

## ISDA Uniform Settlement Agreement (USA) FAQ

The questions below are intended for participants in the European LCDS market who have questions regarding the purpose of and how to sign the Uniform Settlement Agreement (USA) for: -

Mediannuaire

### **What is a uniform settlement agreement?**

A uniform settlement agreement is a contract signed by the major dealers and the clients with whom they have a large number of transactions, after the credit event occurs and publicly available information is available. The parties to the USA each agree that a credit event notice and notice of publicly available information are deemed to have been validly delivered as between signatories to the USA for all covered credit derivatives transactions referencing the relevant entity.

### **Why is a uniform settlement agreement necessary?**

Signing a USA avoids the operational burden of having to send notices between the most active participants in the European LCDS market. This significantly reduces the overall number of notices that must be sent.

### **What is the deadline for signing up to the USA agreement mentioned above?**

29 January 2013 at 4pm London time.

### **How do I sign up?**

Each firm wishing to sign up to the USA for Mediannuaire should email a copy of the signature page, completed with the full legal name of each entity signing and a signature for each entity, no later than \*\*\*4pm London time, 29 January 2013\*\*\*.

Signature pages must be emailed to \*\*\*EACH OF\*\*\*the following addresses:

[Shruti.ajitsaria@allenovery.com](mailto:Shruti.ajitsaria@allenovery.com)

[Karen.Chan@AllenOvery.com](mailto:Karen.Chan@AllenOvery.com)

Please do not email signature pages to ISDA.

On the evening of Tuesday 29 January 2013, Allen & Overy will circulate to each entity that has agreed to sign the USA the full list of entities that have signed.

### **If I sign the USA, what happens next?**

For parties to single name trades incorporating the Credit Derivative Transactions on Leveraged Loans Standard Terms Supplement published on 18 May 2009 (the "2009 Cancellable Form"), those covered transactions will cash settle pursuant to the Final Price determined by the auction.

For parties to LevX Senior Series 2, 3, 4 or 5 or LevX Subordinated Series 2 or 3 indices trades or single name transactions documented on a cancellable form that pre-dates the 2009 Cancellable Form (the "Pre-2009 Form") who each have signed up to the 2009 European Loan CDS Protocol (or in the case of single-name transactions documented on the Pre-2009 Form, the 2009 ISDA European Cancellable Form Loan CDS Protocol) which amends the terms of covered transactions between those parties, those covered transactions will cash settle pursuant to the Final Price determined by auction. See ISDA's website ([www.isda.org](http://www.isda.org)) for further information about this Protocol. If either party to such transaction has not adhered to the Protocol, then the transaction will not be subject to or affected by the auction and the relevant parties can settle their transaction bilaterally pursuant to its terms.