

UPDATE 29

17 July 2009

3.4 Credit Derivatives

[U25.01] Legal advice on Small Bang Protocol

Mallesons Stephen Jaques has issued an opinion with respect to the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement to the 2003 ISDA Credit Derivative Definitions, which was published by ISDA on 14 July 2009. Market participants may adhere to the Protocol on or before 24 July 2009 and ISDA has stated that it will not accept adherence letters at a later date (although ISDA retains the right to extend this period or to reopen adherence at a later date).

The primary function of the Protocol is to incorporate the July 2009 Supplement to the 2003 ISDA Credit Derivatives Definitions. This Supplement applies “Auction Settlement” to “Restructuring Credit Events” into the terms of certain specified types of existing (and, for a limited period of time, future) Credit Derivatives Transactions between the Adhering Parties.

The advice has been inserted in [3.4.3].

The ISDA Protocol will be open until 24 July 2009.