This Section 5 will also apply to Credit Derivative Transactions entered into after an SRO Substitution Event in which case the relevant most recent Standard Reference Obligation (if any) with respect to such Reference Entity for the Seniority Level shall be the "Prior Reference Obligation" for the purposes of such Credit Derivative Transaction.

## **6. INCROS**

- 6.1** The SRO Administrator shall update the SRO List as and when it becomes aware that (i) a SRO Substitution Event has occurred in respect of a Standard Reference Obligation or (ii) the terms of a Standard Reference Obligation have been amended such that such Standard Reference Obligation has become an INCRO or, if it was already an INCRO, the Deliverability Flaws have changed and/or increased and, in either case, the Convened DC has Resolved by a Majority DC Resolution as such.
- 6.2** An Eligible Market Participant may at any time notify the SRO Administrator that it believes the terms of a Standard Reference Obligation have been amended such that such Standard Reference



Obligation has become an INCRO or, if it was already an INCRO, the Deliverability Flaws have changed and/or increased. Such notification must include a reasonably detailed description of the relevant amendment(s) to the terms of the Standard Reference Obligation and must include supporting information and documentation relating to such amendment(s) which are consistent with the definition of Eligible Information or Required Information, as the case may be.

## **7. SUCCESSOR RESOLUTIONS**

### **7.1 Adjustments to the SRO List**

Following the occurrence of a Successor Resolution with respect to a Reference Entity (the "**Original Reference Entity**") (and, if applicable, the relevant Seniority Level) for which a Standard Reference Obligation is included on the SRO List, notwithstanding anything to the contrary in these SRO Rules, the SRO Administrator shall promptly update the SRO List as directed by the Relevant Convened DC pursuant to any SRO Successor Determination Adjustment Resolution.

### **7.2 Selection Of New Standard Reference Obligations**

Without prejudice to Section 7.1 of these SRO Rules above, if following the occurrence of a Successor Resolution the SRO Administrator reasonably determines that a Standard Reference Obligation should be selected for a specific Successor (and/or the Original Reference Entity) and a Seniority Level, it may commence the Standard Reference Obligation selection process as set out in Section 2 (*Identifying Standard Reference Obligations*) of these SRO Rules.

## **8. TRANSITIONAL PROVISIONS**

The revision of these Standard Reference Obligation Rules does not affect the status of any existing Standard Reference Obligation selected under a prior version of the Standard Reference Obligation Rules.

If any other provision of the DC Rules references a term or provision of the SRO Rules defined in an earlier version of the Standard Reference Obligation Rules, such other provision of the DC Rules should be interpreted in light of the current SRO Rules *mutatis mutandis*.

Notwithstanding any other provision of these SRO Rules:

- (a) in relation to any Standard Reference Obligations selected in the first calendar year following the adoption of the revised SRO Rules in 2025, any reference to a Potential SRO becoming effective as the Standard Reference Obligation on the next Quarterly Roll Date should be read as either such Quarterly Roll Date or an alternative date selected by the SRO Administrator following consultation with industry bodies provided that such alternative date is published on the SRO Website at least 14 calendar days in advance of such date; and
- (b) if the SRO Administrator has selected a Standard Reference Obligation under Section 2.1 of these SRO Rules, the SRO Administrator may cancel the selection of such Standard Reference Obligation at any time prior to the relevant Quarterly Roll Date if the SRO Administrator determines it is appropriate to do so. Without limiting the foregoing, the SRO Administrator may use this power where such Standard Reference Obligation would not be adopted on the relevant Quarterly Roll Date in respect of 2014 Transactions that are cleared at a CCP under the terms of such cleared 2014 Transactions (for example, because such cleared 2014 Transactions require a separate approval process in respect of the adoption of such Standard Reference Obligation and such approval process has not been successfully completed).

## 9. REPRESENTATIONS BY SRO ADMINISTRATOR

With respect to any information or documentation that is submitted by the SRO Administrator to the Relevant Convened DC, the DC Secretary and/or Legal Review Counsel, the SRO Administrator shall be deemed to represent and warrant that such information and/or documentation has been disclosed and can be made public without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information and the DC Secretary, each DC Member, each CCP Member and Legal Review Counsel may rely on such representation in addition to the assumption of Section 1.35(b) of the 2014 Definitions (which for these purposes, shall be amended by the deletion of the words "In relation to any information of the type described in Sections 1.35(a)(ii) or (iii)"), provided that where such documentation or information is received from the Eligible Market Participant that submitted the relevant SRO Request or a challenge, the SRO Administrator will not make such representation or warranty in respect of such documentation or information. This proviso is without prejudice to the representation in Section 2.1(c) of the DC Rules (*Representations by Eligible Market Participant*) required from the Eligible Market Participant who submitted the documentation or information.

## 10. PUBLICATION OF INFORMATION ON THE SRO WEBSITE

If circumstances require, the SRO Administrator may satisfy any obligation to publish information or documentation on the SRO Website in accordance with these SRO Rules by providing an alternative method of making that information or documentation available.

## 11. 2014 TRANSACTIONS INCORPORATING THE SENIOR NON-PREFERRED SUPPLEMENT

For the purposes of 2014 Transactions incorporating the Senior Non-Preferred Supplement, the SRO Rules are amended as follows:

- (a) the definition of "Seniority Requirement" in Section 13 of these SRO Rules above is deleted and replaced in its entirety with the following:

**"Seniority Requirement"** means, with respect to an SRO Request and a Potential SRO:

- (a) whether such Potential SRO is (i) a Senior Obligation of the Reference Entity if the Seniority Level specified in the SRO Request is Senior Level, (ii) a Subordinated Obligation of the Reference Entity if the Seniority Level specified in the SRO Request is Subordinated Level or (iii) a Senior Non-Preferred Obligation of the Reference Entity if the Seniority Level specified in the SRO Request is Senior Non-Preferred Level; and
- (b) such Potential SRO is not Subordinated to the Comparison Obligation and the Comparison Obligation is not Subordinated to such Potential SRO.";
- (b) all references to the words "Subordinated Level" (other than in the definition of "Seniority Requirement") are replaced by references to "Subordinated Level or Senior Non-Preferred Level (as applicable)"; and
- (c) all references to the "2014 Definitions" are deemed to be references to the 2014 ISDA Credit Derivatives Definitions published by ISDA, as amended by the Senior Non-Preferred Supplement.

## 12. GOVERNING LAW

For the avoidance of doubt, Section 5.2(g) (*Other Provisions - Governing Law*) of the Rules applies to these Standard Reference Obligation Rules.

## 13. DEFINITIONS

All capitalized terms used but not defined in these SRO Rules shall have the meanings given to such terms in the DC Rules or the 2014 Definitions, as the case may be.

As used in these SRO Rules, the following terms shall have the following meanings unless the context clearly indicates otherwise:

"**Affected SRO**" has the meaning specified in Section 3.1(a) of these SRO Rules.

"**Assessment Date**" means, with respect to the selection of a Potential SRO of a Reference Entity, the date on which the SRO Administrator is selecting the Potential SRO except that, for purposes of determining the remaining maturity of any obligation, any Maturity Bucket Dates and/or any Maturity Buckets, the Assessment Date shall be the Quarterly Roll Date immediately following the date on which the SRO Administrator is making such selection.

"**Challenge Deadline**" has the meaning specified in Section 2.5(b) of these SRO Rules.

"**Challenge Resolution Date**" has the meaning specified in Section 2.5(c) of these SRO Rules.

"**Challenge Window**" means in respect of an SRO List Proposal, the period commencing on and including the date of publication of such SRO List Proposal and ending on and including the thirtieth calendar day following the date of publication of such SRO List Proposal.

"**Comparison Obligation**" means, with respect to a Potential SRO of the relevant Reference Entity and Seniority Level:

- (a) the Submitted Obligation, if any (or, if the Seniority Level is not the Senior Level and there is no Submitted Obligation, the obligation identified by the SRO Administrator); otherwise
- (b) any unsubordinated Borrowed Money obligation of the Reference Entity.

"**Conforming Obligation**" means, with respect to a Reference Entity and Seniority Level, an obligation of the Reference Entity which is a Deliverable Obligation determined in accordance with Section 3.2(a) (*Deliverable Obligation*) of the 2014 Definitions (and for the purposes of the "Not Subordinated" Deliverable Obligation Characteristic, the Comparison Obligation shall be deemed to be the Reference Obligation) on the relevant date of determination. For these purposes, the applicable Deliverable Obligation Category and Deliverable Obligation Characteristics, whether All Guarantees is applicable, and whether any terms, supplements or additional provisions in each case pertaining to deliverability are applicable, shall be as specified in the Credit Derivatives Physical Settlement Matrix most recently published by ISDA on the ISDA Website as of the relevant date of determination for the SRO Relevant Transaction Type.

"**DC Rules**" means the Credit Derivatives Determinations Committees Rules to which these SRO Rules are annexed, as published by the DC Secretary on behalf of ISDA from time to time.

"**DC Review**" means the process set out in Section 2.2 of these SRO Rules above.

"**Domestic Law Package Observable Bond**" means a Package Observable Bond whose governing law is the Domestic Law (as defined in Section 3.18 of the 2014 Definitions).

**"General Criteria Obligation"** means, with respect to a Reference Entity for the applicable Seniority Level, an obligation of the Reference Entity (or, if the Reference Entity is provider of a guarantee, in respect of an Underlying Obligation) that:

- (a) either (i) is a Bond or (ii) if the Submitted Obligation (or, for the purposes of identifying a replacement Standard Reference Obligation, the Affected SRO) in respect of such Reference Entity is a Loan or relates to an Underlying Obligation that is a Loan, is the Submitted Obligation or a Loan that is submitted by an Eligible Market Participant to the SRO Administrator in accordance with these SRO Rules;
- (b) has an outstanding principal balance of at least the Minimum Size;
- (c) satisfies the Remaining Maturity Limit; and
- (d) satisfies the Minimum Liquidity Requirement,

in each case, as at the Assessment Date.

**"General Criteria Obligation Priority Rules"** means the following rules, which shall be applied for the purposes of selecting a Potential SRO for a Reference Entity after all General Criteria Obligations of such Reference Entity have been grouped in the order set out in sub-paragraph (a) or (b) below (as applicable): (A) a General Criteria Obligation falling into an earlier group in the relevant list below shall be selected as the Potential SRO before a General Criteria Obligation falling into a later group; and (B) (I) within a group set out at sub-paragraphs (a)(i), (a)(ii), (b)(ii) or (b)(v) below, the General Criteria Obligation with the longest remaining maturity will be selected as the Potential SRO or (II) within any other group, the General Criteria Obligation with the shortest remaining maturity will be selected as the Potential SRO, provided that if two or more General Criteria Obligations cannot be prioritised following the application of the above rules, the SRO Administrator shall prioritise as between each other randomly:

- (a) In respect of an M(M)R Financial Reference Entity:
  - (i) General Criteria Obligations in the first Maturity Bucket with an outstanding principal balance of at least the Threshold Size; followed by
  - (ii) General Criteria Obligations in the first Maturity Bucket with an outstanding principal balance of less than the Threshold Size; followed by
  - (iii) General Criteria Obligations in the second Maturity Bucket with an outstanding principal balance of at least the Threshold Size; followed by
  - (iv) General Criteria Obligations in the second Maturity Bucket with an outstanding principal balance of less than the Threshold Size; followed by
  - (v) General Criteria Obligations in the third Maturity Bucket with an outstanding principal balance of at least the Threshold Size; followed by
  - (vi) General Criteria Obligations in the third Maturity Bucket with an outstanding principal balance of less than the Threshold Size; followed by
  - (vii) General Criteria Obligations in the fourth Maturity Bucket with an outstanding principal balance of at least the Threshold Size; followed by
  - (viii) General Criteria Obligations in the fourth Maturity Bucket with an outstanding

- principal balance of less than the Threshold Size.
- (b) In respect of a Reference Entity other than an M(M)R Financial Reference Entity and a Sovereign Reference Entity in respect of which one or more Package Observable Bonds have been published on the POB Website as at the Assessment Date:
- (i) General Criteria Obligations with a remaining maturity of at least five years and not longer than ten years and an outstanding principal balance of at least the Threshold Size; followed by
  - (ii) General Criteria Obligations with a remaining maturity of at least one year and not longer than five years and an outstanding principal balance of at least the Threshold Size; followed by
  - (iii) General Criteria Obligations with a remaining maturity of more than ten years and an outstanding principal balance of at least the Threshold Size; followed by
  - (iv) General Criteria Obligations with a remaining maturity of at least five years and not longer than ten years and an outstanding principal balance of less than the Threshold Size; followed by
  - (v) General Criteria Obligations with a remaining maturity of at least one year and not longer than five years and an outstanding principal balance of less than the Threshold Size; followed by
  - (vi) General Criteria Obligations with a remaining maturity of more than ten years and an outstanding principal balance of less than the Threshold Size.

Notwithstanding the foregoing, in respect of all Reference Entities, any General Criteria Obligation that is unsecured (or does not benefit from any other form of third party credit support) shall have priority over, and therefore be selected as the Potential SRO before, any General Criteria Obligation which is secured (or does benefit from some other form of third party credit support).

**"INCRO"** or **"Identified Non-Conforming Standard Reference Obligation"** means, with respect to a Reference Entity and Seniority Level, an obligation of the Reference Entity which would be a Conforming Obligation on the relevant date of determination but for one or more reasons (each such reason, a **"Deliverability Flaw"**) other than that the obligation has an Outstanding Principal Balance or Due and Payable Amount that is not greater than zero.

**"INCRO SRO Request"** has the meaning specified in Section 2.4(a) of these SRO Rules.

**"International Law Package Observable Bond"** means a Package Observable Bond which is not a Domestic Law Package Observable Bond.

**"Legal Review Counsel"** means external legal counsel or any other third-party professional appointed from time to time by the DC Secretary on behalf of the relevant Committee, or the legal function of one or more identified DC Members of the relevant Committee which has been appointed by such Committee, to provide advice and analysis in relation to, *inter alia*, the Legal Terms Requirement and Seniority Requirement.

**"Legal Terms Requirement"** means unless otherwise stated herein, with respect to a SRO Request and a Potential SRO of the relevant Reference Entity and Seniority Level, such Potential SRO is a Conforming Obligation. Notwithstanding the foregoing, if the SRO Request is an INCRO SRO Request, the Legal Terms Requirement shall be that the Potential SRO is an INCRO which has the same Deliverability Flaws as specified in such INCRO SRO Request.

**"Loan SRO Request"** has the meaning specified in Section 2.4(a) of these SRO Rules.

**"M(M)R Financial Reference Entity"** means a Reference Entity for which the SRO Relevant Transaction Type is one for which (i) "Financial Reference Entity Terms" and (ii) M(M)R Restructuring are applicable.

**"Market Standard Reference Obligation"** means, with respect to a Reference Entity for the applicable Seniority Level, the RED Preferred<sup>TM</sup> Reference Obligation for the Reference Entity for that Seniority Level, provided that such obligation (or, if the Reference Entity is provider of a guarantee, the Underlying Obligation):

- (a) is an obligation of the Reference Entity (either directly or as provider of a guarantee); and
- (b) if the Reference Entity is an M(M)R Financial Reference Entity, has a remaining maturity of not longer than the first Maturity Bucket Date,

in each case, as at the Assessment Date.

**"Maturity Bucket Date"** means the first Quarterly Roll Date in any year to occur on or immediately following the date that is one of the following number of years after the Assessment Date: 2.5 years, 5 years, 7.5 years and 10 years. Maturity Bucket Dates shall not be subject to any adjustment in accordance with any Business Day Convention.

**"Maturity Bucket"** means each period from and excluding one Maturity Bucket Date to and including the next Maturity Bucket Date, provided that the first Maturity Bucket will begin 1 year after the relevant Assessment Date.

**"Minimum Liquidity Requirement"** means, with respect to an obligation, at least 3 major dealers make daily markets in the obligation.

**"Minimum Size"** means, with respect to an obligation, an outstanding principal balance of:

- (a) if EMEA is the Region that includes the SRO Relevant Transaction Type applicable to the Reference Entity to which such obligation relates, EUR 100 million;
- (b) if Japan is the Region that includes the SRO Relevant Transaction Type applicable to the Reference Entity to which such obligation relates, JPY 10 billion; or
- (c) otherwise, USD 100 million,

in each case, or its equivalent in the currency or currencies in which the obligation is denominated, as determined by the SRO Administrator.

**"Original Reference Entity"** has the meaning specified in Section 7.1 of these SRO Rules.

**"POB Website"** means "www.cdsdeterminationscommittees.org" (or any such successor website of the DC Secretary) or the website of any other third party designated by the DC Secretary to publish Package Observable Bonds.

**"Potential SRO"** has the meaning specified in Section 2.1(a) of these SRO Rules provided that if Section 2.1(a) of these SRO Rules is not applicable in the relevant case, then it means the obligation being considered for selection under these SRO Rules as the Standard Reference Obligation in respect of the relevant Reference Entity.

**"Private-side Loan"** means an obligation that is a Loan, or in respect of which the Underlying Obligation is a Loan, in respect of which the documentation governing its terms is not publicly available or capable of being made public without violating a law, agreement, understanding or other restriction regarding the confidentiality of such information.

**"Qualified Majority"** means, in respect of any vote of the Dealer Members of a Relevant Convened DC, (a) at least five Dealer Members of the Relevant Convened DC and (b) more than 50% of the participating Dealer Members, vote in favor of a particular answer.

**"Quarterly Roll Date"** means March 20, June 20, September 20 and December 20 in each year. Quarterly Roll Dates shall not be subject to any adjustment in accordance with any Business Day Convention.

**"RED Preferred™ Reference Obligation"** means, with respect to a Reference Entity and Seniority Level, the default "Reference Obligation" for 2014 Transactions relating to such Reference Entity and Seniority Level as recorded on S&P Global Inc's Reference Entity Database (RED).

**"Relevant CCP"** means a CCP with at least eight clearing members.

**"Relevant Convened DC"** has the meaning specified in Section 2.2(a) or Section 2.3(b) of these SRO Rules as applicable.

**"Relevant Package Observable Bond"** means, with respect to a Sovereign Reference Entity in respect of which one or more Package Observable Bonds have been published on the POB Website:

- (a) if M(M)R Restructuring applies to the SRO Relevant Transaction Type applicable to that Sovereign Reference Entity:
  - (i) the International Law Package Observable Bond in the first Maturity Bucket which has the longest remaining maturity; or if there are no International Law Package Observable Bonds in the first Maturity Bucket,
  - (ii) the Domestic Law Package Observable Bond in the first Maturity Bucket which has the longest remaining maturity; or if there are no Domestic Law Package Observable Bonds in the first Maturity Bucket,
  - (iii) the International Law Package Observable Bond which has the shortest remaining maturity; or if there are no International Law Package Observable Bonds,
  - (iv) the Domestic Law Package Observable Bond which has the shortest remaining maturity; and
- (b) otherwise:
  - (i) the International Law Package Observable Bond which has the longest remaining maturity; or
  - (ii) if there are no International Law Package Observable Bonds, the Domestic Law Package Observable Bond which has the longest remaining maturity,

in each case, as at the relevant Assessment Date.

**"Remaining Maturity Limit"** means an obligation with a remaining maturity of at least 1 year and with respect to an obligation of an M(M)R Financial Reference Entity, not longer than the last Maturity Bucket Date.

**"Required Information"** means, with respect to an obligation, a description of the obligation, the CUSIP or ISIN number of the obligation (if applicable) and copies of, or unrestricted internet links to, all material documentation, including offering documents, pricing supplements, indentures and, as applicable, guarantees, or, in each case, equivalent documentation howsoever designated in respect of

the relevant obligation and, in each case, such documentation or information must be documentation or information which is publicly available or which can be made public without violating a law, agreement, understanding or other restriction regarding the confidentiality of such documentation or information.

**"Senior Non-Preferred Obligation"** has the meaning given to it in the Senior Non-Preferred Supplement.

**"Senior Non-Preferred Supplement"** means the Additional Provisions for Senior Non-Preferred Reference Obligations published by ISDA on December 8, 2017 (as amended from time to time).

**"Seniority Requirement"** means, with respect to a Potential SRO:

- (a) whether such Potential SRO is (i) a Senior Obligation of the Reference Entity if the Seniority Level specified in the SRO Request is Senior Level or (ii) a Subordinated Obligation of the Reference Entity if the Seniority Level specified in the SRO Request is Subordinated Level; and
- (b) such Potential SRO is not Subordinated to the Comparison Obligation and the Comparison Obligation is not Subordinated to such Potential SRO.

*See also Section 11 above in respect of 2014 Transactions incorporating the Senior Non-Preferred Supplement.*

**"SRO Administrator"** means S&P Global Inc. or its relevant subsidiary (the **"Initial SRO Administrator"**) or any successor or replacement thereto, appointed by the DC Secretary to act as the SRO Administrator.

**"SRO Identification Resolution"** has the meaning specified in Section 2.2(c) of these SRO Rules.

**"SRO Manual"** means the manual published by the SRO Administrator specifying the administrative elements of the Standard Reference Obligation selection process (if any).

**"SRO Non-Identification Resolution"** has the meaning specified in Section 2.2(c) of these SRO Rules.

**"SRO Relevant Transaction Type"** means, with respect to a Reference Entity and Seniority Level, the Transaction Type as specified in the related SRO Request that applies to 2014 Transactions in respect of the Reference Entity for that Seniority Level which shall be based on the Transaction Types in the version of the Credit Derivatives Physical Settlement Matrix most recently published by ISDA on the ISDA Website as of the date of effective receipt of such SRO Request by the SRO Administrator or, if there is no SRO Request, as determined by the SRO Administrator. Following the identification of the initial Standard Reference Obligation for a Reference Entity and Seniority Level, the SRO Relevant Transaction Type(s) shall be that published on the SRO List in respect of such Reference Entity and Seniority Level.

**"SRO Request"** has the meaning specified in Section 2.4 of these SRO Rules, provided that if the term is used in a context where no SRO Request has been submitted by an Eligible Market Participant, an SRO Request will be deemed to have been made on terms that match the terms against which any Potential SRO is being considered at such time.

**"SRO Rules"** has the meaning specified in Section 1.2 of these SRO Rules.

**"SRO Substitution Date"** means the date on which a replacement Standard Reference Obligation is



added to the SRO List following the occurrence of an SRO Substitution Event with respect to an Affected SRO.

**"SRO Substitution Event"** means, with respect to the Standard Reference Obligation of a specific Reference Entity and Seniority Level:

- (a) the Standard Reference Obligation is redeemed in whole;
- (b) the aggregate amounts due under the Standard Reference Obligation have been reduced by redemption or otherwise below the SRO Substitution Threshold;
- (c) for any reason, other than due to the existence or occurrence of a Credit Event, the Standard Reference Obligation is no longer an obligation of the Reference Entity (either directly or as provider of a guarantee);
- (d) if the Reference Entity is an M(M)R Financial Reference Entity, the Standard Reference Obligation has a remaining maturity of less than one year;
- (e) if the Reference Entity is not an M(M)R Financial Reference Entity, the Standard Reference Obligation has a remaining maturity of less than six months; or
- (f) at any time prior to the occurrence of a Credit Event Resolution Request Date, the Relevant Convened DC Resolves by Majority DC Resolution that the Standard Reference Obligation either (i) has ceased to satisfy the Minimum Liquidity Requirement; or (ii) did not satisfy the Minimum Liquidity Requirement as at the Assessment Date.

Any change in the Standard Reference Obligation's CUSIP or ISIN number or other similar identifier will not, in and of itself, constitute a SRO Substitution Event.

**"SRO Substitution Event Date"** means, with respect to an Affected SRO, the date of the occurrence of the relevant SRO Substitution Event.

**"SRO Substitution Threshold"** means, with respect to the Standard Reference Obligation of a Reference Entity and Seniority Level, the Minimum Size or such other amount that the Relevant Convened DC in respect of such Standard Reference Obligation may determine in its sole discretion in respect of such Standard Reference Obligation.

**"SRO Website"** means the website of the SRO Administrator, which in respect of the Initial SRO Administrator as of the date of adoption of these SRO Rules is [www.spglobal.com](http://www.spglobal.com) (or any successor website thereto).

**"Standard Reference Obligation DC Resolution"** means an SRO Identification Resolution or an SRO Non-Identification Resolution.

**"Submitted Obligation"** has the meaning specified in Section 2.4(b) of these SRO Rules.

**"Threshold Size"** means, with respect to an obligation, an outstanding principal balance of:

- (a) if EMEA is the Region that includes the SRO Relevant Transaction Type applicable to the Reference Entity to which such obligation relates, EUR 250 million;
- (b) if Japan is the Region that includes the SRO Relevant Transaction Type applicable to the Reference Entity to which such obligation relates, JPY 25 billion; or
- (c) otherwise, USD 250 million,

in each case, or its equivalent in the currency or currencies in which the obligation is denominated, as

determined by the SRO Administrator.