



Summary of ISDA 2017 Venezuela Additional Provisions Protocol

Thursday, October 19, 2017

IHS Markit would like to draw attention to the following notification from the International Swaps and Derivatives Association, Inc. (ISDA), regarding adherence to the Additional Provision Protocol now in force for Venezuela.

The [ISDA 2017 Venezuela Additional Provisions Protocol](#) (the “Protocol”) is **now open for adherence, and closes on Wednesday, October 25th at 5 p.m. New York time**. We encourage you to review the Protocol as soon as possible. Some high-level background on the Protocol is below, further information can be found at the link above. ISDA will also be hosting a webinar on the Protocol on Friday, October 20th at 10 am New York time / 3 pm London time. You may register for the webinar [here](#).

As you may be aware, ISDA published new trading terms for certain Reference Entities related to Venezuela on September 19, 2017. The new terms address sanctions issued by the U.S. government through [Executive Order 13808](#) on August 24, 2017 (the “Sanctions Order”), which prohibits transactions related to certain types of debt obligations of República Bolivariana de Venezuela (“Venezuela”), Petroleos de Venezuela, S.A. (“PdVSA”) and other entities related to Venezuela.

The new terms are contained in ISDA’s Additional Provisions for Certain Venezuelan Entities: Excluded Obligations and Excluded Deliverable Obligations (the “Venezuela Additional Provisions”), which are available on ISDA’s [website](#). They explicitly limit the debt that can trigger a Credit Event or be delivered in a CDS Auction to debt that is permitted under the Sanctions Order.

The Venezuela Additional Provisions already apply to new market-standard single name transactions on the affected Reference Entities, and transactions on index series launched on or after September 19, 2017 that contain one of those Reference Entities, but they do not currently apply to legacy transactions or new transactions on older index series.

The Protocol allows parties to amend their legacy transactions referencing Venezuela or PdVSA, including relevant index transactions, to apply the new terms to those transactions. This will maintain fungibility between legacy and new transactions and ensure that the Sanctions Order does not prevent legacy transactions from being included in any CDS Auction that might be held in future.

To use the Protocol, parties will need to submit an adherence letter using a standard web form on ISDA’s website and pay a \$500 fee. Further information about the Protocol may be found in the FAQ posted [here](#).

If you have any queries regarding this notification, please contact us:

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