



Clearing Rules

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26S. Standard Subordinated European Insurance Corporate (“STSEIC”) Single Name.

The rules in this Subchapter 26S apply to the clearance of STSEIC Contracts.

26S-102. Definitions.

Eligible STSEIC Reference Entities

Each particular Reference Entity included in the List of Eligible STSEIC Reference Entities, as determined by ICE Clear Credit to be eligible. For the avoidance of doubt, if there are multiple Reference Entity Database codes (as published by Markit Group Limited or any successor thereto, such codes “RED Codes”) for a particular Reference Entity listed in the List of Eligible STSEIC Reference Entities, each such RED Code shall be treated as a separate Eligible STSEIC Reference Entity.

Eligible STSEIC Reference Obligations

With respect to any STSEIC Contract Reference Obligation for any Eligible STSEIC Reference Entity, the Reference Obligations determined by ICE Clear Credit to be eligible and listed under the heading “Eligible Reference Obligations” for such STSEIC Contract Reference Obligation and Eligible STSEIC Reference Entity in the List of Eligible STSEIC Reference Entities. Where “Standard Reference Obligation” is applicable to the STSEIC Reference Entity and ICE Clear Credit has implemented the Standard Reference Obligation, the Standard Reference Obligation shall be an Eligible STSEIC Reference Obligation.

List of Eligible STSEIC Reference Entities

The list of Eligible STSEIC Reference Entities, maintained, updated and published by the Board or its designee on the ICE Clear Credit website, specifying the following information (and the permissible combinations thereof) with respect to each Eligible STSEIC Reference Entity:

- (a) the name of such Eligible STSEIC Reference Entity and the RED Code(s) for such Eligible STSEIC Reference Entity;
- (b) each Relevant Physical Settlement Matrix and Transaction Type for such Eligible STSEIC Reference Entity (which shall be Standard Subordinated European Insurance Corporate);
- (c) each STSEIC Contract Reference Obligation and each Eligible STSEIC Reference Obligation for each such STSEIC Contract Reference Obligation;
- (d) each eligible “Scheduled Termination Date”;

- (e) the Applicable Credit Derivatives Definitions for such Contract, which shall be the 2014 Definitions;
- (f) the eligible Seniority Levels for such Contract; and
- (g) whether “Standard Reference Obligation” is applicable.

Permitted STSEIC Fixed Rates

The Fixed Rates permitted for a STSEIC Contract, as determined from time to time by the Board or its designee and notified to CDS Participants.

Relevant Physical Settlement Matrix

With respect to a STSEIC Contract, the “Credit Derivatives Physical Settlement Matrix” applicable to such STSEIC Contract, as specified in the combination of characteristics listed as eligible for the relevant Eligible STSEIC Reference Entity in, and permitted by, the List of Eligible STSEIC Reference Entities.

STSEIC Contract

A credit default swap in respect of any Eligible STSEIC Reference Entity having a combination of characteristics listed as eligible for such Eligible STSEIC Reference Entity in, and permitted by, the List of Eligible STSEIC Reference Entities. A STSEIC Contract is a CDS Contract for purposes of Chapter 20.

STSEIC Contract Reference Obligations

With respect to any Eligible STSEIC Reference Entity, the Reference Obligation(s) listed under the heading “STSEIC Contract Reference Obligations” for such Eligible STSEIC Reference Entity in the List of Eligible STSEIC Reference Entities (which, for the avoidance of doubt, may indicate “No Reference Obligation”, indicating that no obligation is specified as a Reference Obligation). Where “Standard Reference Obligation” is applicable to the STSEIC Reference Entity and ICE Clear Credit has implemented the Standard Reference Obligation, the STSEIC Contract Reference Obligation shall thereafter be such Standard Reference Obligation, subject to Section 2.9 of the 2014 Definitions.

STSEIC Rules

The rules set forth in Chapters 1 through 8, 20 through 22, inclusive, as modified by the provisions of this Subchapter 26S.

26S-203. Restriction on Activity.

- (a) In addition to the other rights granted to ICE Clear Credit in Rule 203, in the event a CDS Participant (or a Non-Participant Party for whom such Participant is acting) is

subject to an event or agreement described in Rule 26S-206 or in the event such CDS Participant submits a Trade of the type described in Rule 26S-309(c) that is not a Conforming Trade and such Trade is cleared pursuant to these Rules (in each case, an “SR CDS Participant”), ICE Clear Credit may conduct an auction process to replace all of the SR CDS Participant’s Open CDS Positions in the affected CDS Contracts (including, if applicable, those on behalf of any such Non-Participant Party) (each auction in such process, an “SR Auction”). ICE Clear Credit shall have the authority to determine the timing and other particular characteristics of each SR Auction in consultation with the CDS Default Committee and as provided in the ICE Clear Credit Procedures, including determining the size of the bid/offer spread and/or of the CDS Contracts to be auctioned, whether one or more SR Auctions are to be held and the timing and structure of such auctions and whether CDS Participants other than the SR CDS Participant will be required to submit actionable quotations in an SR Auction.

(b) ICE Clear Credit shall enter into Trades in one or more CDS Contracts with the CDS Participant(s) and in the amount determined pursuant to the SR Auction, at which time the corresponding Open CDS Positions of the SR CDS Participant shall be reduced or terminated, as applicable. The SR CDS Participant and the other CDS Participants shall be obligated to submit to Deriv/SERV or another service specified by ICE Clear Credit the terms of such reduction, termination or Trade, as applicable. Amounts owed by the SR CDS Participant to (or receivable by the SR CDS Participant from) ICE Clear Credit in connection with any such reduction or termination shall be determined by ICE Clear Credit using the prices determined pursuant to the SR Auctions. In addition, any Initial Payments, Margin, or other payments or deliveries owed (including the dates of settlement with respect thereto) relating to the Open CDS Positions increased, created, reduced or terminated pursuant to this Rule 26S-203(b) shall be as determined by ICE Clear Credit with reference to the SR Auction in accordance with the ICE Clear Credit Procedures and, notwithstanding Rules 301 or 303, Initial Payments may be owed in respect to CDS Contracts entered into by ICE Clear Credit pursuant to an SR Auction.

26S-206. Notices Required of Participants with respect to STSEIC Contracts.

In addition to the notice requirements contained in Rule 206, a CDS Participant shall provide notice to ICE Clear Credit in the event that such CDS Participant (or a Non-Participant Party for whom such CDS Participant is acting) or an Eligible STSEIC Reference Entity consolidates or amalgamates with, or merges into, or transfers all or substantially all of its assets to, the Eligible STSEIC Reference Entity or such CDS Participant (or Non-Participant Party for whom such CDS Participant is acting), as applicable, or such CDS Participant (or Non-Participant Party for whom such CDS Participant is acting) and an Eligible STSEIC Reference Entity are the same entity or are or become Affiliates, or, subject to any restrictions on such disclosure imposed by law or regulation, such CDS Participant (or Non-Participant Party for whom such CDS Participant is acting) is subject to an agreement pursuant to which any of the foregoing is reasonably likely to occur.

26S-303. STSEIC Contract Adjustments.

In addition to the adjustments described in Rule 303, upon clearance of a Trade otherwise equivalent to a STSEIC Contract but that:

- (a) specifies an Eligible STSEIC Reference Obligation as the “Reference Obligation”, such Trade shall become an Open CDS Position in the STSEIC Contract with the STSEIC Contract Reference Obligation specified for such Eligible STSEIC Reference Obligation in the List of Eligible STSEIC Reference Entities;
- (b) an Event Determination Date has occurred with respect to a Restructuring, such Trade shall become an Open CDS Position in the STSEIC Contract for which no such Event Determination Date has occurred; and/or
- (c) specifies a Transaction Type other than Standard Subordinated European Insurance Corporate for such Eligible STSEIC Reference Entity, such Trade shall become an Open CDS Position in the STSEIC Contract otherwise equivalent to such Trade but specifying Standard Subordinated European Insurance Corporate as the Transaction Type.

26S-309. Acceptance of STSEIC Contracts by ICE Clear Credit.

- (a) In addition to the acceptance process described in Rule 309, ICE Clear Credit’s notice to the relevant CDS Participants that it has accepted a Trade submitted for clearance shall include any adjustment that will be made by ICE Clear Credit pursuant to Rule 26S-303. Such CDS Participants’ resubmission of the terms of such Trade, as provided in Rule 309, shall include the adjustments described by ICE Clear Credit in such notice.
- (b) A CDS Participant shall make all reasonable efforts to not submit a Trade for clearance as a STSEIC Contract, and any such Trade shall not be a Conforming Trade, if the Novation Time would be:
 - (i) at a time when the Fallback Settlement Method is applicable to such STSEIC Contract; or
 - (ii) at or after the close of business on the calendar day following the Auction Final Price Determination Date for such STSEIC Contract;

(such time with respect to any STSEIC Contract, the “**Clearance Cut-off Time**”); *provided* that ICE Clear Credit may, by written notice to all CDS Participants following consultation with the Risk Committee, designate a time other than the time determined pursuant to clauses (i) or (ii) above as the Clearance Cut-off Time with respect to any STSEIC Contract.
- (c) A CDS Participant may not submit a Trade for clearance as a STSEIC Contract, and any such Trade shall not be a Conforming Trade, if the time of submission of the

Trade or the Novation Time would be at a time when the CDS Participant (or any Non-Participant Party for whom such Participant is acting) is, or is an Affiliate of, the Eligible STSEIC Reference Entity for such STSEIC Contract or is subject to an agreement under which it is reasonably likely that the CDS Participant (or any such Non-Participant Party) will become, or will become an Affiliate of, the Eligible STSEIC Reference Entity for such STSEIC Contract.

- (d) A CDS Participant shall as soon as reasonably practicable notify ICE Clear Credit if any Trade it has submitted for clearance was not at the time of submission, or ceases to be prior to the Novation Time, a Conforming Trade.
- (e) If ICE Clear Credit determines that any Trade submitted for clearance would have been subject to circumstances giving rise to a Successor and a Succession Date but will no longer be subject to such circumstances upon clearance because of the Trade Date that would be specified with respect to the related Open CDS Position, ICE Clear Credit shall take such action as it deems necessary to ensure that such circumstances are given effect with respect to such Trade, including, without limitation, declining to accept such Trade for clearance or specifying an alternate Trade Date for purposes of Section 2.1 of the Applicable Credit Derivatives Definitions with respect to the relevant portion of the related Open CDS Position.

26S-315. Terms of the Cleared STSEIC Contract.

- (a) Any capitalized term used in this Subchapter 26S but not defined in these STSEIC Rules shall have the meaning provided in the Credit Derivatives Definitions.
- (b) For purposes of the CDS Committee Rules, the CDS Region for each STSEIC Contract is the European Region.
- (c) The definitions and provisions contained in the Applicable Credit Derivatives Definitions (for the purposes of the STSEIC Rules only, the “**Credit Derivatives Definitions**”), are incorporated into the STSEIC Rules. In the event of any inconsistency between the Credit Derivatives Definitions or the Confirmation (including in electronic form) for a STSEIC Contract and these STSEIC Rules, these STSEIC Rules will govern.
- (d) The following provisions shall apply:
- (i) Section 8.10(a) of the 2014 Definitions is hereby amended by replacing the “.” at the end of subparagraph (B) thereof with “; and” and adding the following as a new subparagraph (C):
- “(C) the tenth calendar day after the date of the actual decision by the relevant Regional CDS Committee (or Dispute Resolver) to Resolve (i.e., determined without regard to any Effectiveness Convention or any time of effectiveness specified in a Presented Position) that a Credit Event has occurred for which

there is Publicly Available Information, as described in CDS Committee Rule 2101-02(a)(iii), with respect to such STSEIC Contracts.”.

- (ii) Except for purposes of Section 1.39 of the 2014 Definitions, a Credit Event Notice and Notice of Publicly Available Information with respect to a STSEIC Contract for a Credit Event will be deemed to have been effectively delivered by the Notifying Party on the relevant Event Determination Date determined under the CDS Committee Rules only when the Resolution is effective, under the CDS Committee Rules, that a Credit Event has occurred for which there is Publicly Available Information, as described in CDS Committee Rule 2101-02(a)(iii), with respect to such STSEIC Contract. Notwithstanding anything to the contrary in the 2014 Definitions, any delivery of a Credit Event Notice and/or Notice of Publicly Available Information by a CDS Participant (other than the deemed delivery as provided in this Rule 26S-315(d)(ii)) shall not be valid.
- (iii) For the purposes only of Section 1.16(a)(ii)(A)(II) of the 2014 Definitions, Section 1.17 of the 2014 Definitions is hereby modified by replacing the term “Auction Final Price Determination Date” with the phrase “date that is one Relevant City Business Day prior to the Auction Settlement Date”.
- (iv) With respect to STSEIC Contracts for which it is Resolved by the Regional CDS Committee (or applicable Dispute Resolver) or Credit Derivatives Determinations Committee that a Credit Event has occurred for which there is Publicly Available Information, as described in CDS Committee Rule 2101-02(a)(iii) or the DC Rules, as applicable, Buyer may not deliver a Notice of Physical Settlement until after it is determined that the method of settlement for a particular Credit Event is the Fallback Settlement Method due to the occurrence of one of the events in Section 6.1 of the 2014 Definitions, and as further provided in the CDS Physical Settlement Rules. For the avoidance of doubt, the effectiveness of any Notice of Physical Settlement and obligations relating thereto are subject to the suspension and finality provisions of Sections 10.1 and 10.2 of the 2014 Definitions.
- (v) Section 11.4 of the 2014 Definitions shall not apply.
- (e) The Settlement Method for particular STSEIC Contracts will be Auction Settlement and the Fallback Settlement Method will be Physical Settlement in accordance with the CDS Physical Settlement Rules.
- (f) The following terms will apply to each STSEIC Contract:

 - (i) The “Agreement” is the Participant Agreement between the relevant CDS Participant and ICE Clear Credit.

- (ii) The “Calculation Agent” is ICE Clear Credit, except as provided in the CDS Committee Rules.
- (iii) The “Transaction Type” is Standard Subordinated European Insurance Corporate for the Eligible STSEIC Reference Entity.
- (iv) The “Fixed Rate Payer Payment Dates” will be March 20, June 20, September 20 and December 20.
- (v) The Subordinated European Insurance Terms will apply.
- (vi) The “Initial Payment Date” will be the date that is the first Business Day immediately following the Trade Date; provided that with respect to a STSEIC Contract that is accepted for clearing pursuant to Rule 309 after the Trade Date thereof, the “Initial Payment Date” will be the date that is the first Business Day following the date as of which such STSEIC Contract is accepted for clearing pursuant to Rule 309.
- (g) For each STSEIC Contract, the following terms will be determined according to the particular STSEIC Contract submitted for clearing, subject to Rule 26S-303:
 - (i) Which of the Eligible STSEIC Reference Entities is the “Reference Entity”.
 - (ii) Which of the STSEIC Contract Reference Obligations specified for the Reference Entity in the List of Eligible STSEIC Reference Entities is the “Reference Obligation”.
 - (iii) The “Trade Date”.
 - (iv) The “Effective Date”.
 - (v) Which of the eligible Scheduled Termination Dates specified for the “Reference Entity” in the List of Eligible STSEIC Reference Entities is the “Scheduled Termination Date”.
 - (vi) The “Floating Rate Payer Calculation Amount”.
 - (vii) The “Floating Rate Payer”.
 - (viii) The “Fixed Rate Payer”.
 - (ix) The “Fixed Rate”.
 - (x) If applicable, the Matrix Publication Date for the Relevant Physical Settlement Matrix.
 - (xi) The “Initial Payment Payer”.

- (xii) The “Initial Payment Amount”.
- (xiii) Which of the eligible Seniority Levels applies.

26S-316. Relevant Physical Settlement Matrix Updates.

- (a) Where ISDA publishes a version of the Credit Derivatives Physical Settlement Matrix (a “**New Matrix**”) that is subsequent to the version that is specified as the Relevant Physical Settlement Matrix for any STSEIC Contract(s) (the “**Existing Matrix**”), and the Board or its designee determines that updating such STSEIC Contract(s) to reference the New Matrix would not constitute a Contract Modification as provided in Rule 616 (the date of such determination, the “**Matrix Update Date**” and each prior Credit Derivatives Physical Settlement Matrix subject to such determination, a “**Superseded Matrix**”) and so notifies CDS Participants, such STSEIC Contracts shall, as of the close of business on the Matrix Update Date, become STSEIC Contracts referencing the New Matrix as the Relevant Physical Settlement Matrix and the List of Eligible STSEIC Reference Entities shall be updated accordingly. Any Trade referencing a Superseded Matrix submitted for clearing as a STSEIC Contract shall, upon acceptance for clearing, become a STSEIC Contract referencing the New Matrix.
- (b) The Board or its designee may determine a different Matrix Update Date applicable to individual STSEIC Contracts or groups of STSEIC Contracts or may determine a Matrix Update Date applicable to all STSEIC Contracts referencing a Superseded Matrix, as it deems appropriate.

26S-502. Specified Actions.

Notwithstanding anything to the contrary in Rule 502(a) but without limiting the application of Rule 616 to any Modification (including the requirement of consultation with the Risk Committee, as provided in Rule 502(a), prior to determining that a Modification is not a Contract Modification), none of the following shall constitute a Specified Action: (a) adding and/or Modifying Permitted STSEIC Fixed Rates, (b) adding new Eligible STSEIC Reference Entities, and adding and/or Modifying any other entries in any of the fields in the List of Eligible STSEIC Reference Entities or (c) an update to the List of Eligible STSEIC Reference Entities, as described in Rules 26S-316 and 26S-616.

26S-616. Contract Modification.

It shall not constitute a Contract Modification if the Board or its designee updates the List of Eligible STSEIC Reference Entities (and modifies the terms and conditions of related STSEIC Contracts) to give effect to determinations by the Regional CDS Committee (or applicable Dispute Resolver) or a Credit Derivatives Determinations Committee, including,

without limitation, determinations of Succession Events or circumstances giving rise to Successors and Succession Dates or Substitute Reference Obligations or implementation of Standard Reference Obligations (or changes thereto). In addition, the determination that "Standard Reference Obligation" will be applicable to an Eligible STSEIC Reference Entity shall not constitute a Contract Modification.