

**Chapter 801
CDS Contracts****80101. SCOPE OF CHAPTER**

The scope of this Chapter is limited in application to CDS Contracts. The procedures for trading, clearing and settlement of CDS Contracts and any other matters not specifically covered herein shall be governed by the other Chapters of these Rules, including, but not limited to, Chapter 8-F (Over-the-Counter Derivatives Clearing) and Chapter 8-H (Credit Default Swaps Clearing), to the extent applicable. ~~Capitalized terms in this Chapter not otherwise defined in this Chapter shall have the meaning given to such terms in the other Chapters of these Rules, the Credit Derivatives Definitions or the DC Rules.~~

80102. ELIGIBLE CONTRACT PARTICIPANT

In order to transact in CDS Contracts, a CDS Participant must be an ECP. A CDS Clearing Member must obtain a representation from each CDS Participant for which it provides clearing services that such CDS Participant is an ECP on each day on which a Credit Default Swap or CDS Contract is entered into. If any person responsible for CDS clearing at a CDS Clearing Member becomes aware that a CDS Participant for which it provides clearing services no longer qualifies as an ECP, the CDS Clearing Member must notify the Clearing House; ~~provided that violations~~, Violations of this rule may subject the relevant CDS Clearing Member to fines and other disciplinary action.

CDS Clearing Members and CDS Participants must register with the Clearing House in order to participate in the clearing of CDS Contracts through the Clearing House. CDS Clearing Members and CDS Participants must complete all applicable on-boarding agreements required by the Clearing House to satisfy the registration process.

80103. SUBMISSION OF CDS CONTRACTS TO THE CLEARING HOUSE**80103.A. CDS Submission Methods**

Bilateral CDS transactions may be submitted to the Clearing House for clearing through (a) the Clearing House Migration Utility, (b) the Clearing House ClearPort GUI and API and (c) any other facility or trade platform approved by the Clearing House from time to time, as subsequently captured in the Clearing House Front End Clearing System (the "**FEC System**"). To the extent not specified elsewhere in these Rules, the Clearing House will specify the terms and conditions under which bilateral CDS transactions may be submitted to the Clearing House for clearing through procedures defined in the Clearing House CDS Manual.

80103.B. Acceptance of CDS by the Clearing House and creation of CDS Contracts

Any bilateral CDS transaction (i) that is submitted to the Clearing House in accordance with the Rules and with all required elections, (ii) that satisfies the conditions in Rule 8H05, (iii) that is eligible for clearing pursuant to Rules 80103.C and 80104 and (iv) where both CDS Clearing Members have accepted the resulting CDS Contracts, will be accepted for clearing and will result in two CDS Contracts in accordance

with Rule 8H05. From the relevant Acceptance Time, a CDS Clearing Member will be deemed to have entered into a CDS Contract with the Clearing House.

Notwithstanding any provision to the contrary in the Rules or in the Exchange User License Agreement (as may be amended from time to time), the parties to a bilateral CDS transaction submitted for clearing and which has not been accepted for clearing by the Clearing House pursuant to these Rules or which has been rejected by the Clearing House pursuant to these Rules may separately agree that such trade is a valid, binding agreement between the parties which is un-cleared and which has no affiliation with the Clearing House.

80103.C. Eligible CDS

On any day a bilateral CDS transaction submitted to the Clearing House for clearing shall be eligible to be accepted for clearing by the Clearing House only if it would give rise to CDS Contracts identified by a clearing product code in the Product Reference File on the Submission Date in respect of such bilateral CDS transaction.

Any bilateral single name CDS transaction that would otherwise be eligible for clearing by the Clearing House shall cease to be eligible if it would give rise to North American Single Name CDS Contracts on clearing in respect of which, (a) on the Submission Date in respect of such bilateral single name CDS transaction, the Fallback Settlement Method is applicable or (b) the Submission Time in respect of such bilateral single name CDS transaction occurs on or after 7:00 p.m. (New York time) on the Auction Final Price Determination Date; provided that, the Clearing House may, by written notice to all CDS Clearing Members following consultation with the CDS RC, designate an acceptance cut-off time later than the time determined pursuant to the foregoing clauses (a) and (b).

Any bilateral index CDS transaction that would otherwise be eligible for clearing by the Clearing House shall cease to be eligible if it would give rise to CDX Index Untranchured CDS Contracts on clearing which references a version of the relevant CDX Index including a Reference Entity in respect of which (a) on the Submission Date in respect of such bilateral index CDS transaction, the Fallback Settlement Method is applicable or (b) the Submission Time in respect of such bilateral index CDS transaction occurs on or after 7:00 p.m. (New York time) on the Auction Final Price Determination Date; provided that the Clearing House may, by written notice to all CDS Clearing Members following consultation with the CDS RC, designate an acceptance cut-off time later than the time determined pursuant to the foregoing clauses (a) and (b).

[Any bilateral index CDS transaction that would otherwise be eligible for clearing by the Clearing House shall cease to be eligible if it would give rise to iTraxx Europe Index Untranchured CDS Contracts on clearing on or after the Clearing Cut-off Date.](#)

CDS Contracts may only be for accounts registered with the Clearing House by the relevant CDS Clearing Members.

80104. CLEARING SELF-REFERENCING CDS CONTRACTS

80104.A. Clearing Through Clearing Member's House (or Proprietary) Account

North American Single Name CDS Contracts

A CDS Clearing Member is prohibited from clearing through its house (or proprietary) account a bilateral transaction in respect of a proposed North American Single Name CDS Contract where the Reference Entity in respect of such North American Single Name CDS Contract is such CDS Clearing Member or an Affiliate

of such CDS Clearing Member (any such CDS Contract whether such circumstances exist at the time of submission or arise thereafter, an **"Affected CDS Contract"** and the relevant CDS Clearing Member, an **"Affected CDS Clearing Member"**). Any breach solely of the first paragraph of this Rule 80104.A. by a CDS Clearing Member shall not be considered a default but may subject the relevant CDS Clearing Member to Clearing House disciplinary action, including the imposition of fines or, for continuing or serious violations of this Rule, review by the CDS RC of the CDS Clearing Member's compliance with clearing member eligibility criteria for CDS Clearing.

A CDS Clearing Member shall notify the Clearing House as soon as reasonably practicable if any bilateral single name CDS transaction submitted by it for clearing is, or prior to the relevant Acceptance Time becomes, ineligible for clearing pursuant to this paragraph. Any bilateral single name CDS transaction which is submitted for clearing but which is, or becomes before the relevant Acceptance Time, ineligible for clearing may be rejected by the Clearing House.

Any Affected CDS Contract which arises from a ~~bilateral single name CDS transaction~~ [North American Single Name CDS Contract](#) submitted by a CDS Clearing Member which was or becomes ineligible for clearing pursuant to these Rules at the Acceptance Time must be closed out within five Clearing Business Days from the date on which any person responsible for CDS clearing at such CDS Clearing Member becomes aware of the fact of such ineligible North American Single Name CDS Contract. At the discretion of the Clearing House, a breach of this provision may result in the Clearing House imposing a daily fine on such Clearing Member for so long as such breach is continuing.

A CDS Clearing Member shall, subject to any restrictions on such disclosure imposed by applicable laws or regulations, notify the Clearing House as soon as reasonably practicable if such CDS Clearing Member or a Reference Entity in respect of a CDS Contract (a **"Relevant Reference Entity"**) consolidates or amalgamates with, or merges into, or transfers all or substantially all of its assets to, a Relevant Reference Entity or such CDS Clearing Member, as applicable, or such CDS Clearing Member and a Relevant Reference Entity are or become the same entity or are or become Affiliates, or such CDS Clearing Member is subject to an agreement that has been publicly disclosed and pursuant to which any of the foregoing is reasonably likely to occur.

After becoming aware of any Affected CDS Contracts, the Clearing House will (i) notify the Affected CDS Clearing Member thereof (unless the Affected CDS Clearing Member had notified the Clearing House of the Affected CDS Contracts) and (ii) give the Affected CDS Clearing Member a specified period of time to close out such Affected CDS Contracts before the auction process described below may commence, which will be a minimum of 5 Clearing Business Days from the date of notice of such specified period and will be determined in consultation with the [CDS](#) Default Management Committee taking into account the size and nature of the Affected CDS Contracts in question, market conditions prevailing at the time, the potential market effects of closing-out such Affected CDS Contracts and such other circumstances as it deems relevant.

If after such specified period, any such Affected CDS Contract has not been closed out, the Clearing House will, to the extent permitted in accordance with these Rules, net positions in the Affected CDS Contracts within the Affected Clearing Member. In order to transfer or liquidate the remaining positions in the Affected CDS Contracts after such netting process (the **"Remaining Affected CDS Contracts"**), the Clearing House shall conduct an auction by requesting firm bid and offer quotations from all CDS Clearing Members (each auction in such process, a **"Single Name Auction"**). The Clearing House shall determine the timing and other particular characteristics of each Single Name Auction in consultation with the [CDS](#) Default Management Committee, including determining the size of the bid/offer spread of the CDS Contracts to be auctioned, whether one or more Single Name Auctions are to be held and the timing and structure of such auctions (including the frequency at which firm bid and firm offer quotations will be requested), the transaction size (i.e. the Floating Rate Payer Calculation Amount) and whether CDS Clearing Members

(excluding the Affected CDS Clearing Member) will be required (as opposed to requested) to submit actionable quotations in a Single Name Auction, provided that CDS Clearing Members will not be notified of whether the open position of the Affected CDS Clearing Member in such Remaining Affected CDS Contracts is as buyer or seller.

The Remaining Affected CDS Contracts shall be transferred to eligible CDS Clearing Members or liquidated through transactions between the Clearing House and eligible CDS Clearing Members in the notional sizes and at the prices determined by the Clearing House pursuant to the Single Name Auction(s). Any initial payments, margin or other payments or deliveries owed (including the dates of settlement with respect thereto) relating to the North American Single Name CDS Contracts increased, created, reduced or terminated pursuant to this paragraph shall be as determined by the Clearing House with reference to the Single Name Auction(s).

In the event that the Single Name Auction(s) fail or the Clearing House is unable to effect the transfer or liquidation of some or all of the Remaining Affected CDS Contracts in accordance with the Single Name Auction(s), the Clearing House, in consultation with the [CDS](#) Default Management Committee, will have the right to determine the appropriate fallback method pursuant to which the relevant Remaining Affected CDS Contracts will be terminated, transferred or liquidated.

A CDS Clearing Member must, following notice by the Clearing House of the amount, fully collateralize its exposure to the Clearing House in respect of any Affected CDS Contracts. For this purpose exposure shall be deemed to be either (a) if the CDS Clearing Member is a Seller under such Affected CDS Contracts, the Floating Rate Payer Calculation Amount of such Affected CDS Contracts and (b) if the CDS Clearing Member is a Buyer under such Affected CDS Contracts, the aggregate of all future Fixed Amounts which may become due under such Affected CDS Contracts.

CDS Contracts Referencing Indices

If, as a consequence of CDX Index Untranching CDS Contracts, a CDS Clearing Member holds a net exposure in its house (or proprietary) account to itself or any of its Affiliates, with such exposure calculated on a cross-index and cross-maturity basis and across the net positions held by such CDS Clearing Member and its Affiliates, in excess of the lesser of either:

1. \$50 million notional; or
2. 1% of its adjusted net capital (as defined in accordance with regulation applicable to such entity or, in the absence of any such regulation, as calculated under CFTC Rule 1.17 as though such entity were a Futures Commission Merchant, including the requirement to prepare and provide to the Clearing House a Form 1-FR-FCM or FOCUS Report as of the times required for Futures Commission Merchants);

then, in addition to any existing collateral requirements (other than in relation to the CDX Component Transaction referencing the relevant Reference Entity), the CDS Clearing Member must, following notice by the Clearing House of the amount, fully collateralize its exposure in excess of this amount in accordance with the Rules. For this purpose exposure shall be deemed to be either (a) if the CDS Clearing Member is a Seller under such CDX Index Untranching CDS Contracts, the portion of the Floating Rate Payer Calculation Amount of such CDX Index Untranching CDS Contracts attributable to the relevant Reference Entity and (b) if the CDS Clearing Member is a Buyer under such CDX Index Untranching CDS Contracts, the aggregate of the portion of all future Fixed Amounts which may become due under such CDX Index Untranching CDS Contracts and which are attributable to the relevant Reference Entity.

80104.B. Clearing Through Clearing Member's Customer Account**North American Single Name CDS Contracts**

A CDS Clearing Member shall use reasonable efforts not to submit for clearing for a CDS Participant through such CDS Clearing Member's customer account, and a CDS Participant must not request that a CDS Clearing Member submit for clearing on its behalf through such account, a bilateral CDS transaction in respect of a proposed North American Single Name CDS Contract where the Reference Entity in respect of such North American Single Name CDS Contract is such CDS Participant, such CDS Clearing Member, an Affiliate of such CDS Participant or an Affiliate of such CDS Clearing Member (any such CDS Contract whether such circumstances exist at the time of submission or arise thereafter, an "**Affected Customer CDS Contract**" and the relevant CDS Participant, an "**Affected Customer**"). Any breach solely of the first paragraph of this Rule 80104.B. by a CDS Clearing Member shall not, without more, be considered a default but may subject the relevant CDS Clearing Member to Clearing House disciplinary action, including the imposition of fines as described below or, for continuing or serious violations of this Rule, review by the CDS RC of the CDS Clearing Member's compliance with clearing member eligibility criteria for CDS clearing.

Following notice by the Clearing House to the relevant CDS Clearing Member of the amount of margin with respect to an Affected Customer CDS Contract, such CDS Clearing Member must fully collateralize the Clearing House's exposure in respect of any Affected Customer CDS Contracts and such requirement to provide full collateralization shall constitute a performance bond requirement applicable to the Affected Customer. For this purpose exposure shall be deemed to be either (a) if the CDS Clearing Member is agent for a Seller under such Affected Customer CDS Contracts, the Floating Rate Payer Calculation Amount of such Affected Customer CDS Contracts and (b) if the CDS Clearing Member is agent for a Buyer under such Affected Customer CDS Contracts, the aggregate of all future Fixed Amounts which may become due under such Affected Customer CDS Contracts.

A CDS Clearing Member may require any CDS Contract which was an Affected Customer CDS Contract at the Acceptance Time or later becomes an Affected Customer CDS Contract to be closed out by the Affected Customer within five Clearing Business Days from the date on which any person responsible for CDS clearing at such Affected Customer becomes aware of such an Affected Customer CDS Contract. Upon becoming aware of an Affected Customer CDS Contract, the CDS Clearing Member must notify the Clearing House and the Affected Customer and work with the Affected Customer to close out such Affected Customer CDS Contract, in each case, as soon as practicable; provided that, if the Affected Customer does not complete the close out of all such Affected Customer CDS Contracts within five Clearing Business Days of the CDS Clearing Member's notice to the Affected Customer thereof, the CDS Clearing Member shall, within three Clearing Business Days, terminate and/or liquidate any such remaining open Affected Customer CDS Contracts of the Affected Customer either (a) in the open market, if such Affected Customer CDS Contract is listed for electronic trading on an exchange or execution facility for which the Clearing House provides clearing services or (b) at a commercially reasonable price reflecting the CDS Clearing Member's side of the market, if such Affected Customer CDS Contract is not listed for electronic trading on an exchange or execution facility for which the Clearing House provides clearing services.

If after such specified period, any such Affected Customer CDS Contract has not been closed out, the Clearing House will, to the extent permitted in accordance with these Rules, net positions in the Affected Customer CDS Contracts within the Affected Customer's CDS Clearing Member. In order to transfer or liquidate the remaining positions in the Affected Customer CDS Contract after such netting process (the "**Remaining Affected Customer CDS Contract**"), the Clearing House shall conduct a Single Name Auction and shall determine the timing and other particular characteristics of each Single Name Auction in consultation with the [CDS](#) Default Management Committee, including determining the size of the bid/offer spread of the Remaining Affected Customer CDS Contracts to be auctioned, whether one or more Single Name Auctions are to be held and the timing and structure of such auctions (including the frequency at

which firm bid and firm offer quotations will be requested), the transaction size (i.e. the Floating Rate Payer Calculation Amount) and whether CDS Clearing Members (excluding the CDS Clearing Member for the Affected Customer) will be required (as opposed to requested) to submit actionable quotations in a Single Name Auction, provided that CDS Clearing Members will not be notified of whether the open position of the Affected Customer in such Remaining Affected Customer CDS Contracts is as buyer or seller.

The Remaining Affected Customer CDS Contracts shall be transferred to eligible CDS Clearing Members or liquidated through transactions between the Clearing House and eligible CDS Clearing Members in the notional sizes and at the prices determined by the Clearing House pursuant to the Single Name Auction(s). Any initial payments, margin or other payments or deliveries owed (including the dates of settlement with respect thereto) relating to the North American Single Name CDS Contracts increased, created, reduced or terminated pursuant to this paragraph shall be as determined by the Clearing House with reference to the Single Name Auction(s).

In the event that the Single Name Auction(s) fail or the Clearing House is unable to effect the transfer or liquidation of some or all of the Remaining Affected Customer CDS Contracts in accordance with the Single Name Auction(s), the Clearing House, in consultation with the [CDS](#) Default Management Committee, will have the right to determine the appropriate fallback method pursuant to which the relevant Remaining Affected Customer CDS Contracts will be terminated, transferred or liquidated.

CDS Contracts Referencing Indices

If a CDS Clearing Member clears positions in CDX Index Untranching CDS Contracts for a customer through such CDS Clearing Member's customer account and such positions result in a net exposure on the part of its customer to such customer or any of such customer's Affiliates, **with such exposure calculated on a cross-index and cross-maturity basis and across the net positions held by such customer and its Affiliates**, in excess of the lesser of either:

1. \$25 million notional; or
2. 0.5% of such CDS Clearing Member's adjusted net capital (as defined in accordance with regulation applicable to such entity or, in the absence of any such regulation, as calculated under CFTC Rule 1.17 as though such entity were a Futures Commission Merchant, including the requirement to prepare and provide to the Clearing House a Form 1-FR-FCM or FOCUS Report as of the times required for Futures Commission Merchants),

then, in addition to any existing collateral requirements (other than in relation to the CDX Component Transaction referencing the relevant Reference Entity), the CDS Clearing Member must fully collateralize such customer's exposure in excess of this amount in accordance with these Rules **and such requirement to provide full collateralization shall constitute a performance bond requirement applicable to the customer or its affiliates, as applicable**. For this purpose exposure shall be deemed to be either (a) if the CDS Clearing Member is agent for a Seller under such CDX Index Untranching CDS Contracts, the portion of the Floating Rate Payer Calculation Amount of such CDX Index Untranching CDS Contracts attributable to the relevant Reference Entity and (b) if the CDS Clearing Member is agent for a Buyer under such CDX Index Untranching CDS Contracts, the aggregate of the portion of all future Fixed Amounts which may become due under such CDX Index Untranching CDS Contracts and which are attributable to the relevant Reference Entity.

80105. TAXES

- A. All payments on any CDS Contract will be made without any deduction or withholding for or on account of any Tax unless such deduction or withholding is required by any applicable law. If the Clearing House or a CDS Clearing Member is required to deduct or withhold, then the Clearing House or the CDS Clearing Member (each, a “payor”) will: (i) promptly notify the recipient of such requirement; (ii) pay to the relevant authorities the full amount required to be deducted or withheld (in the case of a CDS Clearing Member as payor, including the full amount required to be deducted or withheld from any amount paid by the CDS Clearing Member to the Clearing House under Rule 80105.B, 80105.C or 80105.D) promptly upon the earlier of determining that such deduction or withholding is required or receiving notice that such amount has been assessed against the recipient; and (iii) promptly forward to the recipient an official receipt (or a certified copy), or other documentation reasonably acceptable to the recipient, evidencing such payment to such authorities.
- B. In the event that any payment made by a CDS Clearing Member to the Clearing House under any CDS Contract is subject to deduction or withholding (including the full amount required to be deducted or withheld from any amount paid by the CDS Clearing Member to the Clearing House under Rule 80105.B, 80105.C or 80105.D), either at the time of such payment or in the future, for or on account of any Tax (other than a Tax that would not have been imposed in respect of such payment but for a present or former connection between the jurisdiction of the government or taxation authority imposing such Tax and the Clearing House), then the CDS Clearing Member shall pay to the Clearing House an amount (such amount, together with any additional amount paid pursuant to Rule 80105.G, the “**Additional Amount**”), in addition to the payment to which the Clearing House is otherwise entitled under these Rules on any CDS Contract, necessary to ensure that the net amount actually received by the Clearing House (free and clear of any such deduction or withholding for or on account of any such Tax, whether assessed against the CDS Clearing Member or the Clearing House), will equal the full amount the Clearing House would have received in the absence of any such deduction or withholding.

However, a CDS Clearing Member will not be required to pay any Additional Amount to the Clearing House under this Rule 80105.B to the extent that it would not be required to be paid but for the failure by the Clearing House to provide to the CDS Clearing Member such forms and documents as required under Rule 80105.E, provided that (A) the relevant CDS Clearing Member has notified the Clearing House in writing of such failure and (B) the Clearing House has failed to provide such forms or documents within five Clearing Business Days after the receipt of such notice.

- C. If (i) a CDS Clearing Member is required by any applicable law to make any deduction or withholding from any payment made to the Clearing House under any CDS Contract for or on account of any Tax, in respect of which the CDS Clearing Member would be required to pay an Additional Amount to the Clearing House under Rule 80105.B; (ii) the CDS Clearing Member does not so deduct or withhold; and (iii) a liability resulting from such Tax is assessed directly against the Clearing House, then, except to the extent the CDS Clearing Member has satisfied or then satisfies the liability resulting from such Tax, the CDS Clearing Member will promptly pay to the Clearing House the amount of such liability (including any related liability for interest, penalties and costs) and any tax imposed on the Clearing House with respect to the indemnity payments under this Rule 80105.C such that the amount actually received by the Clearing House will equal the full amount the Clearing House would have received in the absence of any such tax imposed on the indemnity payments made under this Rule 80105.C.
- D. If (i) the Clearing House is required by any applicable law to make any deduction or withholding from any payment made to a CDS Clearing Member under any CDS Contract for or on account of any Tax; (ii) the Clearing House does not so deduct or withhold; and (iii) a liability resulting from

such Tax is assessed directly against the Clearing House, then, except to the extent the CDS Clearing Member has satisfied or then satisfies the liability resulting from such Tax, the CDS Clearing Member will promptly pay to the Clearing House the amount of such liability (including any related liability for interest, penalties and cost, provided that such related liability would not have been imposed but for the failure of the CDS Clearing Member to comply with any of its obligations under Rule 80105) and any tax imposed on the Clearing House with respect to the indemnity payments under this Rule 80105.D such that the amount actually received by the Clearing House will equal the full amount the Clearing House would have received in the absence of any such tax imposed on the indemnity payments made under this Rule 80105.D.

- E. The Clearing House shall provide to each CDS Clearing Member (i) the tax forms and documents specified in Rule 80105.J.(i) and (ii) any other form or document reasonably requested in writing by the CDS Clearing Member in order to allow the CDS Clearing Member to make a payment under these Rules or any CDS Contract without deduction or withholding for or on account of any Tax or with such deduction or withholding at a reduced rate (so long as the completion, execution or submission of such form or document as described in this clause (ii) would not, in the Clearing House's judgment, materially prejudice the legal or commercial position of the Clearing House).
- F. Each CDS Clearing Member shall provide to the Clearing House (i) the tax forms and documents specified in Rule 80105.J.(ii) and (ii) any other form or document reasonably requested in writing by the Clearing House in order to allow the Clearing House to make a payment under any CDS Contract without deduction or withholding for or on account of any Tax or with such deduction or withholding at a reduced rate (so long as the completion, execution or submission of such form or document would not, in the CDS Clearing Member's judgment, materially prejudice the legal or commercial position of such CDS Clearing Member). For the avoidance of doubt, in the event that any payment made by the Clearing House to a CDS Clearing Member under any CDS Contract is subject to deduction or withholding (either at the time of such payment or in the future) for or on account of any Tax, the Clearing House is not required to pay any additional amount in respect of such deduction or withholding. The Clearing House will, at the CDS Clearing Member's expense, use commercially reasonable efforts to cooperate with a CDS Clearing Member to seek any credit or remission or other relief available with respect to any such Tax so deducted or withheld (so long as such cooperation would not, in the Clearing House's judgment, materially prejudice the legal or commercial position of the Clearing House).
- G. Each CDS Clearing Member will pay any stamp, registration, documentation, excise, sales or value added Tax or any other similar Tax levied or imposed upon it or in respect of its execution or performance of any agreement, contract or transaction in connection with any CDS Contract and will indemnify the Clearing House against any such stamp, registration, documentation, excise, sales or value added Tax (to the extent that the Clearing House is not able, in the Clearing House's commercially reasonable judgment, to reclaim or recover such value added Tax) or any other similar Tax levied or imposed upon the Clearing House or in respect of the Clearing House's execution or performance of any agreement, contract or transaction in connection with any CDS Contract. Any payment required to be made by a CDS Clearing Member to the Clearing House under this Rule 80105.G shall include an additional amount equal to any Tax levied or imposed on the Clearing House as a result of the receipt of any payment under this Rule 80105.G (including this sentence).
- H. Each CDS Clearing Member shall promptly notify the Clearing House in writing upon learning that any payment made by the Clearing House to the CDS Clearing Member or by the CDS Clearing Member to the Clearing House under any CDS Contract is subject to any Tax, other than any Tax imposed or levied based on the net income of the CDS Clearing Member or the Clearing House, as applicable.

- I. CDS Clearing Members shall not have any termination or other special rights in respect of CDS Contracts as a result of the occurrence of adverse Tax consequences, it being understood that CDS Clearing Members may, in accordance with these Rules, submit for clearing CDS Contracts with other CDS Clearing Members (including with any Affiliate that is a CDS Clearing Member) that, if accepted, would fully offset its existing open CDS Contracts, which offset would cause a full termination of such CDS Contract (in each case in accordance with the process set forth in the CDS Manual) for all legal and tax purposes. If so requested by a CDS Clearing Member for the purpose of reducing adverse Tax consequences to such CDS Clearing Member, the Clearing House shall use reasonable efforts to expeditiously review an application for status as a CDS Clearing Member submitted by an Affiliate of such requesting CDS Clearing Member.

- J. (i) The Clearing House agrees to complete and deliver to each CDS Clearing Member an Internal Revenue Service Form W-9 (or any successor form) on or prior to the date on which such CDS Clearing Member joins and (so long as the Clearing House remains eligible to do so) thereafter prior to the date on which such Form would become invalid, and (ii) the CDS Clearing Members agree to complete and deliver to the Clearing House on or prior to the date on which the Clearing Member joins and (so long as each remains eligible to do so) thereafter prior to the date on which such Form would become invalid, an Internal Revenue Service Form W-9 or any successor form (in the case of a CDS Clearing Member that is a U.S. person) or an Internal Revenue Service Form W-8BEN or W-8IMY or any successor form (in the case of a CDS Clearing Member that is a non-U.S. person), as applicable.