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March 27, 2015

Secretariat of the Basel Committee on Banking Supervision
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Dear Sirs,

Revisions to the Standardised Approach to Credit Risk – Consultative Document (December 22, 2014) (the Consultative Document)

The International Association of Credit Portfolio Managers (the **IACPM**) is pleased to have the opportunity to comment on the Consultative Document.[1] We have joined a group of other industry associations, including the Institute of International Finance (**IIF**) and the Global Financial Markets Association (**GFMA**), to provide a broader range of comments on the Consultative Document in a separate letter. The purpose of this letter is to comment specifically on the proposal in Section 3.4 (*Treatment of credit derivatives*) of the Consultative Document whereby a credit default swap (**CDS**) that does not specify Restructuring as a Credit Event would no longer be recognized as a credit risk mitigant for regulatory capital purposes. [2]

[1] The IACPM is an industry association established in 2001 to further the practice of credit exposure management by providing an active forum for its member institutions to exchange ideas on topics of common interest. Membership of the IACPM is open to all financial institutions that manage portfolios of corporate loans, bonds or similar credit-sensitive financial instruments. The IACPM represents its members before regulatory and administrative bodies around the world, holds conferences and regional meetings, conducts research on the credit portfolio management field, and works with other organizations on issues of mutual interest relating to the measurement and management of portfolio risk. Currently there are 102 financial institutions worldwide that are members of the IACPM. These institutions are based in 19 counties and include many of the world's largest commercial wholesale banks, investment banks and insurance companies, as well as a number of asset managers. More information about the IACPM may be found on our website: www.iapcm.org.

[2] For purposes of this letter, the terms "Restructuring", "Bankruptcy", "Failure to Pay", "Reference Entity", "Transaction Type" and "Credit Event" have the respective meanings specified in the relevant Credit Derivatives Definitions published by the International Swaps and Derivatives Association, Inc. (**ISDA**) and, where reference is made to a CDS that trades "NR", such reference is to a CDS that trades "No Restructuring". ISDA has published several versions of or revisions to the Credit Derivatives Definitions, including the 2003 ISDA Credit Derivatives Definitions, the 2009 ISDA Credit Derivatives Determinations Committees and Auction Settlement CDS Protocol (also known as the **Big Bang Protocol**, and which specified standard auction settlement procedures and related terms applicable to CDS transactions), the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring CDS Protocol (also known as the **Small Bang Protocol**, which enabled market participants to apply the auction methodology to settle CDS contracts following the occurrence of a Restructuring Credit Event), and the 2014 ISDA Credit Derivatives Definitions.

1. Introduction

Under the existing Basel framework, a market participant that hedges a bond or loan by buying protection under a CDS is subject to a haircut of 40% on capital relief if the hedging CDS does not include Restructuring as a Credit Event. However, this 40% haircut was introduced as a stop-gap measure and was not intended to be permanent. In 2006, the Basel Committee on Banking Supervision noted "the 60% recognition factor is provided as an interim treatment, which the Committee intends to refine prior to implementation after considering additional data" (emphasis added).[3]

Moreover, when Basel II was being finalized, it was acknowledged by the European Central Bank that unlike Europe or certain other jurisdictions, CDS in which the Reference Entity is a U.S. corporation did not need Restructuring as a Credit Event. [4] For the reasons set out in this letter, we recommend that CDS contracts for which the Reference Entity is a U.S. corporation (**U.S. CDS**) and that do not specify Restructuring as a Credit Event receive 100% capital relief under the revised framework, as opposed to the 60% relief such contracts presently receive.

2. What is a Restructuring for CDS purposes?

As an initial matter, it should be noted that not all restructurings constitute a Restructuring for CDS purposes. For example, only events commonly referred to as restructurings in respect of obligations that are held by multiple creditors can trigger a Restructuring Credit Event (such obligations, **Qualifying Obligations**).[5] Under the currently applicable CDS definitions, for a restructuring to qualify as a Restructuring Credit Event, it must be one of an enumerated set of events in respect of the relevant Qualifying Obligation, including, for example:

- a reduction in respect of principal, interest or premium payable at redemption;
- a postponement or deferral of certain payment or accrual dates;
- a subordination of the Qualifying Obligation; or
- a change in the currency of the Qualifying Obligation's payments to any currency other than a specified set of currencies,

provided, in each case, that if the relevant event is provided for by the terms of such Qualifying Obligation, then the occurrence of such event will not qualify as a Restructuring.[6]

In addition to the above criteria, a restructuring may only constitute a Restructuring Credit Event for CDS purposes if the restructuring binds all holders of the Qualifying Obligation and is the result of a deterioration in "creditworthiness or financial condition" of the Reference Entity.[7] As a result, we note that as compared to the Bankruptcy Credit Event, the occurrence of which can often be determined by reference to objective factors such as a court filing, it can

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[3] Basel Committee on Banking Supervision, International Convergence of Capital Measurement and Capital Standards: A Revised Framework – Comprehensive Version (June 2006), p. 48, para. 192, n. 55 (http://www.bis.org/publ/bcbs128.pdf), accessed March 22, 2015.

[4] See European Central Bank, *Credit Default Swaps and Counterparty Risk* (August 2009), explaining at p. 91 that, in the United States, "almost all restructuring credit events would qualify as bankruptcy credit events, making the restructuring credit event redundant" (http://www.ecb.europa.eu/pub/pdf/other/creditdefaultswapsandcounterpartyrisk2009en.pdf), accessed March 22, 2015.

[5] It was for this reason that the bail-out of Holland's SNS Bank N.V. did not count as a Restructuring, as the Multiple Holder Obligation was not met. *See* G. Nolan, *The Changing Face of CDS*, 25 Markit Magazine 23-26 (2014).

[6] *See, e.g.*, ISDA Credit Derivatives Definitions (2014) § 4.7(a).

[7] *See id.* § 4.7(b)(iv).

be more difficult to determine whether a restructuring gives rise to a Restructuring Credit Event.

Because the Restructuring Credit Event definition requires an obligation to be held by multiple creditors in order to be capable of triggering CDS, bilateral credit facilities are not capable of triggering a Restructuring. This makes the Restructuring Credit Event ill-suited as a hedge for the debt of small and medium-sized U.S. corporations that use bilateral credit facilities. It should also be noted that the types of U.S. corporates that are typically referenced in U.S. CDS are those with liquid and publicly traded debt.

3. Does Restructuring need to be specified as a Credit Event to effectively hedge major U.S. corporates?

Specifying Restructuring as a Credit Event is not necessary to effectively hedge the most widely traded U.S. corporate Reference Entities for a range of reasons, as discussed below.

Restructuring Credit Events are Rare in the United States: Restructuring Credit Events are exceedingly rare in respect of U.S. CDS. In fact, we are aware of only one Restructuring Credit Event having occurred in respect of U.S. CDS in the last 10 years.[8] Since the publication of the Big Bang Protocol in 2009 there have been 59 Credit Events in respect of CDS that apply the North American Corporate Transaction Type.[9] Every one of these Credit Events was a Bankruptcy or Failure to Pay Credit Event.[10] By contrast, there were 48 Credit Events in the rest of the world during the same time period, of which 16 were Restructuring Credit Events, while the remaining 32 were Bankruptcy or Failure to Pay Credit Events. For further information on the relative scarcity of Restructuring Credit Events with respect to the North American Corporate Transaction Type, see Appendix I hereto.

Given the scarcity of Restructuring Credit Events with respect to U.S. corporate Reference Entities, it is economically rational for market participants not to include Restructuring as a Credit Event in the standard U.S. CDS contract. While certain early U.S. CDS documentation included Restructuring as a Credit Event,[11] single name U.S. CDS have generally traded without the Restructuring Credit Event since the advent of the first ISDA Credit Derivatives

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[8] The lone Restructuring Credit Event to have occurred in respect of U.S. CDS during this time period that we are aware of related to ACA Guaranty Financial Corporation (**ACA**). ACA, a monoline insurance company, agreed to a consensual restructuring with its creditors in 2008 in connection with the sub-prime crisis. ACA was an unusual Credit Event because (a) unlike the majority of U.S. corporate debtors that are referenced in liquid CDS contracts, ACA was not eligible for relief under Chapter 11 of the Bankruptcy Code, and (b) ACA's out-of-court restructuring took place under the supervision of the State of Maryland Insurance Administration. *See In the Matter of Approval of the Restructuring of ACA Fin. Guaranty Corp.*, Case No. MIA: 2008-08-011 (Md. Ins. Admin. Aug. 7, 2008), http://www.aca.com/press/pdfs/2008/MIA%20Order.PDF. If not for this out-of-court restructuring, commentators have noted that "Failure to Pay and Bankruptcy Credit Events would have been inevitable". *See* Adam W. Glass, *ACA Restructuring Triggers First Monoline CDS Credit Event*, Linklaters (Aug. 26, 2008), http://www.linklaters.com/pdfs/US/ACARestructuringTriggers.pdf. It is also worth noting that after the ACA Credit Event, a monoline Reference Entity (Ambac Assurance Corporation) subsequently experienced a Bankruptcy Credit Event, while another experienced a Failure to Pay Credit Event (Financial Guaranty Insurance Company).

[9] The "North American Corporate" Transaction Type, as described in the ISDA Credit Derivatives Definitions and the ISDA Credit Derivatives Physical Settlement Matrix, is primarily used for U.S. and Canadian corporates (Mexican corporates generally trade using the "Latin America Corporate B" Transaction Type).

[10] While the market convention for U.S. CDS had shifted to trading without the Restructuring Credit Event by 2009, we note that a sufficient number of legacy CDS would still have traded with Restructuring that a Restructuring Credit Event would have been made public during such time had one occurred.

[11] *See, e.g.*, ISDA Master Credit Derivatives Confirmation Agreement (Jun 6, 2003). As a result, U.S. CDS contracts specifying Restructuring as a Credit Event were outstanding during the financial crisis (and yet other than ACA, no Restructuring Credit Events occurred).

Physical Settlement Matrix in 2005.[12] This market convention was further formalized during the implementation of the ISDA Big Bang Protocol in April 2009. In addition, market convention for CDS referencing the Markit CDX I.G. index, the most liquid index-linked CDS contract referencing U.S. corporates, has been to trade without Restructuring.[13]

The way debt is structured and documented in the United States obviates the need in the U.S. market for the Restructuring Credit Event: In the United States, the majority of bond and loan documentation requires consent from 100% of creditors in order to effect a restructuring.[14] Furthermore, this 100% consent requirement is not merely market convention; in the case of qualifying bond indentures, the 100% consent requirement is a matter of law.[15]

Where 100% consent is required for a restructuring, a holder of debt would not require a CDS to specify Restructuring as a Credit Event to hedge effectively. This is because a 100% consent requirement grants each individual holder an effective veto right over the kind of out-of-court restructurings that could give rise to a Restructuring Credit Event, thereby rendering the protection afforded by the Restructuring Credit Event redundant. Since European debt more frequently requires consent of fewer than 100% of debtholders for such out-of-court restructurings, a holder of European debt does not necessarily have control over changes to the debt, and therefore such a holder would generally specify Restructuring as a Credit Event in CDS referencing European corporates to hedge the relevant credit risk.

Differences in bankruptcy/insolvency regimes also affect the relative rate of Restructuring Credit Events vs. Bankruptcy Credit Events in the United States as compared to Europe: In the United States, the procedural ease of seeking relief under Chapter 11 of the U.S. Bankruptcy Code has encouraged its use by major corporate debtors as a means of effecting financial restructurings and orderly liquidations.[16] This is why an event that may lead to a Restructuring Credit Event with respect to a non-U.S. entity generally triggers a Bankruptcy Credit Event with respect to a U.S. corporate.

Chapter 11 has proven to be an orderly method for administering a corporate debtor's assets and businesses during a bankruptcy case and allowing for the disposition of creditor claims for a number of reasons:

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[12] The default position under the ISDA Credit Derivatives Physical Settlement Matrix is that North American Corporate CDS trade without Restructuring. *See Credit Derivatives Physical Settlement Matrix* (2015), http://www.isda.org/c_and_a/Credit-Derivatives-Physical-Settlement-Matrix.html, for versions of the ISDA Credit Derivatives Physical Settlement Matrix dating back to 2005.

[13] *See* M. Hünseler, Credit Portfolio Management: A Practitioner's Guide to the Active Management of Credit Risks 185 (2013) ("[s]ince 2009, when the Standard North American Contract . . . [was] established, single name CDS for U.S. corporates [have] trade[d] No R, in line with the CDX indices which are comprised of U.S. firms"); O. Casey, *The CDS Big Bang*, 4 Markit Magazine 60-66 (2009); O. Casey, *Small Bang for the Buckets*, 5 Markit Magazine 61-69 (2009); G. McDermott, A. Rajan and R. Roy, The Structured Credit Handbook 86-87 (2007); S. Sundaresan, Fixed Income Markets and their Derivatives, 3d ed. 395 (2009); T. Price and O. Casey, *The CDS Big Bang: Understanding the Changes to the Global CDS Contract and North American Conventions*, Markit Magazine (Mar. 13, 2009).

[14] *See, e.g.*, M. Kahan, *Rethinking Corporate Bonds: The Trade-Off Between Individual and Collective Rights*, 77.4 N.Y.U. L. Rev. 1040, 1048 (2002) ("indentures frequently (though not uniformly) require unanimous consent to change the provisions relating to sinking funds, conversion rights, guarantees, subordination, and bondholder put rights").

[15] *See* Trust Indenture Act of 1939 § 316(b) (the "right of any holder of any indenture security to receive payment of the principal of and interest on such indenture security . . . shall not be impaired or affected without the consent of such holder"). The Trust Indenture Act also provides that the amount and timing of payments cannot be altered without the bondholder's consent. By contrast, in Europe, some credit facilities have traditionally allowed a two-thirds majority of creditors to write-down debt. This market practice is evolving: most investment grade European credit facilities now require a unanimous lender vote for such amendments/modifications. In European high yield bond issuances, the consent of 90% of noteholders is typically required to extend the maturity date or write-down the debt; *see also* L. Hanrahan and S. Mehta, *Transatlantic Decision-Making*, *Leveraged Finance Quarterly*, Int'l Fin. L. Rev. (May 23, 2013); Gertner R. and D. Scharfstein, *A Theory of Workouts and the Effects of Reorganization Law*, 46.4 Journal of Fin. 1189, 1193-94 (1991) ("indeed, the Trust Indenture Act of 1939 prohibits public debtholders from changing the principal, interest, or maturity of public debt without public debtholders' unanimous consent").

[16] For purposes of this letter, the discussion below is limited to those entities that are eligible to seek relief under Chapter 11 of the U.S. Bankruptcy Code (such as the large corporations that are the most widely traded U.S. corporate Reference Entities).

- Automatic Stay. The automatic stay generally affords the debtor the necessary protection from adverse creditor actions to formulate and propose a plan of reorganization and to seek its confirmation (i.e., approval by the court).

- Pre-Pack Bankruptcies. Many Chapter 11 cases are able to begin with a pre-negotiated or pre-packaged plan that has been accepted (or is expected to be accepted) by affected stakeholders, which enables the debtor to proceed quickly and efficiently to the reorganization plan confirmation process.

- Continuation of Debtor's Business. Chapter 11 includes provisions that provide incentives to encourage creditors and lenders to continue to do business with the debtor, and to extend new financing to the debtor through the use of cash collateral and debtor-in-possession financing in some cases.

- Voting Rules to Approve the Plan of Reorganization. Chapter 11 provides an effective means to compel a restructuring over the objection of hold-out creditors through reorganization plan voting standards, and, in some cases, provides the debtor with the ability to "cram down" a plan over the dissent of a class of creditors or interest holders.[17]

For these reasons, Chapter 11 proceedings are generally viewed as seeking to preserve the going concern value of a debtor. Indeed, given the complexity of capital structures today, Chapter 11 may be the only effective or practical means in the United States to achieve a restructuring of a Bankruptcy Code eligible debtor if unanimous consent or required consents among creditors cannot be obtained outside formal proceedings.

By contrast, because European insolvency proceedings may be less favorable or less appealing to debtors than U.S. proceedings, European debtors may be more likely to restructure out of court. This likelihood could reasonably be viewed as one reason why buyers of protection seeking to hedge credit risk with respect to European debtors typically require CDS to specify Restructuring as a Credit Event. Absent such a Credit Event, a CDS would not serve as a perfect hedge in that context. And, in fact, there are myriad reasons why European insolvency proceedings appear to be either less favorable or less appealing to debtors than U.S. proceedings:

- Stigma. There appears to be more stigma associated with insolvency proceedings in Europe, whereas many successful companies in the U.S. have been restructured through Chapter 11 (which appears to be more accepted as being part of the rescue culture).

- Risk to Viability of Debtor as a Going Concern. European insolvency proceedings may trigger termination clauses in supply and other contracts. In the UK, in particular, there are no insolvency rules preventing the termination of contracts upon the commencement of insolvency proceedings, even if the company is continuing to pay what it owes. By contrast, in a U.S. bankruptcy proceeding, there are rules preventing the termination of contracts as a result of the commencement of bankruptcy proceedings alone (e.g., the automatic stay and the rules against *ipso facto* clauses).

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[17] *See In re RadioShack Corporation*. Case No. 15–0197 (Del. Bankr. 2015) (the inability of Radioshack to secure consent among its lenders for its large-scale store closure program has been identified as a contributing factor to its recent bankruptcy filing).

- Moral Hazard of Management. In Europe, a company's management is often either replaced entirely by an insolvency officeholder or placed under supervision by the court in an insolvency process, thus making management more reluctant to file (even if a filing may otherwise be the right course for the company), whereas in a Chapter 11 proceeding, the board continues to run the company during the proceeding, thus mitigating the moral hazard in the decision-making of management in respect of whether to file for bankruptcy.

- Opacity and Unpredictability. *Ex ante*, it can be difficult for a European debtor to predict which of the large number of European insolvency proceedings will be used in a particular case. As a result, European debtors face a lack of transparency and an element of unpredictability, both of which incentivize European debtors to conduct out-of-court restructurings with their creditors. Although European legislation has sought to address this opacity and unpredictability by providing a framework for deciding where proceedings should be commenced, this framework can sometimes be manipulated (either for the benefit of creditors or the debtor) and so is not as reliable for planning purposes as it could be.

- Inefficiency; Lack of Specialized Expertise. In some European jurisdictions, the court system can be slow and over-burdened and judges may not have the same commercial experience of dealing with complex restructuring issues (such as in respect of the valuation of companies) as the U.S. Bankruptcy Courts (with their specialized judges) appear to have.

- Excessive and Harmful Prerequisite for Commencement of Proceedings. Many European jurisdictions require proof of insolvency in order to commence insolvency or reorganization proceedings in court (although this is changing as more European jurisdictions are offering court-based "pre-insolvency" proceedings). In the United States, proof of insolvency is not a prerequisite for commencing an insolvency proceeding. As a result, a U.S. business is able to pre-empt problems more easily even when such problems would lead to the insolvency of such business if left unaddressed.

- Inability to "cram down". In many European jurisdictions (including the UK), there is no ability to "cram down" an impaired class of creditors (as there is in a Chapter 11, subject to certain controls). This means that it may be necessary to sell assets or shares to a new company in order to give control to those who still have an economic interest, while leaving behind those who are "out of the money" (although increasingly this is being done in the UK through a pre-packaged insolvency proceeding). The Chapter 11 "cram down" provisions are more efficient in allowing a bankruptcy proceeding to conclude without allowing holdout creditors unreasonably to hold up the process.

- Bank Resolution Proceedings. Since the financial crisis in 2008/2009, many of the European Restructuring Credit Events have been triggered by bank resolution proceedings (such as that for Bank of Ireland, Allied Irish Banks and Anglo Irish Bank Corporation). There was a real concern that some of the special bank resolution procedures in Europe (being regulatory driven and often without proof of insolvency) might not qualify as Bankruptcy Credit Events, and therefore parties were incentivized to treat such events as Restructuring Credit Events.

Finally, the prevalence in the market of trading U.S. CDS without Restructuring, notwithstanding the currently applicable 40% haircut for NR trades, indicates that the market generally does not believe that Restructuring is needed to properly hedge risk. If it were otherwise, the U.S. CDS market would already have been incentivized by the 40% haircut to adopt the Restructuring Credit Event. Since ascertaining whether a Restructuring Credit Event has occurred may be less clear-cut than ascertaining whether a Bankruptcy Credit Event has occurred, given the ambiguities around, for example, determining whether a deterioration in credit worthiness has occurred for purposes of a Restructuring, and since the market for U.S. CDS still has not moved to trading with Restructuring despite the haircut, requiring Restructuring as a Credit Event in U.S. CDS would introduce ambiguity and subjectivity to the CDS contract without broadening the actual scope of the protection provided.

4. Market Fragmentation

The Consultative Document states that the proposed changes to the CDS capital relief framework are intended to "simplify the framework" for regulatory capital relief.[18] In fact, the current proposal will fragment the CDS markets and introduce a clear division between parties that trade U.S. CDS for capital relief purposes, on the one hand, and parties that trade U.S. CDS for other purposes on the other.

Even if protection buyers who are hedging a bond or loan and seeking capital relief begin to trade U.S. CDS with the Restructuring Credit Event applicable, other market participants who are accustomed to (and are fully protected by) the current trading conventions will likely continue trading U.S. CDS without the Restructuring Credit Event in order to avoid the ambiguity and uncertainty that the Restructuring Credit Event may create. The result will be a bifurcated U.S. CDS market, with potential illiquidity in one or the other form of the contract and a potential impact on pricing as well.

Such illiquidity will negatively impact the transition of such products to swap execution facilities and designated contract markets.[19] Illiquid products are also poorly suited for clearing through a central clearinghouse.[20] To the extent a new approach to Restructuring capital relief bifurcated the market and inhibited clearing and trading on regulated platforms (such as swap execution facilities), such an approach would undermine a key component of the Dodd-Frank Act[21] and G20 approach[22] to mitigating counterparty risk.

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[18] *See* the Consultative Document at Section 3.4.

[19] *See* 78 Fed. Reg. 33608 (June 4, 2013) (the minimum liquidity needed to clear a swap is lower than the minimum liquidity needed to support mandatory trade execution on a DCM or a SEF).

[20] *See* 78 Fed. Reg. 33609 (June 4, 2013) (in the clearing determination process, the Commission focuses on the ability to mitigate risk through clearing by a DCO. In this regard, *inter alia*, the Commission assesses whether a particular class of swaps has sufficient liquidity for risk management purposes, *i.e.*, pricing and margining of the cleared swaps).

[21] Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203, 124 Stat. 1376 (2010).

[22] G20, Leaders' Statement: The Pittsburgh Summit, September 24–5 2009, p. 9, § 13 (All standardized OTC derivative contracts should be traded on exchanges or electronic trading platforms, where appropriate, and cleared through central counterparties by end-2012 at the latest. OTC derivative contracts should be reported to trade repositories. Non-centrally cleared contracts should be subject to higher capital requirements).

Thank you for the opportunity to provide comments on this important topic. Please do not hesitate to contact Som-Lok Leung at the IACPM at 1-646-289-5434 (somlok@iacpm.org) if you have any questions or comments on any of the issues raised in this letter.

Yours faithfully,

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Som-lok Leung
Executive Director
International Association of Credit Portfolio Managers

APPENDIX 1

CORPORATE CDS CREDIT EVENTS: 2005 TO PRESENT

From 2005 to the Big Bang (April 2009)[23]	Total Events	Restructuring	Bankruptcy / Failure to Pay	Restructuring *vs* Total (%)
North America[24]	28	1[25]	27	4
Rest of the World	4	0	4	0
Total	32	1	31	3
From the Big Bang to Present[26]	**Total Events**	**Restructuring**	**Bankruptcy / Failure to Pay**	**Restructuring *vs* Total (%)**
North America	59[27]	0	59	0
Rest of the World	48	16	32	33
Total	107	16	91	15
From 2005 to Present	**Total Events**	**Restructuring**	**Bankruptcy / Failure to Pay**	**Restructuring *vs* Total (%)**
North America	87	1	86	1
Rest of the World	52	16	36	31
Total	139	17	122	12

[23] *See Credit Fixings*, Markit (2015) http://www.creditfixings.com/CreditEventAuctions/fixings.jsp; *Closed Protocols*, ISDA (2015) http://www2.isda.org/functional-areas/protocol-management/closed-protocols/. Loan CDS are excluded.

[24] For the purposes of this table, the term "North America" refers to CDS trading with the North American Corporate Transaction Type. As noted above, the North America Corporate Transaction Type is primarily used for U.S. and Canadian corporates (Mexican corporates generally trade using the "Latin America Corporate B" Transaction Type).

[25] See *supra* note 8 regarding the ACA Credit Event. Note that the ACA Credit Event is not listed on the Credit Fixings website because no auction was held.

[26] *See Request to the Determinations Committees*, ISDA (2015), http://dc.isda.org/credit-default-swaps-archive.

[27] On March 26, 2013, a question was posed in relation to whether there had been a Credit Event with respect to Dex Media West, Inc., Dex Media East, Inc., Dex One Corporation, R.H. Donnelley Corporation and each other entity listed in the rider to the relevant bankruptcy petition. For the purposes of this table, only four Credit Events have been counted with regards to this determination.