ISDA RESOLUTION STAY JURISDICTIONAL MODULAR PROTOCOL
UK (PRA RULE) JURISDICTIONAL MODULE

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Note to Adhering Parties

The process for adhering to this UK (PRA Rule) Jurisdictional Module is set forth in paragraph 1 of the Protocol. By adhering to this UK (PRA Rule) Jurisdictional Module, a Module Adhering Party agrees to amend the agreements set forth in this UK (PRA Rule) Jurisdictional Module that it has entered into with, provided to or received from any “Regulated Entity” that such Module Adhering Party has designated as a “Regulated Entity Counterparty” with respect to it. The amendments provided in this UK (PRA Rule) Jurisdictional Module shall be made to each such agreement.

As provided in paragraph 1 of the Protocol, an Adhering Party that is subject to the PRA Rule can identify itself as a “Regulated Entity” for purposes of this UK (PRA Rule) Jurisdictional Module. Each such “Regulated Entity” agrees to amend certain agreements that it has entered into with, provided to or received from any Module Adhering Party that has designated the “Regulated Entity” as a Regulated Entity Counterparty.

This UK (PRA Rule) Jurisdictional Module (the “UK (PRA Rule) Jurisdictional Module”) is a “Jurisdictional Module” for purposes of the ISDA Resolution Stay Jurisdictional Modular Protocol (the “Protocol”).

As provided in paragraph 1 of the Protocol, (i) an Adhering Party that identifies itself as a Module Adhering Party with respect to this UK (PRA Rule) Jurisdictional Module in its Adherence Letter shall be a Module Adhering Party with respect to this UK (PRA Rule) Jurisdictional Module and (ii) an Adhering Party that identifies itself as a Regulated Entity with respect to this UK (PRA Rule) Jurisdictional Module in its Adherence Letter shall be a Regulated Entity Counterparty with respect to any Module Adhering Party that identifies such Adhering Party as a Regulated Entity Counterparty in its Adherence Letter or through the delivery of a Module Adherence Notice, with respect to this UK (PRA Rule) Jurisdictional Module (in the manner provided in paragraph 2 of the Protocol).

A Module Adhering Party and a Regulated Entity Counterparty with respect to such Module Adhering Party each agree that the terms of this UK (PRA Rule) Jurisdictional Module, including the amendments contained herein, shall apply to each “third-country law financial arrangement” between such Module Adhering Party and such Regulated Entity Counterparty, each “third-country law financial arrangement” provided by such Regulated Entity Counterparty for the benefit of such Module Adhering Party and each “third-country law financial arrangement” provided by such Module Adhering Party for the benefit of such Regulated Entity Counterparty (each such agreement, a “Covered Agreement”).
1. **Rule of Construction**

Words and phrases in quotation marks and italics have the meaning given to them in or pursuant to the PRA Rule and this UK (PRA Rule) Jurisdictional Module shall be interpreted in accordance with the PRA Rule.

2. **Effectiveness**

(a) Subject to clause (b) below, a Module Adhering Party and a Regulated Entity Counterparty with respect to such Module Adhering Party agree that with respect to the Covered Agreements between such parties, provided by such Regulated Entity Counterparty for the benefit of such Module Adhering Party or provided by such Module Adhering Party for the benefit of such Regulated Entity Counterparty, the amendments in Section 3 hereof shall be deemed to be made to such Covered Agreements as of the Compliance Date with respect to such Covered Agreements, as determined in accordance with clause (c) hereof.

(b) The amendments in paragraph 3 hereof shall not apply to a Covered Agreement if either:—

(i) the Regulated Entity Counterparty that is a party to such Covered Agreement does not satisfy the definition of Regulated Entity in this UK (PRA Rule) Jurisdictional Module; or

(ii) either the Module Adhering Party or the Regulated Entity Counterparty enters into the relevant Covered Agreement in the capacity of an Excluded Counterparty.

(c) The compliance date with respect to a Covered Agreement (such date, the “Compliance Date”) shall be set as follows:—

(i) (a) If both parties to such Covered Agreement are Regulated Entities, or if one party is a Regulated Entity and the beneficiary of such Covered Agreement is a Regulated Entity; or (b) if one party to, or beneficiary of, such Covered Agreement is a Regulated Entity and the other party, or beneficiary, is either a “credit institution,” “investment firm,” or an “undertaking” which would be an “investment firm” if it had its “head office” in an “EEA State,” in each case the Compliance Date with respect to such Covered Agreement shall be the later of the Implementation Date and 1 June 2016; and

(ii) Otherwise, the Compliance Date with respect to such Covered Agreement shall be the later of the Implementation Date and 1 January 2017.

3. **Stay in Resolution**

(a) A Module Adhering Party and each Regulated Entity Counterparty with respect to such Module Adhering Party agree that, with respect to each Covered Agreement between such Module Adhering Party and Regulated Entity Counterparty, provided by such
Regulated Entity Counterparty for the benefit of such Module Adhering Party or provided by such Module Adhering Party for the benefit of such Regulated Entity Counterparty, if a:—

(i) “crisis prevention measure”;

(ii) “crisis management measure”; or

(iii) “recognised third-country resolution action”

is taken in relation to such Regulated Entity Counterparty or any “member” of the same “group” as such Regulated Entity Counterparty, the Module Adhering Party shall be entitled to exercise “termination rights” under, or rights to enforce a “security interest” in connection with, such Covered Agreement, to the extent that it would be entitled to do so under the “Special Resolution Regime” if such Covered Agreement were governed by the laws of any part of the “United Kingdom”.

(b) For the purposes of clause (a) above, Section 48Z of the U.K. Banking Act 2009 is to be disregarded to the extent that it relates to a “crisis prevention measure” other than the making of a “mandatory reduction instrument” by the Bank of England under section 6B of the U.K. Banking Act 2009.

4. Definitions.

As used in this UK (PRA Rule) Jurisdictional Module:

“Covered Agreement” has the meaning given to such term in the opening paragraphs hereof.

“Excluded Counterparty” means any of the following:—

(a) a “person” who has been declared to be, or who is an “operator of,” a “designated system” under regulation 4 of the Financial Markets and Insolvency (Settlement Finality) Regulations 1999;

(b) a “person” who has been designated by an “EEA State” as a “system” under Article 2(a) of the Directive 98/26/EC of the European Parliament and of the Council on settlement finality in payment and securities settlement systems or an “operator” of such a “system”;

(c) an “exchange,” “other trading facility,” “payment system,” “settlement system” or other “financial market utility” or “infrastructure” established in a “third country” not within (a) or (b);

(d) a “central counterparty”;

(e) a “central bank”; or

(f) a “central government” (including any “agency” or “branch” of a “central government”).
“PRA Rule” means the final rules contained in Appendix 1 to the Prudential Regulation Authority’s Policy Statement 25/15.

“Regulated Entity” means an Adhering Party that has identified itself as a Regulated Entity in its Adherence Letter with respect to this UK (PRA Rule) Jurisdictional Module and that is any of the following:—

(a) A “BRRD undertaking” which is:

(i) a “CRR firm”;

(ii) a “financial holding company” whose “registered office” or, if the “financial holding company” does not have a “registered office,” whose “head office” is in the “United Kingdom”; or

(iii) a “mixed financial holding company” whose “registered office” or, if the “mixed financial holding company” does not have a “registered office,” whose “head office” is in the “United Kingdom”; and

(b) A “subsidiary” of a “BRRD Undertaking” which is:

(i) a “credit institution”;

(ii) an “investment firm” or an “undertaking” which would be an “investment firm” if it had its head office in an “EEA State”; or

(iii) a “financial institution”; and

is not a “BRRD undertaking” which falls within clause (a) of this definition.