

## EMEA DC Statement 21 September 2017

At its meeting on Wednesday 20 September 2017, the DC resolved that any Auction in respect of Updated 2003 Transactions referencing Banca Monte dei Paschi di Siena S.p.A. (the **Reference Entity** or MPS, and the **Relevant 2003 Transactions**, respectively) would be held on Wednesday 1 November 2017.

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

### Auction Timing

The DC published a statement on 12 September 2017 (the **12 September DC Statement**)<sup>2</sup> regarding the process for holding Auction(s) in respect of Relevant 2003 Transactions. Subsequent to the publication of that statement, the DC has received a note from ISDA's Credit Market Infrastructure Group (**CIG**) citing further operational concerns in relation to the tentative Auction timetable in respect of Relevant 2003 Transactions set out in the 12 September DC Statement. Specifically, that it would be undesirable for market participants to be triggering their Relevant 2003 Transactions over certain cut-off dates and deadline relating to the Banco Popular Español SA Updated 2003 Transactions Auction(s) (e.g. Movement Option Cut-Off Date, Auction Date and NOPS Date). As a consequence, the DC was of the view that it would be desirable to push the Auction timetable in respect of Relevant 2003 Transactions back to reduce the operational risks which might arise from market participants having to manage multiple events simultaneously.

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

- (a) **Friday 13 October 2017: publication of Final List;**
- (b) **Tuesday 17 October 2017: Exercise Cut-off Date applicable to Seller;**
- (c) **Friday 20 October 2017: Exercise Cut-off Date applicable to Buyer;**
- (d) **Thursday 26 October 2017: Movement Option Cut-off Date; and**
- (e) **Wednesday 1 November 2017: Auction Date.**

As the DC did not receive any challenges to the obligations included on the Supplemental List by the Challenge Deadline of 5:00 p.m. London time on Wednesday 20 September 2017, the DC would usually publish the Final List shortly after the Challenge Deadline. However, the DC resolved, pursuant to Section 3.3(f) (*Timetables*) of the DC Rules, to delay publication of the Final List to 13 October 2017. In such a way, the expiration of the relevant triggering periods will be of the usual duration but the applicable triggering cut-off dates will be determined by reference to Friday 13 October 2017. In other words, Sellers can trigger on the two business days after such date and Buyers can trigger on the five business days after such date.

### Deliverable Obligation 8 (ISIN XS0406990316)

Although no challenge was received to any of the obligations included on the Supplemental List by the challenge deadline on Monday 18 September 2017, it has subsequently been suggested that Deliverable Obligation 8 (ISIN XS0406990316) on the Supplemental List might have already been redeemed and therefore may need to be replaced on the Final List.

<sup>1</sup> Available at [http://dc.isda.org/wp-content/files\\_mf/1453298092DC\\_Rules\\_Jan\\_2016\\_Update.pdf](http://dc.isda.org/wp-content/files_mf/1453298092DC_Rules_Jan_2016_Update.pdf)

<sup>2</sup> See [DC Statement of 12 September 2017](#)

The DC is in the process of investigating this new information and will publish an update as soon as further information on this issue becomes available.