Frequently Asked Questions Regarding the Appointment of S&P Global Market Intelligence as DC Administrator

1. Why was S&P Global Market Intelligence selected as the new DC Administrator?

Following a competitive request-for-proposal process and after evaluating the proposals against a range of criteria, a selection committee (the "Committee") comprised of representatives from the Credit Derivatives Governance Committee (the "GC") recommended S&P Global Market Intelligence (SPG) to the full GC. The criteria the Committee considered related to infrastructure, process improvement, funding, governance, transition planning, business continuity and the long-term sustainability of the Credit Derivatives Determinations Committee (DC) process.

The recommendation reflects the Committee's view that SPG's submission combined immediate infrastructure improvements, a sustainable commercial model and a phased approach to future development of the DC process.

2. Is the appointment consistent with the recommendations of the Linklaters Review?

Yes. A key objective of the selection process was to identify a solution that could address and implement the recommendations arising from the Linklaters Review. The GC and the Committee evaluated proposals with those recommendations firmly in mind.

The selection process was designed to identify a solution that could implement various recommendations initially compiled by Linklaters, while delivering infrastructure and operational improvements to improve the efficiency and resiliency of the DC process. The proposal also accommodates the potential for future enhancements through DC Rule changes as specified in the GC charter and after public consultation.

3. How will SPG interact with regulators?

When and where appropriate, SPG expects to, in coordination with ISDA, engage constructively with relevant regulators and facilitate dialogue regarding the DC process. SPG brings extensive experience interacting with regulators and policy makers globally to its role as DC Administrator. This includes a track record of operating businesses within regulated environments and supporting evolving regulatory requirements in derivatives markets.

Throughout the selection process, regulatory considerations formed an important part of the Committee's consideration of the evaluation criteria. SPG indicated that it intends to perform the administrator function using good governance and quality-control practices consistent with those applied across its existing businesses and to cooperate with ISDA with respect to any applicable regulatory inquiries relating to the administration of the DC process, subject to applicable law, confidentiality obligations and the relevant DC governance framework.

4. What changes should market participants expect immediately following the transition?

The first phase of the transition will be focused on implementing new infrastructure and operational enhancements.

Market participants should not expect significant immediate changes to the substance of the DC decision-making process. The initial phase is intended to modernize and strengthen core infrastructure, including administration, digital platforms, workflow management, communications and supporting operational processes, while maintaining continuity of the existing framework.

5. Does the appointment mean that major structural changes to the DC process have already been approved?

No. The appointment of SPG as DC Administrator does not determine whether future structural changes related to the recommendations arising from the Linklaters Review will be approved.

The appointment relates to the administration of the DC process and the delivery of agreed infrastructure and operational improvements. Any future changes to DC governance, decision-making structures or DC Rules would remain subject to the established governance processes, including the 30-day public consultation period and supermajority vote by the GC provided for in the GC charter.

6. How will future changes to the DC process be considered?

Future evolution of the DC framework will be driven by public consultation and considered by and ultimately voted on by the GC, through the established governance processes.

The GC was established and incorporated broad industry representation specifically to provide a structured mechanism for considering and providing a mandate for DC Rule amendments, governance changes and other relevant enhancements. Consistent with that approach, any future proposals will be evaluated carefully, with input from public consultation and consultation with regulators as appropriate.

No future phase of development will be implemented automatically as a consequence of the appointment.

7. What about existing changes being discussed by the GC or put out for public comment?

There are several changes currently being discussed by the GC or already put out for public comment. The appointment of SPG is intended to ensure that any changes can be implemented in a timely manner and on a platform with technological and process improvements after the requisite public consultation and GC voting.

8. When will SPG take over the administrative functions of the DC?

The current plan is to have SPG introduce the new website technology and begin administering the DCs and GC in the fall of 2026, subject to satisfaction of applicable conditions. A&O Shearman and Linklaters will continue to serve as DC counsel and will continue to attend meetings in that capacity. Both firms will also continue to send administrative personnel for a transition period to ensure the smooth handover and running of meetings. While DC counsel is anticipated to be expanded at a later date, there is no intention to replace DC counsel.

Nothing in this FAQ is intended to modify or supplement the rights, obligations or governance arrangements applicable to the DC process, nor is it intended to constitute legal, regulatory or other professional advice or to create any binding commitment on the part of SPG or any other party.