ISDA Resolution Stay Jurisdictional Modular Protocol

ISDA has prepared this list of frequently asked questions to assist in your consideration of the ISDA RESOLUTION STAY JURISDICTIONAL MODULAR PROTOCOL (the ISDA Jurisdictional Modular Protocol).

THESE FREQUENTLY ASKED QUESTIONS DO NOT PURPORT TO BE AND SHOULD NOT BE CONSIDERED A GUIDE TO OR AN EXPLANATION OF ALL RELEVANT ISSUES OR CONSIDERATIONS IN CONNECTION WITH THE ISDA JURISDICTIONAL MODULAR PROTOCOL. PARTIES SHOULD CONSULT WITH THEIR LEGAL ADVISERS AND ANY OTHER ADVISER THEY DEEM APPROPRIATE PRIOR TO USING OR ADHERING TO THE ISDA JURISDICTIONAL MODULAR PROTOCOL. ISDA ASSUMES NO RESPONSIBILITY FOR ANY USE TO WHICH ANY OF ITS DOCUMENTATION MAY BE PUT.

These FAQs address questions under the following general headings:

1. Who can adhere to the ISDA Jurisdictional Modular Protocol?

2. What does the ISDA Jurisdictional Modular Protocol do?

3. Special Considerations for Investment/Asset Managers.

4. What agreements does the ISDA Jurisdictional Modular Protocol cover?

5. How does the ISDA Jurisdictional Modular Protocol relate to the ISDA 2015 Universal Protocol?

6. How does the ISDA Jurisdictional Modular Protocol relate to Stay Regulations?

7. How to sign up to the ISDA Jurisdictional Modular Protocol.

The ISDA Jurisdictional Modular Protocol was developed by the same Working Group that helped develop, in consultation with regulators, the operative provisions of the ISDA 2014 Resolution Stay Protocol (ISDA 2014 Protocol) and the ISDA 2015 Universal Resolution Stay Protocol (ISDA 2015 Universal Protocol) and is aimed at achieving the same policy goals with respect to the orderly resolution of systemically important financial institutions. More specifically, the ISDA Jurisdictional Modular Protocol is aimed at enabling financial institutions to trade under terms that comply with the laws, regulations or other binding guidance (Stay Regulations) requiring them to amend certain agreements to ensure stays on or overrides of certain termination rights under statutory regimes that were for the most part developed in response to the financial crisis of 2008, called “special resolution regimes” (SRRs), will be effective with respect to all of their counterparties on a global basis, notwithstanding the governing law of the agreements.
The ISDA Jurisdictional Modular Protocol is a standalone protocol with its own operative provisions, separate from those of the ISDA 2014 Protocol and the ISDA 2015 Universal Protocol. This is because the ISDA 2014 Protocol and the ISDA 2015 Universal Protocol were developed in advance of Stay Regulations that the ISDA Jurisdictional Modular Protocol is enabling compliance with. In addition, the specific provisions of the ISDA 2015 Universal Protocol (and the ISDA 2014 Protocol on which it was based) differ from the requirements of Stay Regulations enacted thus far in ways that would make it unlikely to be used by buyside market participants. On the other hand, it is expected that both sellside and buyside institutions will adhere to the ISDA Jurisdictional Modular Protocol in order to comply with Stay Regulations, including those that adhere to the ISDA 2015 Universal Protocol. It is expected that market participants will utilize the ISDA Jurisdictional Modular Protocol, rather than the ISDA 2014 Protocol or the ISDA 2015 Universal Protocol, to comply with Stay Regulations.

The operative provisions of the ISDA Jurisdictional Modular Protocol are, however, aimed at achieving an outcome substantially similar to the outcome under Section 1 of the ISDA 2015 Universal Protocol, which results in counterparties to financial institutions consenting to be subject to and “opting in” to stays on or overrides of certain termination rights under SRRs, notwithstanding the governing law of their agreements.

The ISDA Jurisdictional Modular Protocol was developed specifically to provide a means for the broader market to comply with the express requirements of Stay Regulations without “over complying,” other than as described in these FAQs. This approach ensures that buyside and sellside market participants can comply with applicable Stay Regulations in a transparent and uniform manner through the ISDA Jurisdictional Modular Protocol. This approach of amending agreements only to the extent required by Stay Regulations is also likely the approach that parties would take were they to choose not to adhere to any of the protocols and instead amend their agreements bilaterally.

The ISDA Jurisdictional Modular Protocol is composed of boilerplate provisions and jurisdictional modules with respect to particular Stay Regulations in specific jurisdictions (the Jurisdictional Modules). As is true for all ISDA protocols, the boilerplate does not contain the operative provisions that amend agreements between the parties; rather those provisions are contained in the Jurisdictional Modules.

Below are questions and answers that are designed to explain the basic operation and application of the ISDA Jurisdictional Modular Protocol.

1. WHO CAN ADHERE TO THE ISDA JURISDICTIONAL MODULAR PROTOCOL?

What kinds of entities can adhere to the ISDA Jurisdictional Modular Protocol?

The ISDA Jurisdictional Modular Protocol is open to any entity to voluntarily adhere. Entities may adhere on behalf of themselves or as agents on behalf of one or more clients. See Question 3 for more information on adherence options for agents.
Can entities that are not ISDA members sign up to the ISDA Jurisdictional Modular Protocol?

Yes. ISDA members and non-ISDA members alike may adhere to the ISDA Jurisdictional Modular Protocol in the same way.

2. WHAT DOES THE ISDA JURISDICTIONAL MODULAR PROTOCOL DO?

How does the ISDA Jurisdictional Modular Protocol work?

The ISDA Jurisdictional Modular Protocol is intended to be a mechanism for market participants to comply with Stay Regulations in different jurisdictions that require financial institutions to obtain the consent of their counterparties to be subject to stays on or overrides of certain termination rights under SRRs.

The ISDA Jurisdictional Modular Protocol has two main sections: (1) boilerplate provisions that outline the ways that parties can adhere to individual Jurisdictional Modules under the ISDA Jurisdictional Modular Protocol and (2) Jurisdictional Modules for those jurisdictions that have finalized Stay Regulations.

What is a Jurisdictional Module?

The provisions of a Jurisdictional Module will be based directly on the requirements of Stay Regulations in a jurisdiction, and such provisions in a Jurisdictional Module amend Covered Agreements (as defined in Question 4) entered into by Adhering Parties. The Jurisdictional Modules do not amend specific provisions of an agreement, but rather amend Covered Agreements by adding terms to the Covered Agreements that govern when certain rights under the Covered Agreement may be exercised.

The text of a Jurisdictional Module will be aimed at amending Covered Agreements for Adhering Parties to be in compliance with applicable Stay Regulations, and so the operative provisions in a Jurisdictional Module will be determined by regulatory requirements. In particular, among other things, each of the following will be determined by the applicable Stay Regulations:

- The resolution regime or regimes to be opted in to;
- The specific rights covered by the opt in;
- The types of agreements covered by the Jurisdictional Module; and
- The entities subject to Stay Regulations and whose counterparties must opt in to their SRR.

As a result, each Jurisdictional Module will amend a Covered Agreement differently depending on what is required under an applicable Stay Regulation. In preparing Jurisdictional Modules, ISDA will aim to follow the text of finalized Stay Regulations to the greatest extent possible and will not engage in analysis or interpretations of regulatory requirements.
**Adhering Party Capacity.**

An entity may adhere to a particular Jurisdictional Module in two capacities: (i) as a “Regulated Entity” and/or (ii) as a “Module Adhering Party.” A Regulated Entity is an entity subject to Stay Regulations covered by the particular Jurisdictional Module. A Module Adhering Party is adhering to the Jurisdictional Module for the purpose of amending its Covered Agreements with a Regulated Entity to satisfy the Regulated Entity’s regulatory obligations. It is possible to adhere as both a “Regulated Entity” as well as a “Module Adhering Party,” as indicated below. Both Regulated Entities and Module Adhering Parties are Adhering Parties with respect to that Jurisdictional Module, but adhere in different capacities.

A Module Adhering Party adheres to a Jurisdictional Module by identifying itself as such in its Adherence Letter with respect to such Jurisdictional Module. A Regulated Entity adheres to a Jurisdictional Module by identifying itself as such in its Adherence Letter with respect to such Jurisdictional Module. An entity can identify itself as both a Module Adhering Party and a Regulated Entity with respect to a Jurisdictional Module in its Adherence Letter.

**Can I adhere as both a Regulated Entity and a Module Adhering Party?**

Yes, a Regulated Entity may also adhere to a Jurisdictional Module as a Module Adhering Party in order to satisfy the regulatory obligations applicable to its counterparties that are also Regulated Entities.

**Can I choose between Jurisdictional Modules?**

Yes, you do not have to adhere to all Jurisdictional Modules. You may choose which Jurisdictional Module(s) you wish to adhere to as a Regulated Entity, as a Module Adhering Party or as both.

**Who is a Regulated Entity?**

Because Stay Regulations in each jurisdiction define the scope of entities to which they apply differently, the term “Regulated Entity” is defined in each Jurisdictional Module. Each Jurisdictional Module is drafted such that the amendments in the Jurisdictional Module are only effective between a Module Adhering Party and a Regulated Entity Counterparty, so long as the Regulated Entity Counterparty actually satisfies the definition of “Regulated Entity” in such Jurisdictional Module. For example, in the UK, the Prudential Regulation Authority’s final rule on “Contractual stays in financial contracts governed by third-country law” (PRA Rule), which forms the basis of the UK (PRA Rule) Jurisdictional Module, only requires entities that are “BRRD Undertakings” or certain of their subsidiaries to amend their agreements. If, for example, two Adhering Parties, neither of which is a BRRD Undertaking or a subsidiary of a BRRD Undertaking, adhere to the UK (PRA Rule) Jurisdictional Module, the amendments in the UK (PRA Rule) Jurisdictional Module will never apply to agreements between such Adhering Parties, even if one such Adhering Party incorrectly identifies itself as a Regulated Entity subject to the PRA Rule.

**Does a Regulated Entity have to amend its agreements with all Module Adhering Parties?**
Yes, a Regulated Entity agrees that by submitting an Adherence Letter it is agreeing that the relevant Jurisdictional Module shall apply to any Covered Agreement (as defined in the relevant Jurisdictional Module) between such Regulated Entity and each Module Adhering Party that identifies such Regulated Entity as a Regulated Entity Counterparty.

As a result, a Regulated Entity agrees to amend its Covered Agreements with any Module Adhering Party that adheres to the relevant Jurisdictional Module and identifies such Regulated Entity as a Regulated Entity Counterparty with respect to it.

**Does a Module Adhering Party have to amend its agreements with all Regulated Entities?**

The answer may vary by Jurisdictional Module depending on what is required under the relevant Stay Regulations. For information about adherence options for specific Jurisdictional Modules, see the FAQs for each specific Jurisdictional Module.

**What agreements are covered by the ISDA Jurisdictional Modular Protocol?**

Each Jurisdictional Module will be drafted so that the amendments required by Stay Regulations are made to the type of agreements covered by those Stay Regulations between a Module Adhering Party and each Regulated Entity Counterparty with respect to it or provided by one such party to the other. Each such agreement is defined as a “Covered Agreement.” The scope of agreements covered by the ISDA Jurisdictional Modular Protocol is discussed further in Question 4.

**When will a Jurisdictional Module be published?**

A Jurisdictional Module in respect of a jurisdiction can only be published if that jurisdiction (i) fully implements a final SRR that provides for stays or overrides of termination rights under certain financial agreements and (ii) fully implements final Stay Regulations that require financial institutions to obtain the consent of their counterparties to be subject to stays on or overrides of certain termination rights under the SRR and provides sufficient detail on the scope and substantive requirements to draft a Jurisdictional Module.

**3. SPECIAL CONSIDERATIONS FOR INVESTMENT/ASSET MANAGERS.**

**How do I adhere on behalf of my clients?**

If you are an investment or asset manager and act on behalf of one or more principals or funds (each referred to in these FAQs as a “client”), you may sign the Adherence Letter to adhere as a Module Adhering Party on behalf of clients using one of the options below. You may not use an Adherence Letter to adhere as a Regulated Entity on behalf of clients or on behalf of Regulated Entity clients.

In your Adherence Letter for a Jurisdictional Module, you can elect to adhere (1) as a principal, (2) as an agent on behalf of all of the clients that you represent or (3) as an agent on behalf of some, but not all, of the clients that you represent. If you adhere under options (2) or (3) on behalf of clients, as it is the case for a principal that adheres under option (1), you will be able to
elect any of the different adherence options to identify one or more Regulated Entity Counterparties on behalf of your clients.

If the elections in the Adherence Letter vary between your clients, you should adhere for each client individually or adhere for each group of clients with identical elections identified in the Adherence Letter. Alternatively, if you have the required authority, you may adhere with the same elections for all clients and then bilaterally agree to any relevant variations with your counterparties.

**How do I adhere as a principal and on behalf of my clients?**

If you are adhering as both an investment or asset manager acting on behalf of one or more clients and as a principal for your proprietary trades, you should submit two separate Adherence Letters. You should sign one Adherence Letter to adhere as a Module Adhering Party on behalf of clients and sign a separate Adherence Letter to adhere as a Module Adhering Party as a principal.

**How do I adhere on behalf of all clients I represent?**

If you have the authority to adhere to a particular Jurisdictional Module as agent on behalf of all clients, you may choose the following adherence type in your Adherence Letter: “Investment/Asset Manager/or other agent on behalf of all funds or other principals that it represents.” A separate Adherence Letter for each client does not need to be submitted to ISDA and no specific names of clients must be publicly disclosed on the ISDA website in connection with such Jurisdictional Module. You may, at your option, choose to provide a list of clients to your Regulated Entity Counterparties bilaterally or through ISDA Amend. However, all clients will be bound whether a list of clients is provided or not.

**How do I adhere on behalf of some, but not all, clients I represent?**

If you have the authority to adhere to a particular Jurisdictional Module as agent on behalf of one or more, but not all clients that you represent, you may choose the following adherence type in your Adherence Letter: “Investment/Asset Manager/or other agent on behalf of some but not all funds/or other principal it represents.” You will be responsible for identifying the relevant Clients on whose behalf you are adhering either (i) in your Adherence Letter, (ii) through ISDA Amend or (iii) bilaterally. If you cannot or do not wish to name such clients, then provided that you can identify the adhering clients by way of specific identifiers which will be known and recognized by all Regulated Entity Counterparties with, to and from which the relevant clients have entered into, provided and received Covered Agreements, you may identify such clients using specific identifiers and without including any names. If you choose to list the names of such clients, or such specific numbers, in an appendix to an Adherence Letter, the names or specific identifiers, as applicable, will be listed on the ISDA website with the Adherence Letter. If you are able to do so, you may, if you wish, identify clients by using both names and specific identifiers but this is optional provided you supply, at least, either names or specific identifiers. Choosing not to provide both does not affect the legal validity and binding nature of a Jurisdictional Module.
What if I want to adhere on behalf of only one client?

If you adhere as an agent on behalf of a single client and the client is the only principal that you represent, you can adhere pursuant to the option described above for “How do I adhere on behalf of all clients I represent?”

If, however, you adhere as an agent on behalf of a single client, but that is not the only client you represent, you can adhere pursuant to the option described above in “How do I adhere on behalf of some, but not all, clients I represent?” You may choose the following adherence type in your Adherence Letter: “Investment/Asset Manager/or other agent on behalf of some but not all funds/or other principal it represents,” and either identify your client in the Adherence Letter, on ISDA Amend or in a bilateral notice to all relevant Regulated Entity Counterparties.

What if I only have authority from some of my clients or I am unable to disclose certain clients? What representations about authority does an investment/asset manager or other agent make when adhering to a Jurisdictional Module?

As with other ISDA protocols, agreements are only amended if the agent has authority to amend such agreements on behalf of its clients.

If you wish to adhere on behalf of clients, you must ensure that you have the authority to do so from all clients on whose behalf you are adhering to a Jurisdictional Module. When an agent adheres on behalf of a client to a Jurisdictional Module, the agent is making the following representation in paragraph 4(f) of the ISDA Jurisdictional Modular Protocol about its authority to make the amendments contemplated by a Jurisdictional Module:

- “Such Agent has obtained any consent, approval, agreement, authorization or other action of such Client with respect to each Agent Protocol Covered Agreement necessary to make the amendments contemplated in the Protocol and such Jurisdictional Module.”

If an agent does not have the requisite authority from a client to make the amendments contemplated by a Jurisdictional Module to a particular agreement that is a Covered Agreement, it is the responsibility of the agent to notify each Regulated Entity Counterparty with respect to such client bilaterally to make sure such agreement is not amended. When an agent adheres on behalf of a client to a Jurisdictional Module, the agent makes the following representation in paragraph 4(f) of the ISDA Jurisdictional Modular Protocol that it will only exclude from a Jurisdictional Module agreements with respect to which the agent does not have requisite authority to amend:

- “If such Agent notifies a Regulated Entity Counterparty that, with respect to a Client, the amendments contemplated by a Jurisdictional Module with respect to which the Agent has adhered in accordance with paragraph 1 and clause (f) above will not apply for one or more Agent Protocol Covered Agreements, such notification is being made only because the Agent lacks the consent, approval, agreement, authorization or other action of such Client necessary to make such amendments.”
If (a) you do not have authority from any of your clients to amend Covered Agreements as contemplated by a Jurisdictional Module or (b) you have authority from some clients only but you are not able to disclose such clients whether by name or a unique identifier, you cannot adhere to a Jurisdictional Module on behalf of such clients.

**What happens if I add a client to an umbrella master agreement after adhering to a Jurisdictional Module?**

If you add a client to an umbrella master agreement after the date you adhere to Jurisdictional Module on behalf of your clients (whether that client was an existing client as of the date the agent adhered to a Jurisdictional Module or a client acquired after such date), that client will be added to that umbrella master agreement as amended by the Jurisdictional Module, unless otherwise agreed.

### 4. WHAT AGREEMENTS DOES THE ISDA JURISDICTIONAL MODULAR PROTOCOL COVER?

Each Jurisdictional Module is drafted to comply with final Stay Regulations in a particular jurisdiction and therefore, each Jurisdictional Module will amend all agreements that are within the scope of such Stay Regulations. Because Stay Regulations in different jurisdictions will define the scope of relevant agreements differently, the term “Covered Agreement” is defined in each Jurisdictional Module. For example, in the UK, the PRA Rule defines the scope of relevant agreements as those that are “third-country law financial arrangements” (as defined in the PRA Rule). As such, an Adhering Party that adheres to the UK (PRA Rule) Jurisdictional Module agrees to amend any agreement it has entered into with a Regulated Entity Counterparty that satisfies the definition of “third-country law financial arrangement.” Alternatively, Stay Regulations in a different jurisdiction may, for example, apply to agreements other than “third-country law financial arrangement.” Therefore, in the Jurisdictional Module for such jurisdiction, “Covered Agreements” would be defined to match the scope of the applicable Stay Regulations.

As with other ISDA protocols, an agreement cannot be amended unless the relevant party or parties to such agreement are Adhering Parties. This means, for example, that if a guarantee or other credit support document is a “Covered Agreement” under an Stay Regulation and thus under the related Jurisdictional Module, the Module Adhering Party must adhere with respect to the credit support provider (even if that is a different party than the direct counterparty), and the credit support provider must adhere as a Regulated Entity.

**Does the ISDA Jurisdictional Modular Protocol amend agreements entered into after the Implementation Date?**

No, the ISDA Jurisdictional Modular Protocol and a Jurisdictional Module only amend agreements entered into as of the time that parties adhere to such Jurisdictional Module. Amendments that are made to Covered Agreements will apply to existing liabilities under such agreements (“retrospectively”), even if not required by Stay Regulations, in addition to new transactions under such agreements (“prospectively”). However, the ISDA Jurisdictional Modular Protocol does not apply to agreements entered into by parties after the Implementation Date for such parties. The Implementation Date for a Module Adhering Party and a Regulated
Entity Counterparty is the later date that both submit Adherence Letters (and ISDA accepts their Adherence Letters) to a Jurisdictional Module, or, if a Module Adhering Party has chosen to identify Regulated Entity Counterparties through the delivery of Module Adherence Notices, the day that such Module Adherence Notice is delivered.

If the parties enter into a new agreement that would be a Covered Agreement under a Jurisdictional Module after the Implementation Date for such parties, they can amend that agreement by incorporating the Jurisdictional Module by reference (as described below). Otherwise, that agreement will not be amended.

Parties may amend any agreements entered into after the Implementation Date with respect to a Jurisdictional Module by using language that incorporates such Jurisdictional Module and the ISDA Jurisdictional Modular Protocol by reference. For example, parties could use the following language to reflect that an agreement is subject to the ISDA Jurisdictional Modular Protocol and a specific Jurisdictional Module:

The terms of the [●] Jurisdictional Module and the ISDA Resolution Stay Jurisdictional Modular Protocol (together, the “[●] Jurisdictional Module”) are incorporated into and form part of this Agreement, and this Agreement shall be deemed a Covered Agreement for purposes thereof. In the event of any inconsistencies between this Agreement and the [●] Jurisdictional Module, the [●] Jurisdictional Module will prevail.

Parties should consider what amendments are required, if any, to tailor this sample incorporation by reference language to the elections that each party made, or would have made, in its Adherence Letter for the applicable Jurisdictional Module (e.g., whether a party is a Regulated Entity or a Module Adhering Party or both for purposes of such Jurisdictional Module).

When are Covered Agreements amended?

For certain Jurisdictional Modules, parties may not be required to make amendments to their Covered Agreements until a specific date in the future. This can occur if, for example, the relevant Stay Regulations include a compliance period before they become effective. Jurisdictional Modules will mirror the timing requirements of applicable regulations by stating that the amendments in a Jurisdictional Module will only be effective on the “Compliance Date” as defined in the Jurisdictional Module.

If a party adheres to a Jurisdictional Module prior to the applicable compliance date under the Stay Regulation, amendments will not be made to Covered Agreements until compliance is required under the Stay Regulation even though the party’s adherence to the Jurisdictional Module is effective on the Implementation Date (as discussed above). Covered Agreements entered into between the Implementation Date and the compliance date will not be amended by the Jurisdictional Module. As with all agreements entered into after the Implementation Date, parties may amend such agreements by incorporating the Jurisdictional Module and the ISDA Jurisdictional Modular Protocol by reference.


5. HOW DOES THE ISDA JURISDICTIONAL MODULAR PROTOCOL RELATE TO THE ISDA 2015 UNIVERSAL PROTOCOL?

If I have adhered to the ISDA 2015 Universal Protocol, do I still need to use the ISDA Jurisdictional Modular Protocol?

Yes, it is expected that parties that have adhered to the ISDA 2015 Universal Protocol will generally also adhere to the ISDA Jurisdictional Modular Protocol in order to comply with applicable Stay Regulations.

While any entity may adhere to the ISDA 2015 Universal Protocol, it is expected that market participants other than the original adherents to the ISDA 2015 Universal Protocol will only adhere to the ISDA Jurisdictional Modular Protocol.

Under the ISDA Jurisdictional Modular Protocol, a Jurisdictional Module will amend Covered Agreements in accordance with the requirements of Stay Regulations and not necessarily in accordance with the terms of the ISDA 2014 Protocol or the ISDA 2015 Universal Protocol. Because the ISDA 2014 Protocol was developed in advance of Stay Regulations, its provisions were not designed to conform to any particular Stay Regulations. Thus, Section 1 and Section 2 of the ISDA 2015 Universal Protocol will not form a part of the ISDA Jurisdictional Modular Protocol unless those amendments are specifically required for compliance with Stay Regulations.

6. HOW DOES THE ISDA JURISDICTIONAL MODULAR PROTOCOL RELATE TO STAY REGULATIONS?

The ISDA Jurisdictional Modular Protocol is intended to be a mechanism that allows market participants, including both buyside and sellside institutions, to comply with Stay Regulations in different jurisdictions. It has been developed specifically to provide a means for the broader market to comply with the express requirements of Stay Regulations without “over complying.”

The Jurisdictional Modules are developed only in response to final Stay Regulations, with terms that result in compliance with the specific requirements of such regulations. Each Jurisdictional Module will amend Covered Agreements based upon what Stay Regulations require, which may be different across jurisdictions, and the substance and the scope of the amendment will be determined by the requirements of Stay Regulations in that jurisdiction.

7. HOW TO SIGN UP TO THE ISDA JURISDICTIONAL MODULAR PROTOCOL.

Is there a closing date for adherence to the ISDA Jurisdictional Modular Protocol?

There is currently no cut-off date for adherence, but ISDA reserves the right to designate a closing date of the ISDA Jurisdictional Modular Protocol by giving 30 days’ notice on this site.

How do I submit an Adherence Letter?

Each Adhering Party that wishes to adhere to a Jurisdictional Module to the ISDA Jurisdictional Module Protocol shall access the Protocol Management section of the ISDA website at
Adherence by Counterparties of Regulated Entities. Each Adhering Party that wishes to adhere to a Jurisdictional Module to the ISDA Jurisdictional Modular Protocol as a Module Adhering Party for the purpose of amending its Covered Agreements with Regulated Entities with respect to such Jurisdictional Module shall identify itself as a “Module Adhering Party” in an Adherence Letter for such Jurisdictional Module. Either by directly downloading the populated Adherence Letter from the Protocol Management system or upon receipt via e-mail of the populated Adherence Letter, each such Adhering Party will print, sign and upload the signed Adherence Letter as a PDF (portable document format) attachment into the Protocol Management system. Once the signed Adherence Letter has been approved and accepted by ISDA, the Adhering Party will receive an e-mail confirmation of the Adhering Party’s adherence to the ISDA Jurisdictional Modular Protocol and the relevant Jurisdictional Module as a Module Adhering Party.

Adherence by Regulated Entities. Each Adhering Party that wishes to adhere to a Jurisdictional Module to the ISDA Jurisdictional Modular Protocol as a Regulated Entity shall identify itself as a “Regulated Entity” in an Adherence Letter for such Jurisdictional Module. Either by directly downloading the populated Adherence Letter from the Protocol Management system or upon receipt via e-mail of the populated Adherence Letter, each such Adhering Party will print, sign and upload the signed Adherence Letter as a PDF (portable document format) attachment into the Protocol Management system. Once the signed Adherence Letter has been approved and accepted by ISDA, such Adhering Party will receive an e-mail confirmation of the Adhering Party’s adherence to the ISDA Jurisdictional Modular Protocol and the relevant Jurisdictional Module as a Regulated Entity.

Who is an authorized signatory?

An authorized signatory to the Adherence Letter is an individual who has the legal authority to bind the adhering institution.

Can I change the text of the Adherence Letter?

No. The Adherence Letter must be in the same format as the form of letter published in the ISDA Jurisdictional Modular Protocol and generated by the Protocol Management webpage.

What is a conformed copy?

A conformed copy of the Adherence Letter means that the name of the authorized signatory (for example, Patricia Smith) is typed rather than having Patricia Smith’s actual signature on the letter. ISDA only posts on its website the conformed copy of all Adherence Letters. A conformed copy of each Adherence Letter containing, in place of each signature, the printed or typewritten name of each signatory will be published by ISDA so that it may be viewed by all ISDA Jurisdictional Modular Protocol participants.

Is adherence public?
Yes. A list of Adhering Parties to each Jurisdictional Module will be published on ISDA’s website. The list of Adhering Parties will note whether an Adhering Party has signed up as a Regulated Entity or a Module Adhering Party with respect to such Jurisdictional Module.

**How do I sign up to an additional Jurisdictional Module?**

From time to time, ISDA may, in its sole and absolute discretion, publish on the “ISDA Resolution Stay Jurisdictional Modular Protocol” section of its website at [www.isda.org](http://www.isda.org) (or by other suitable means), additional Jurisdictional Modules to the ISDA Jurisdictional Modular Protocol to which Adhering Parties may adhere. Adherence to any such Jurisdictional Module will be evidenced by the execution and online delivery of an Adherence Letter to ISDA.

**Is my adherence complete after I submit an Adherence Letter or do I have to take any other steps to adhere to a Jurisdictional Module?**

Depending on the elections you make as a Module Adhering Party, you may be required to send notices to Regulated Entity Counterparties after you submit your Adherence Letter to complete your adherence to a Jurisdictional Module.

**Entity-by-Entity Designation**

If you adhere as a Module Adhering Party and elect to identify Regulated Entity Counterparties on an “Entity-by-Entity” basis you need to take steps to identify and notify specific Regulated Entity Counterparties. You may do this either through ISDA Amend or by providing a notice bilaterally (a Module Adherence Notice).

**ISDA Amend** is a joint project between Markit and ISDA that facilitates the exchange of information and elections related to the ISDA Jurisdictional Modular Protocol and related Jurisdictional Modules using a single online tool. ISDA Amend is provided to buyside users on a no-fee basis. ISDA has also created a sample “Module Adherence Notice” that you can send to Regulated Entity Counterparties on a bilateral basis.

**Adherence as an Agent on Behalf of Clients**

If you adhere as an agent on behalf of clients that you represent, you may need to notify Regulated Entity Counterparties to identify the clients on whose behalf you are adhering. If you have adhered on behalf of all clients that you represent, such a notice is not required but if you
have adhered only on behalf of some clients that you represent, it is necessary to identify those clients so that the Regulated Entity Counterparties know who has adhered.

You can use ISDA Amend to communicate this information. ISDA has also created a sample “Underlying Funds Notice” that you can send to Regulated Entity Counterparties on a bilateral basis.

[For information about notices for specific Jurisdictional Modules, see the FAQs for each specific Jurisdictional Module.]

**Are there any costs to adhere to the ISDA Jurisdictional Modular Protocol?**

Yes, each party adhering to a Jurisdictional Module must submit a one-time fee of US $500 to ISDA at or before the submission of its Adherence Letter for such Jurisdictional Module.

**Can I revoke my participation in the ISDA Jurisdictional Modular Protocol?**

Once an Adherence Letter has been accepted by ISDA, an Adhering Party is bound by all amendments with other parties that have already adhered to the applicable Jurisdictional Module to the ISDA Jurisdictional Module Protocol or, subject to the discussion below, that adhere before a designation of the Annual Revocation Date.

An Adhering Party may, at any time during the period from October 1 to October 31 of a calendar year, deliver to ISDA a notice specifying the Annual Revocation Date as its cut-off date in respect of amendments with future Adhering Parties. The effect of such a letter will be to withdraw adherence for future Adhering Parties as of December 31 in that calendar year. Although amendments already made will not be revoked, any subsequent adherence by new Adhering Parties after the designated Annual Revocation Date will not bind the party that has submitted a Revocation Notice.

You can, however, bilaterally agree to amend your Covered Agreement with your counterparty (the other Adhering Party), and any such subsequent amendments will supersede those made by a Jurisdictional Module to the ISDA Jurisdictional Modular Protocol with respect to such Adhering Parties to the extent that they are inconsistent.