

## Americas Credit Derivatives Determinations Committee Meeting Statement – September 10, 2020<sup>1</sup>

### DC Issue Number 2020082802

### Physical Settlement Guidance

On September 8, 2020, the Americas DC announced that no Auction will be held with respect to ENSCO International Incorporated (**ENSCO**).<sup>2</sup>

As a result, September 8, 2020, is the No Auction Announcement Date with respect to, and the Fallback Settlement Method is now applicable to, Credit Derivative Transactions that incorporate the Definitions and specify ENSCO as the Reference Entity (**ENSCO Transactions**).<sup>3</sup>

The Americas DC is publishing the following guidance for ENSCO Transactions for which Physical Settlement is the applicable Fallback Settlement Method. This guidance is summary in nature and should be read in conjunction with the applicable Definitions and the terms of the relevant ENSCO Transaction.

#### **NOPs Cut-off Date:**

Because September 8, 2020 is the No Auction Announcement Date, under the Definitions, Buyer must deliver a Notice of Physical Settlement on or prior to **October 8, 2020**, or such date will be the Termination Date.<sup>4</sup>

Parties to ENSCO Transactions should consult Exhibit C of the 2014 Definitions and Exhibit C of the Updated 2003 Definitions for a form of Notice of Physical Settlement.

#### **Physical Settlement Date:**

For purposes of the Definitions, the Physical Settlement Date is the last day by which Buyer may Deliver the Deliverable Obligations specified in the relevant Notice of Physical Settlement.<sup>5</sup>

The Americas DC notes that for ENSCO Bonds, the Physical Settlement Period is two Business Days, and therefore the Physical Settlement Date for Bonds is **October 13, 2020**.

---

<sup>1</sup> The Coverage Election in respect of the DC Question is for both (a) the 2014 ISDA Credit Derivatives Definitions (the **2014 Definitions**) and (b) the 2003 ISDA Credit Derivatives Definitions, as supplemented by the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement (the **Updated 2003 Definitions**, and together with the 2014 Definitions, the **Definitions**), each as published by the International Swaps and Derivatives Association, Inc. Each capitalized term used but not defined in this Statement has the meaning specified in the Credit Derivatives Determinations Committees Rules (September 28, 2018 version, as amended as of the date hereof) (the **DC Rules**), the Updated 2003 Definitions, or the 2014 Definitions, as applicable.

<sup>2</sup> For the avoidance of doubt, no Credit Event Notice is required to be delivered as the Event Determination Date has been set by DC Resolution. See 2014 Definitions at Section 1.16(a)(ii); Updated 2003 Definitions at Section 1.8(a)(ii).

<sup>3</sup> See 2014 Definitions at Section 6.1 and Section 6.11; Updated 2003 Definitions at Section 12.1.

<sup>4</sup> See 2014 Definitions at Section 5.1 (providing that if no effective Notice of Physical Settlement is delivered by Buyer on or prior to the NOPS Cut-off Date, the NOPS Cut-off Date shall be the Termination Date) and Section 8.10 (defining the "NOPS Cut-off Date" as the date that is thirty calendar days after the No Auction Announcement Date); Updated 2003 Definitions at Section 3.2(c) (providing that the "Notice of Physical Settlement Condition" is satisfied if delivery by Buyer of a Notice of Physical Settlement to Seller is effective on or prior to the thirtieth calendar day after the No Auction Announcement Date) and Section 3.4 (providing that if no effective Notice of Physical Settlement is delivered by Buyer on or prior to the thirtieth calendar day following the No Auction Announcement Date, the thirtieth calendar day following the No Auction Announcement Date shall be the Termination Date).

<sup>5</sup> See 2014 Definitions at Section 8.1 and Section 8.17; Updated 2003 Definitions at Section 8.1 and Section 8.4.

**Further Fallback Provisions to Physical Settlement:**

Parties to ENSCO Transactions should review Article IX of the 2014 Definitions and Article IX of the Updated 2003 Definitions to understand the further fallback provisions applicable to Physical Settlement.