ISDA 2020 IBOR Fallbacks Protocol (IBOR Fallbacks Protocol) FAQs

ISDA has prepared this list of frequently asked questions to assist in your consideration of the IBOR Fallbacks Protocol.[1] Unless otherwise defined herein, capitalized terms used in these FAQs have the meanings given to them in the IBOR Fallbacks Protocol, the Supplement to the 2006 ISDA Definitions, finalized on October 23, 2020 and to be published by ISDA and effective on January 25, 2021 (the **IBOR Fallbacks Supplement**) or the 2006 ISDA Definitions (as will be amended by the IBOR Fallbacks Supplement).

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 IBOR FALLBACKS PROTOCOL. PARTIES SHOULD CONSULT WITH THEIR LEGAL ADVISERS AND ANY OTHER ADVISER THEY DEEM APPROPRIATE PRIOR TO USING OR ADHERING TO THE IBOR FALLBACKS PROTOCOL. ISDA ASSUMES NO RESPONSIBILITY FOR ANY USE TO WHICH ANY OF ITS DOCUMENTATION OR OTHER DOCUMENTATION MAY BE PUT.

Introduction

The IBOR Fallbacks Protocol enables market participants who are party to a Protocol Covered Document to (i) incorporate either the terms of, or a particular defined term included in, the IBOR Fallbacks Supplement in the terms of their Protocol Covered Document if that Protocol Covered Document incorporates, or references a rate as defined in, a Covered ISDA Definitions Booklet; and/or (ii) include new fallbacks for a relevant interbank offered rate (**IBOR**)[2] in the terms of their Protocol Covered Document if their Protocol Covered Document otherwise references an IBOR.

List of Questions

The next section sets out questions and answers that are designed to explain the basic operation and application of the IBOR Fallbacks Protocol. They cover:

1. Who can adhere to the IBOR Fallbacks Protocol?

    A. What kinds of entities can adhere to the IBOR Fallbacks Protocol?

    B. Can entities that are not ISDA members adhere to the IBOR Fallbacks Protocol?

2. What does the IBOR Fallbacks Protocol do?

[1] For further background, please see the fact sheet entitled 'Understanding IBOR Benchmark Fallbacks' published by ISDA: http://assets.isda.org/media/50b3fed0/47be9435-pdf/.

[2] Relevant IBORs covered in the IBOR Fallbacks Protocol are the sterling London interbank offered rate, the Swiss franc London interbank offered rate, the US dollar London interbank offered rate, the euro London interbank offered rate, the euro interbank offered rate, the Japanese yen London interbank offered rate, the Japanese yen Tokyo interbank offered rate, the euroyen Tokyo interbank offered rate, the Australian bank bill swap rate, the Canadian dollar offered rate, the Hong Kong interbank offered rate, the Singapore dollar swap offer rate and the Thai baht interest rate fixing.

A. What should I consider when determining whether to amend my Protocol Covered Documents by adhering to the IBOR Fallbacks Protocol?

B. Does the IBOR Fallbacks Protocol override bespoke terms that I have agreed?

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5. What happens if an Index Cessation Event occurs with respect to a Relevant IBOR?

A. What happens if both pre-cessation and permanent cessation triggers occur with respect to a Relevant IBOR?

B. What happens if more than one Index Cessation Event of the same type occurs in relation to a Relevant IBOR?

C. What happens if only the permanent cessation trigger applies (for example, for a Relevant IBOR which is not LIBOR)?

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6. What happens if only certain tenors of a Relevant IBOR are permanently discontinued or, in respect of LIBOR, become Non-Representative?

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8. When does the IBOR Fallbacks Protocol become effective?

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    B. When is the agreement to make the amendments contemplated by the IBOR Fallbacks Protocol made?

    C. When are the amendments contemplated by the IBOR Fallbacks Protocol actually made?

9. How do I adhere to and implement the IBOR Fallbacks Protocol?

    A. Is there a cut-off date for adherence to the IBOR Fallbacks Protocol?

    B. How do I submit an Adherence Letter?

    C. Is adherence public?

    D. Who is an authorized signatory?

    E. Can I change the text of the Adherence Letter?

    F. Are there any costs to adhere to the IBOR Fallbacks Protocol?

    G. Can I revoke my adherence to the IBOR Fallbacks Protocol?

    H. Can I include the amendments contemplated by the IBOR Fallbacks Protocol in my documents without adhering to the IBOR Fallbacks Protocol?

10. Can an investment/asset manager or other Agent adhere to the IBOR Fallbacks Protocol on behalf of its Clients?

    A. Can an Agent adhere on behalf of all its Clients?

    B. Can an Agent adhere on behalf of certain of its Clients only?

C. Will a Protocol Covered Document into which an Agent did not enter on behalf of its Client but that the Agent otherwise has the authority to amend be amended under the IBOR Fallbacks Protocol by virtue of the Agent adhering on behalf of its Client?

D. What happens if an Agent enters into an umbrella agreement that is a Protocol Covered Document with a counterparty after both the Agent and the counterparty have adhered to the IBOR Fallbacks Protocol but before the Protocol Effective Date?

E. What happens if an Agent adds a Client to an umbrella agreement that is an Agent Protocol Covered Document after adhering to the IBOR Fallbacks Protocol?

F. If a Client adheres to the IBOR Fallbacks Protocol itself and an Agent which represents that Client also adheres to the IBOR Fallbacks Protocol on behalf of that Client, what will the Implementation Date be for any Protocol Covered Document?

G. If an Agent that has entered into a Protocol Covered Document on behalf of a Client adheres to the IBOR Fallbacks Protocol on behalf of that Client and another Agent who did not enter into that Protocol Covered Document but which otherwise has the authority to amend that Protocol Covered Document also adheres to the IBOR Fallbacks Protocol and identifies that Client as a Client on whose behalf it is amending Non-Agent Executed Protocol Covered Documents, what will be the Implementation Date for that Protocol Covered Document?

11. Will the IBOR Fallbacks Protocol apply to novated transactions?

12. Can parties agree bilaterally to amend the terms or scope of the IBOR Fallbacks Protocol?

13. Do the amendments made by the IBOR Fallbacks Protocol constitute a "Spread Provision" (as defined in the ISDA 2014 Collateral Agreement Negative Interest Protocol published on May 12, 2014 by ISDA)?

14. Why does paragraph 3(a) of the Attachment to the IBOR Fallbacks Protocol delete "THB-THFIX-Reuters" from the IBOR Fallbacks Supplement and what about "THB-SOR-Telerate"?

15. Is the ISDA 2018 Benchmarks Supplement Protocol the same as the new IBOR Fallbacks Protocol and can I just adhere to one of them?

Questions and Answers

1. Who can adhere to the IBOR Fallbacks Protocol?

A. What kinds of entities can adhere to the IBOR Fallbacks Protocol?

The IBOR Fallbacks Protocol is open for adherence by any entity regardless of where it may be domiciled. Entities may adhere individually in their own capacity and/or as Agents on behalf of Clients. See Question 10 (*Can an investment/asset manager or other Agent adhere to the IBOR Fallbacks Protocol on behalf of its Clients?*) for more information on adherence options for Agents.

B. Can entities that are not ISDA members adhere to the IBOR Fallbacks Protocol?

Yes. ISDA members and non-ISDA members alike may adhere to the IBOR Fallbacks Protocol in the same way. See Question 9 (*How do I adhere to and implement the IBOR Fallbacks Protocol?*) for more information on adherence mechanics.

2. What does the IBOR Fallbacks Protocol do?

The IBOR Fallbacks Protocol enables parties:

(i) whose Protocol Covered Document *incorporates* a Covered ISDA Definitions Booklet (see Question 4.G (*What is a Covered ISDA Definitions Booklet?*)) to amend that Protocol Covered Document to incorporate the version of the Covered ISDA Definitions Booklet as amended by the terms of the IBOR Fallbacks Supplement;

(ii) whose Protocol Covered Document references a Relevant IBOR *as defined in*, or which otherwise provides that the Relevant IBOR *has the meaning given in*, a Covered ISDA Definitions Booklet (see Question 4.G (*What is a Covered ISDA Definitions Booklet?*)) to amend that Protocol Covered Document so that the reference to the Relevant IBOR as defined in, or having the meaning given in, the Covered ISDA Definitions Booklet will instead be a reference to the relevant Rate Option for the Relevant IBOR as defined in, and subject to the other relevant terms of, the IBOR Fallbacks Supplement (or, if more than one Rate Option exists for the Relevant IBOR which is referenced in the Protocol Covered Document, the first Rate Option in the IBOR Fallbacks Supplement for the Relevant IBOR); and

(iii) whose Protocol Covered Document *includes a reference* to a Relevant IBOR (howsoever defined) to amend that Protocol Covered Document to include the fallbacks and related terms for the Relevant IBOR as set out in Paragraph 6 of the Attachment to the IBOR Fallbacks Protocol.

A. What should I consider when determining whether to amend my Protocol Covered Documents by adhering to the IBOR Fallbacks Protocol?

You should consult internally on the effects of adhering to the IBOR Fallbacks Protocol and you should seek entity- and jurisdiction-specific advice from external professional advisors, as appropriate, to ensure that you understand all applicable regulatory, tax, accounting, hedging and other considerations in respect of adhering to the IBOR Fallbacks Protocol. Alongside this, you should also note that, to the extent that you do not adhere to the IBOR Fallbacks Protocol or otherwise bilaterally include robust fallbacks in derivatives documentation, the existing fallbacks may not operate to allow parties to identify a fallback rate in the absence of a Relevant IBOR. For example, to the extent that the fallback, without applying the terms of the IBOR Fallbacks Protocol, is to quotations from "reference banks", this is generally not considered to be a robust fallback because "reference banks" are unlikely to provide quotations in the event that a Relevant IBOR is discontinued.

Additionally, paragraph 2(c) (*Undertakings in respect of Protocol Covered Documents with Third Party Credit Support Documents*) of the IBOR Fallbacks Protocol provides that if a Protocol Covered Document is supported by a Third Party Credit Support Document (i.e. which secures, guarantees or otherwise supports an Adhering Party's obligations under such Protocol Covered Document) and that Third Party Credit Support Document requires the consent, approval, authorization or other action of that Third Party to be obtained (i.e. before an amendment is made to the relevant Protocol Covered Document), then each Adhering Party whose obligations are secured, guaranteed or otherwise supported by that Third Party undertakes to each other Adhering Party with which it has entered into such arrangements that it has obtained the required consent, approval, agreement, authorization or other action of that Third Party. The Adhering Party also undertakes to deliver evidence of such consent to its counterparty upon demand. However, if the Third Party has also adhered to the IBOR Fallbacks Protocol, then it will be deemed to have given its consent to the amendments imposed by the IBOR Fallbacks Protocol on the Protocol Covered Document which is supported by the Third Party Credit Support Document. You should therefore consider whether any consents need to be obtained before adhering to the IBOR Fallbacks Protocol.

Parties to any credit support document that is amended by the IBOR Fallbacks Protocol (see Question 4.E (*What are Protocol Covered Credit Support Documents?*)) should also consider whether they need to take any steps to reconfirm or retake any security or otherwise satisfy any formalities under or in connection with the relevant credit support document as a result of the amendment made by the IBOR Fallbacks Protocol.

B. Does the IBOR Fallbacks Protocol override bespoke terms that I have agreed?

The IBOR Fallbacks Protocol provides that, except for any amendments deemed to be made to a Protocol Covered Document pursuant to the IBOR Fallbacks Protocol (for example, to include updated Rate Options and related provisions to the extent that the relevant Protocol Covered Document incorporates a Covered ISDA Definitions Booklet or to include the provisions of paragraph 6 of the Attachment to the IBOR Fallbacks Protocol if the relevant Protocol Covered Document references a Relevant IBOR howsoever defined), the terms and conditions of each Protocol Covered Document that apply to that Protocol Covered Document immediately before it is amended by the IBOR Fallbacks Protocol will continue to apply. As explained in Question 12 (*Can parties agree bilaterally to amend the terms or scope of the IBOR Fallbacks Protocol?*), parties can bilaterally agree to preserve bespoke provisions in their Protocol Covered Documents that would otherwise be amended pursuant to the IBOR Fallbacks Protocol. Parties should carefully consider whether the IBOR Fallbacks Protocol will override or otherwise amend bespoke provisions in their Protocol Covered Documents and seek advice from professional advisors as required.

3. What does the IBOR Fallbacks Supplement do?

The IBOR Fallbacks Supplement updates Rate Options for Relevant IBORs to include new fallbacks in the event of a permanent cessation of those Relevant IBORs (and, for LIBOR Rate Options[3], in the event of a 'pre-cessation' event, as explained below). Each of the Relevant IBORs will, subject to Question 6 (*What happens if only certain tenors of a Relevant IBOR are permanently discontinued or, in respect of LIBOR, become Non-Representative?*), in the event of a permanent cessation of the Relevant IBOR (as well as, for LIBOR Rate Options, in the event of a 'pre-cessation' event), first fall back to a term adjusted risk-free rate for the relevant currency plus a spread. Further fallbacks apply in respect of each of the updated Rate Options in the IBOR Fallbacks Supplement.

As noted above, the IBOR Fallbacks Supplement also includes new fallbacks in the event of a 'pre-cessation' event for the LIBOR Rate Options. A 'pre-cessation' event is a public statement or publication of information by the regulatory supervisor for the administrator of LIBOR (currently, the Financial Conduct Authority) announcing that (i) the regulatory supervisor has determined that LIBOR in the relevant currency is no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality that LIBOR in the relevant currency is intended to measure and that representativeness will not be restored and (ii) it is being made in the awareness that the statement or publication will engage certain contractual triggers for fallbacks activated by

[3] Sterling LIBOR ("GBP-LIBOR-BBA" and "GBP-LIBOR-BBA-Bloomberg"), Swiss Franc LIBOR ("CHF-LIBOR-BBA" and "CHF-LIBOR-BBA-Bloomberg"), U.S. Dollar LIBOR ("USD-LIBOR-BBA" and "USD-LIBOR-BBA-Bloomberg"), Japanese Yen LIBOR ("JPY-LIBOR-FRASETT", "JPY-LIBOR-BBA" and "JPY-LIBOR-BBA-Bloomberg") and Euro LIBOR ("EUR-LIBOR-BBA" and "EUR-LIBOR-BBA-Bloomberg").

pre-cessation announcements by such supervisor (howsoever described) in contracts (a **Pre-cessation Index Cessation Event**).

The IBOR Fallbacks Supplement also introduces fallbacks in the event that a Relevant IBOR is temporarily unavailable (i.e. the IBOR has not been published on the relevant date but no Index Cessation Effective Date has occurred in respect of that Relevant IBOR). Until publication of the IBOR Fallbacks Supplement, the Rate Options for the Relevant IBORs in the 2006 ISDA Definitions generally only include a fallback to quotations from "Reference Banks" and this fallback would apply whenever the Relevant IBOR were not published on the screen, regardless of whether this were a result of a temporary unavailability or a permanent cessation.

The IBOR Fallbacks Supplement therefore updates the Rate Options to provide specific fallbacks depending on whether the Relevant IBOR has been permanently discontinued or is temporarily unavailable. In the event of a temporary unavailability of the rate on the specified price source, the fallbacks provide that the parties should use the rate provided by an authorized distributor (including a rate provided on the original fixing date but after the cut-off time specified in the Rate Option by the authorized distributor originally referenced) or the administrator of the Relevant IBOR itself and, if neither authorized distributors nor the administrator publish a rate, the rate formally recommended for use by the administrator of that Relevant IBOR will apply. If the administrator of that Relevant IBOR has not formally recommended a rate, a rate formally recommended for use by another specified entity, such as the competent authority or supervisor responsible for supervising that Relevant IBOR or the administrator of that Relevant IBOR, a central bank or, in some cases, a committee officially endorsed or convened for the purpose of recommending an alternative rate for that Relevant IBOR, will apply. The precise entities that are specified for these purposes varies under different Rate Options. In each case, if no rate has been formally recommended, a commercially reasonable alternative rate will be determined by the Calculation Agent, taking into account any rate implemented by central counterparties and/or futures exchanges, in each case with trading volumes in derivatives or futures referencing the Relevant IBOR that the Calculation Agent considers sufficient for that rate to be a representative alternative rate.

U.S. dollar LIBOR is an input used to calculate the Singapore dollar swap offer rate and the Thai baht interest rate fixing. Therefore, in respect of Rate Options for the Singapore dollar swap offer rate and the Thai baht interest rate fixing, the IBOR Fallbacks Supplement includes new fallbacks in the event of a permanent cessation or 'pre-cessation' of U.S. dollar LIBOR following a permanent cessation Index Cessation Event or a Pre-cessation Index Cessation Event, as applicable. These new fallbacks are to rates which are calculated by reference to actual transactions in the U.S. dollar/Singapore dollar foreign exchange swap market (in respect of the Singapore dollar swap offer rate) and the U.S. dollar/Thai baht foreign exchange swap market (in respect of the Thai baht interest rate fixing) and a U.S. dollar interest rate calculated by reference to the fallback for U.S. dollar LIBOR (i.e. term adjusted SOFR plus a spread) in place of U.S. dollar LIBOR. The fallback rate for the Singapore dollar swap offer rate will be published by ABS Benchmarks Administration

Co Pte. Ltd. The fallback rate for the Thai baht interest rate fixing will be published by the Bank of Thailand.

The fallback rates (i.e. the term-adjusted risk-free rate plus the spread) for sterling LIBOR, Swiss franc LIBOR, U.S. dollar LIBOR, euro LIBOR, the euro interbank offered rate, Japanese yen LIBOR, the Japanese yen Tokyo interbank offered rate, the euroyen Tokyo interbank offered rate, the Australian bank bill swap rate, the Canadian dollar offered rate and the Hong Kong interbank offered rate will be published by Bloomberg Index Services Limited.

Additionally, the IBOR Fallbacks Supplement (i) includes an acknowledgement that if the definition, methodology, formula or other means of calculating a Floating Rate Option is modified, references to that Floating Rate Option shall be to the Floating Rate Option as modified, unless otherwise specified or agreed by the parties, (ii) introduces discontinued rates maturities provisions largely corresponding to those in the ISDA 2013 Discontinued Rates Maturities Protocol published by ISDA on October 11, 2013 (except that the IBOR Fallbacks Supplement also applies the discontinued rates maturities provisions to LIBOR Rate Options if a tenor of the Relevant LIBOR is Non-representative) (see Question 6 (*What happens if only certain tenors of a Relevant IBOR are permanently discontinued or, in respect of LIBOR, become Non-Representative?*)) and (iii) sets out fallbacks for Calculation Periods (or Compounding Periods) to which 'Linear Interpolation' is specified to apply (see Question 7 (*Does the IBOR Fallbacks Supplement address Calculation Periods or Compounding Periods to which 'Linear Interpolation' is specified to apply (for example, stub periods or other non-standard periods)?*)). If a Pre-cessation Index Cessation Event also occurs when the definition, methodology, formula or other means of calculating a Floating Rate Option is modified, then the IBOR Fallbacks Supplement makes clear that the fallbacks will apply upon the occurrence of the related pre-cessation Index Cessation Effective Date and that the material change acknowledgement referred to in subparagraph (i) above will not apply in these circumstances.

You can find more information regarding how the term adjusted risk-free rate for the relevant currency plus a spread will be calculated and the IBOR Fallbacks Supplement in the factsheet published by Bloomberg, ISDA and Linklaters LLP here.

See Diagram A in the Annex to these FAQs for a high-level summary of the fallbacks that apply for Relevant IBORs other than SOR and THBFIX.

4. What IBORs and documents are in scope of the IBOR Fallbacks Protocol?

A. What is a Relevant IBOR?

A "Relevant IBOR" is:

(i) any of sterling LIBOR (London interbank offered rate), Swiss franc LIBOR (London interbank offered rate), U.S. dollar LIBOR (London interbank offered rate), euro LIBOR (London interbank offered rate), the euro interbank offered rate, the Japanese yen London interbank offered rate, the Japanese yen Tokyo interbank offered rate, the euroyen Tokyo interbank offered rate, the Australian bank bill swap rate, the Canadian dollar offered rate, the Hong Kong interbank offered rate, the Singapore dollar swap offer rate and the Thai baht interest rate fixing; or

(ii) LIBOR (the London interbank offered rate) (with no reference to, or indication of, the currency of the relevant LIBOR),

in each case, howsoever defined or described (whether in English or in any other language) in the relevant Protocol Covered Document.

For the avoidance of doubt, the reference in Section 7.3 (*Corrections to Published Prices*) of the 2005 ISDA Commodity Definitions to "the spot offered rate for deposits in the payment currency in the London interbank market as at approximately 11:00 a.m., London time" is considered to be a "Relevant IBOR".

B. If I adhere, will the IBOR Fallbacks Protocol apply to all of my master agreements, credit support documents and confirmations or just some of them?

The IBOR Fallbacks Protocol will only apply to Protocol Covered Master Agreements, Protocol Covered Credit Support Documents and Protocol Covered Confirmations entered into with other Adhering Parties (see Questions 4.D (*What are Protocol Covered Master Agreements?*), 4.E (*What are Protocol Covered Credit Support Documents?*) and 4.F (*What are Protocol Covered Confirmations?*) for further information).

As is customary in ISDA protocols, the IBOR Fallbacks Protocol will not apply to any agreement in which the parties expressly state that the terms of the IBOR Fallbacks Protocol do not apply.

ISDA has also produced (i) template acknowledgment wording for inclusion in agreements referencing a Relevant IBOR that were entered into prior to the IBOR Fallbacks Protocol becoming effective, which enabled parties to explicitly agree whether or not the terms of the IBOR Fallbacks Protocol shall apply to the relevant agreement and (ii) template language enabling parties to exclude certain transactions from the scope of the IBOR Fallbacks Protocol (including after both parties to those transactions have adhered to the IBOR Fallbacks Protocol).

C. What are Protocol Covered Documents?

"Protocol Covered Documents" are Protocol Covered Master Agreements (see Question 4.D (*What are Protocol Covered Master Agreements?*)), Protocol Covered Credit Support Documents (see Question 4.E (*What are Protocol Covered Credit Support Documents?*)) and Protocol Covered Confirmations (see Question 4.F (*What are Protocol Covered Confirmations?*)), excluding any documentation governing cleared transactions (see Question 4.I (*Does the IBOR Fallbacks Protocol apply to documentation governing cleared transactions?*)). Protocol Covered Documents between Adhering Parties will be amended in accordance with the IBOR Fallbacks Protocol once it becomes effective between those Adhering Parties (see Question 8 (*When does the IBOR Fallbacks Protocol become effective?*)).

D. What are Protocol Covered Master Agreements?

A "Protocol Covered Master Agreement" is an ISDA Master Agreement or an Additional Master Agreement (see Question 4.H (*Will the IBOR Fallbacks Protocol apply to non-ISDA master agreements and non-ISDA credit support documents?*) for more information on Additional Master Agreements) that:

(i) has been entered into between two Adhering Parties either (a) by execution by the parties (whether directly or through the agency of an agent) or (b) by execution by the parties (whether directly or through the agency of an agent) of a confirmation pursuant to which a party is deemed to have entered into an ISDA Master Agreement or an Additional Master Agreement with the other party;

(ii) has a Protocol Covered Document Date prior to the Protocol Effective Date or, if later, the date of acceptance by ISDA of an Adherence Letter from the later of the two Adhering Parties to adhere. A Protocol Covered Document Date is, in respect of any document, the date of that document, howsoever described, provided that (a) if that document has different dates specified in it, one of which includes a date specified as an "as of" date, that date shall be the Protocol Covered Document Date, and (b) if that document is a Confirmation (other than a master confirmation agreement, including any related general terms confirmation), the Protocol Covered Document Date shall be the Trade Date; and

(iii) satisfies one or more of the following conditions:

(a) incorporates a Covered ISDA Definitions Booklet (see Question 4.G (*What is a Covered ISDA Definitions Booklet?*)), for example an ISDA 2002 Master Agreement that incorporates the 2006 ISDA Definitions;

(b) references a Relevant IBOR "as defined" in, or otherwise provides that the Relevant IBOR has the meaning given in, a Covered ISDA Definitions Booklet (regardless of whether such Covered ISDA Definitions Booklet is incorporated in full in that Master Agreement), for example a deemed ISDA 2002 Master Agreement that references "GBP-LIBOR-BBA, as defined in the 2000 ISDA Definitions"; and

(c) references a Relevant IBOR, howsoever defined, for example a 2010 ISLA Global Master Securities Lending Agreement that references "LIBOR".

If an ISDA Master Agreement or an Additional Master Agreement satisfies the conditions in (i) and (ii) above, it need only satisfy one of the conditions listed in (iii) above in order to constitute a Protocol Covered Master Agreement. That means, for example, that it does not have to incorporate a Covered ISDA Definitions Booklet.

Furthermore, if, for example, a Covered ISDA Definitions Booklet is incorporated in the ISDA Master Agreement but not in certain Confirmations under that ISDA Master Agreement, transactions entered into after the Protocol Effective Date (or, if later, the date of acceptance by ISDA of an Adherence Letter from the later of the two Adhering Parties to adhere) whose Confirmations do not incorporate a Covered ISDA Definitions Booklet but rely on its incorporation in the ISDA Master Agreement itself (e.g. by referencing terms that are defined in that Covered ISDA Definitions Booklet, such as a Rate Option for a Relevant IBOR) will apply the updates within the IBOR Fallbacks Protocol. For example, the Rate Option for a Relevant IBOR referenced in the Confirmation will include the new fallbacks because the definition of the Rate Option in the Covered ISDA Definitions Booklet incorporated in the ISDA Master Agreement will have been updated pursuant to the IBOR Fallbacks Protocol.

E. What are Protocol Covered Credit Support Documents?

A "Protocol Covered Credit Support Document" is an ISDA Credit Support Document or an Additional Credit Support Document (see Question 4.H (*Will the IBOR Fallbacks Protocol apply to non-ISDA master agreements and non-ISDA credit support documents?*)) entered into between two Adhering Parties (whether directly or through the agency of an agent), that has a Protocol Covered Document Date (see subparagraph (2) of Question 4.D (*What are Protocol Covered Master Agreements?*) above for the definition of "Protocol Covered Document Date") prior to the Protocol Effective Date or, if later, the date of acceptance by ISDA of an Adherence Letter from the later of the two Adhering Parties to adhere and which:

(i) incorporates a Covered ISDA Definitions Booklet, for example a 1995 ISDA Credit Support Annex (Bilateral Form; ISDA Agreements Subject to New York Law Only) that incorporates the 2000 ISDA Definitions;

(ii) references a Relevant IBOR "as defined" in, or otherwise provides that the Relevant IBOR has the meaning given in, a Covered ISDA Definitions Booklet (regardless of whether such Covered ISDA Definitions Booklet is incorporated in full in that ISDA Credit Support Document or Additional Credit Support Document), for example a 2007 FBF Collateral Annex that references "USD-LIBOR-BBA, as defined in the 2006 ISDA Definitions"; and/or

(iii) references a Relevant IBOR, howsoever defined, for example a 2016 Credit Support Annex for Variation Margin (VM) (Bilateral Form - Transfer; ISDA Agreements Subject to English Law) that references "HIBOR".

If an ISDA Credit Support Document or an Additional Credit Support Document is entered into between two Adhering Parties and has a Protocol Covered Document Date prior to the Protocol Effective Date (or, if later, the date of acceptance by ISDA of an Adherence Letter from the later of the two Adhering Parties to adhere), it need only satisfy one of the conditions in (i), (ii) and (iii) above in order to constitute a Protocol Covered Credit Support Document. This means, for example, that it does not have to incorporate a Covered ISDA Definitions Booklet.

F. What are Protocol Covered Confirmations?

A "Protocol Covered Confirmation" is a Confirmation entered into between two Adhering Parties (whether directly or through the agency of an agent), that has a Protocol Covered Document Date (see subparagraph (2) of Question 4.D (*What are Protocol Covered Master Agreements?*) above for the definition of "Protocol Covered Document Date") prior to the Protocol Effective Date or, if later, the date of acceptance by ISDA of an Adherence Letter from the later of the two Adhering Parties to adhere and which:

(i) supplements, forms part of and is subject to, or is otherwise governed by, a Master Agreement[4] and incorporates a Covered ISDA Definitions Booklet, for example a Confirmation that is entered into under an ISDA 2002 Master Agreement and which Confirmation incorporates the 1991 ISDA Definitions;

(ii) supplements, forms part of and is subject to, or is otherwise governed by, a Master Agreement and references a Relevant IBOR "as defined" in, or otherwise provides that the Relevant IBOR has the meaning given in, a Covered ISDA Definitions Booklet (regardless of whether such Covered ISDA Definitions Booklet is incorporated in full in that Confirmation), for example a Confirmation entered into under a 2013 FBF Master Agreement relating to Transactions on Forward Financial Instruments and which Confirmation references "CHF-LIBOR-BBA, as defined in the 1998 Supplement to the 1991 ISDA Definitions"; and/or

(iii) supplements, forms part of and is subject to, or is otherwise governed by, a Master Agreement and references a Relevant IBOR, howsoever defined, for

[4] A Master Agreement is an ISDA Master Agreement or an Additional Master Agreement (see Question 4.H (*Will the IBOR Fallbacks Protocol apply to non-ISDA master agreements and non-ISDA credit support documents?*)) that has been entered into (i) by execution by the parties thereto (whether directly or through the agency of an agent) or (ii) by execution of the parties thereto (whether directly or through the agency of an agent) of a Confirmation pursuant to which a party is deemed to have entered into an ISDA Master Agreement or an Additional Master Agreement with the other party.

example a Confirmation entered into under an ISDA 2002 Master Agreement and which Confirmation references "TIBOR".

If a Confirmation is entered into between two Adhering Parties and has a Protocol Covered Document Date prior to the Protocol Effective Date (or, if later, the date of acceptance by ISDA of an Adherence Letter from the later of the two Adhering Parties to adhere), it need only satisfy one of the conditions in (i), (ii) and (iii) above in order to constitute a Protocol Covered Confirmation. This means, for example, that it does not have to incorporate a Covered ISDA Definitions Booklet.

G. What is a Covered ISDA Definitions Booklet?

Each of the following is a "Covered ISDA Definitions Booklet":

(i) the 2006 ISDA Definitions;

(ii) the 2000 ISDA Definitions;

(iii) the 1998 ISDA Euro Definitions;

(iv) the 1998 Supplement to the 1991 ISDA Definitions; and

(v) the 1991 ISDA Definitions.

If a Protocol Covered Document incorporates, or references a rate as defined in, a Covered ISDA Definitions Booklet, the IBOR Fallbacks Protocol enables parties to include the terms of the IBOR Fallbacks Supplement or the relevant definitions from the IBOR Fallbacks Supplement (as applicable) in the terms of such Protocol Covered Document.

H. Will the IBOR Fallbacks Protocol apply to non-ISDA master agreements and non-ISDA credit support documents?

Some non-ISDA documents include references to key IBORs and so some non-ISDA documents will be within scope of the IBOR Fallbacks Protocol but only if those documents are listed in the IBOR Fallbacks Protocol as "Additional Master Agreements" or "Additional Credit Support Documents". The IBOR Fallbacks Protocol will not amend any non-ISDA master agreements or non-ISDA credit support documents which are not included in these lists. See also, however, Question 12 (*Can parties agree bilaterally to amend the terms or scope of the IBOR Fallbacks Protocol?*). If parties want to remove non-ISDA documents from the lists in the IBOR Fallbacks Protocol or add non-ISDA documents to those lists, they will need to do so bilaterally. See Question 12 (*Can parties agree bilaterally to amend the terms or scope of the IBOR Fallbacks Protocol?*).

Will ISDA confirm whether non-ISDA documents are effectively amended by the IBOR Fallbacks Protocol?

No. ISDA provides no assurance as to the effect of the IBOR Fallbacks Protocol in respect of any non-ISDA documents. Adherents to the IBOR Fallbacks Protocol should satisfy themselves as to whether non-ISDA master agreements and non-ISDA credit support documents are effectively amended by the IBOR Fallbacks Protocol.

ISDA has contacted the relevant local counsel and trade associations responsible for each non-ISDA document listed as an "Additional Master Agreement" or an "Additional Credit Support Document" in the IBOR Fallbacks Protocol, as summarized in the table available here:

Final List of counsel and trade associations for non-ISDA documents

However, these non-ISDA documents have *not* been subject to legal diligence conducted by ISDA and any questions in respect of such non-ISDA documents should be directed to the relevant non-ISDA contact listed in the table for that non-ISDA document. As explained above, with respect to any non-ISDA document (including those listed in the table above), ISDA provides no assurance as to the effect of the IBOR Fallbacks Protocol on such documents and adherents should satisfy themselves as to whether non-ISDA documents are effectively amended by the IBOR Fallbacks Protocol.

Which non-ISDA documents are within scope of the IBOR Fallbacks Protocol?

Non-ISDA master agreements and non-ISDA credit support documents will be within scope of the IBOR Fallbacks Protocol provided they are "Additional Master Agreements" or "Additional Credit Support Documents" and provided they satisfy the other requirements in the definition of Protocol Covered Master Agreements or Protocol Covered Credit Support Documents (see Question 4.D (*What are Protocol Covered Master Agreements?*) and 4.E (*What are Protocol Covered Credit Support Documents?*)), as applicable.

Additional Master Agreements are the documents (including any annexes or appendices thereto) set out in Part 1 of the Additional Documents Annex to the IBOR Fallbacks Protocol.

Additional Credit Support Documents are the documents (including any annexes or appendices thereto) set out in Part 2 of the Additional Documents Annex to the IBOR Fallbacks Protocol.

I. Does the IBOR Fallbacks Protocol apply to documentation governing cleared transactions?

No. The IBOR Fallbacks Protocol does not apply to documentation governing cleared transactions, including any transactions that are "Client Transactions" (or in substance equivalent) under a 2016 ISDA/FIA Client Cleared OTC Derivatives Addendum or any agreement that in substance relates to the same matters as those contemplated by the 2016 ISDA/FIA Client Cleared FIA OTC Derivatives Addendum between a clearing member and its client. Parties should consult the rules of the relevant central counterparty in respect of cleared transactions, which may, in some instances, contain the terms of the IBOR Fallbacks Supplement.[5]

5. What happens if an Index Cessation Event occurs with respect to a Relevant IBOR?

A. What happens if both pre-cessation and permanent cessation triggers occur with respect to a Relevant IBOR?

As explained in Question 3 (*What does the IBOR Fallbacks Supplement do?*), the IBOR Fallbacks Supplement includes (i) new fallbacks in the event of the permanent cessation of a Relevant IBOR in respect of which there is a public statement or publication of information by certain specified entities that the Relevant IBOR has ceased or will cease to be published (i.e. a permanent cessation Index Cessation Event) and (ii) for LIBOR Rate Options, new fallbacks in the event of the 'pre-cessation' of LIBOR following a Pre-cessation Index Cessation Event.

Following (i) the permanent discontinuation of a Relevant IBOR or (ii) in respect of a LIBOR Rate Option, if LIBOR in the relevant currency is or has become Non-Representative or is permanently discontinued, assuming that interpolation using other tenors of the Relevant IBOR is not possible (see Question 6 (*What happens if only certain tenors of a Relevant IBOR are permanently discontinued or, in respect of LIBOR, become Non-Representative?*) regarding when interpolation using other tenors of Relevant IBORs is possible), the Relevant IBOR will fall back to a term adjusted risk-free rate for the relevant currency plus a spread published by Bloomberg (except for the Singapore dollar swap offer rate and the Thai baht interest rate fixing, as set out in Question 3 (*What does the IBOR Fallbacks Supplement do?*)).

[5] For example, please see: https://www.cmegroup.com/education/articles-and-reports/cme-group-supports-isda-s-libor-fallback-provisions.html;
https://www.lch.com/membership/ltd-membership/ltd-member-updates/lchs-position-respect-isdas-recommended-benchmark;
https://www.lch.com/membership/ltd-membership/ltd-member-updates/lchs-position-respect-pre-cessation-triggers-relation; and
https://www.lch.com/membership/ltd-membership/ltd-member-updates/summary-feedback-lchs-consultation-regarding-proposed.

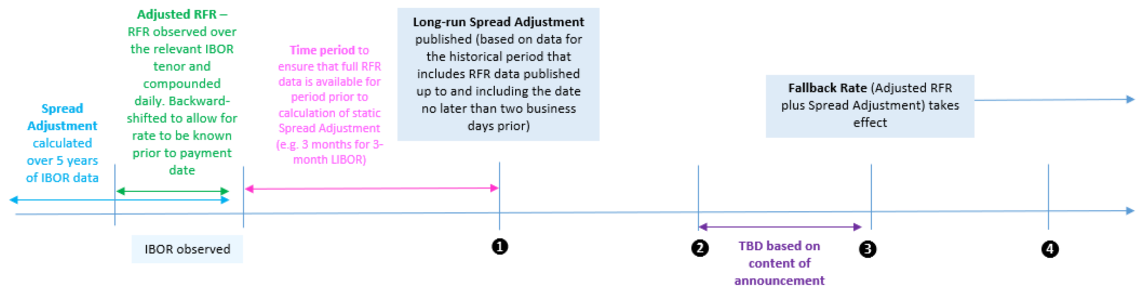
Bloomberg's IBOR Fallback Rate Adjustments Rule Book which sets out the calculation of the fallback rates in detail can be found here.

The spread component of each fallback will be the spread published by Bloomberg on the date of the *first* public statement or publication of information which constitutes a permanent cessation Index Cessation Event or, if applicable, a Pre-cessation Index Cessation Event. This spread will be based on data for the historical period that includes risk-free rate data published up to and including the date no later than two business days prior to the date of the relevant statement or publication. This means that if both permanent cessation and pre-cessation triggers apply to a Rate Option (for example, in respect of a LIBOR Rate Option) and if an announcement is made that constitutes a permanent cessation Index Cessation Event and a separate announcement is made that constitutes a Pre-cessation Index Cessation Event, the spread will be fixed or 'set' by Bloomberg on the date on which the *first* announcement occurs (regardless of whether that announcement relates to pre-cessation or permanent cessation). The occurrence of a subsequent announcement will not affect the spread which applies as part of the fallback (i.e. the spread will remain the spread published on the date of the *first* public statement or publication of information that constitutes a Pre-cessation Index Cessation Event or a permanent cessation Index Cessation Event).

The fallbacks (of which the spread forms part) will apply from the earliest Index Cessation Effective Date to occur, i.e. the date that the Relevant IBOR actually becomes Non-Representative (in respect of LIBOR) or actually ceases to be available, whichever is earlier. This may mean that a spread which was fixed or 'set' on the day on which a permanent cessation Index Cessation Event occurs applies from an earlier date on which the Relevant IBOR is Non-Representative (i.e. if the announcement regarding permanent cessation occurs first but LIBOR becomes Non-Representative before LIBOR is actually discontinued).

If, for example, it is announced in January 2022 that sterling LIBOR would be discontinued in December 2022 but the UK Financial Conduct Authority (FCA) then announced in April 2022 that sterling LIBOR would be Non-Representative from July 2022, then the spread would be set and published on the relevant announcement date in January 2022 and the fallbacks would apply in July 2022 (assuming the parties have not bilaterally disapplied the pre-cessation trigger).

The diagram below shows when the spread would be fixed or 'set' and when the fallbacks would apply if both a permanent cessation Index Cessation Event and a Pre-cessation Index Cessation Event occur with respect to a Relevant IBOR:



1: permanent cessation Index Cessation Event, i.e. announcement that IBOR will permanently cease to be available as of 4
2: pre-cessation Index Cessation Event, i.e. public statement or publication of information by the regulatory supervisor that IBOR will be Non-Representative as of 3 (which may either coincide with 2 or be after 2)
3: IBOR actually becomes Non-Representative
4: IBOR permanently ceases to be available

B. What happens if more than one Index Cessation Event of the same type occurs in relation to a Relevant IBOR?

It is possible that more than one Index Cessation Event occurs in relation to a Relevant IBOR. Question 5.A (*What happens if both pre-cessation and permanent cessation triggers occur with respect to a Relevant IBOR?*) explains what happens if both a Pre-cessation Index Cessation Event and a permanent cessation Index Cessation Event occurs.

Similarly, if more than one of the same type of Index Cessation Event occurs (for example, if two Pre-cessation Index Cessation Events occur with respect to sterling LIBOR) then, assuming interpolation using other tenors of the Relevant IBOR is not possible (see Question 6 (*What happens if only certain tenors of a Relevant IBOR are permanently discontinued or, in respect of LIBOR, become Non-Representative?*) regarding when interpolation using other tenors of Relevant IBORs is possible), the spread that will apply as part of the fallbacks for that Relevant IBOR will be the spread published on the date of the *first* Index Cessation Event in relation to that Relevant IBOR.

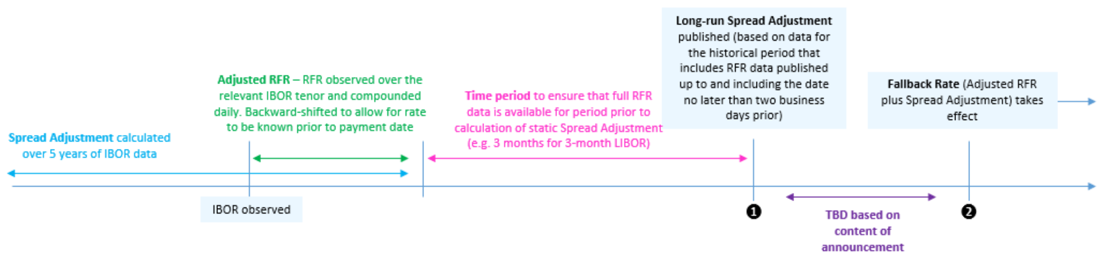
For example, if the UK FCA announced in January 2022 that U.S. dollar LIBOR would be Non-Representative from June 2022 and then announced in February 2022 that U.S. dollar LIBOR would actually be Non-Representative from May 2022, then the spread would be set and published in January 2022 (when that the first announcement is made) and the fallbacks would apply from May 2022 (assuming the parties have not bilaterally disapplied the pre-cessation trigger).

C. What happens if only the permanent cessation trigger applies (for example, for a Relevant IBOR which is not LIBOR)?

The pre-cessation trigger only applies to LIBOR Rate Options. Therefore, the Rate Options for other Relevant IBORs only include the permanent cessation Index

Cessation Event trigger (as well as the temporary unavailability provisions mentioned in Question 3 (*What does the IBOR Fallbacks Supplement do?*)).

The diagram below explains when the spread would be fixed or 'set' and when the fallbacks would apply if only a permanent cessation Index Cessation Event occurs with respect to a Relevant IBOR:



1: permanent cessation Index Cessation Event, i.e. announcement that IBOR will permanently cease to be available (and therefore will permanently cease to be available as of 2 (which may either coincide with 1 or be after 1))
2: permanent cessation Index Cessation Effective Date, i.e. IBOR actually permanently ceases to be available

D. What happens if I have bilaterally opted out of a pre-cessation trigger?

As explained in Question 12 (*Can parties agree bilaterally to amend the terms or scope of the IBOR Fallbacks Protocol?*), parties can bilaterally disapply the pre-cessation provisions included in the IBOR Fallbacks Protocol and ISDA has provided forms of amendment language to facilitate this.

Bloomberg will also engage with its clients to determine whether there is interest in Bloomberg publishing a second spread (i.e. based on data for the historical period prior to any public statement or publication of information regarding *permanent cessation*, assuming such a statement is made or such information is published later than a statement or publication of information which constitutes a Pre-cessation Index Cessation Event). If Bloomberg does publish a second spread, parties could consider applying it as part of the fallback following permanent cessation if they have bilaterally agreed to disapply the inclusion of the pre-cessation provisions.

If the parties have bilaterally disapplied the pre-cessation provisions and Bloomberg does *not* publish a second spread (or, if the parties have bilaterally disapplied the pre-cessation provisions but do *not* apply any second spread published by Bloomberg), then, if a Pre-cessation Index Cessation Event occurs before a permanent cessation Index Cessation Event, the spread (which forms part of the fallback) will be fixed or 'set' on the date on which the Pre-cessation Index Cessation Event occurs, although the fallbacks will only apply from the date on which the Relevant IBOR is permanently discontinued (i.e. because the pre-cessation provisions have been disapplied such that the fallbacks will not apply when LIBOR in the relevant currency becomes Non-Representative).

E. What happens if a Relevant IBOR is discontinued on the day on which it is ordinarily observed?

Assuming that all tenors for that Relevant IBOR are discontinued (see Question 6 (*What happens if only certain tenors of a Relevant IBOR are permanently discontinued or, in respect of LIBOR, become Non-Representative?*) with respect to certain tenors only being permanently discontinued or, in respect of LIBOR, becoming Non-Representative), the Index Cessation Effective Date will be the first date on which the Relevant IBOR (or, if the Relevant IBOR is either the Singapore dollar swap offer rate or the Thai baht interest rate fixing, U.S. dollar LIBOR) is no longer provided or, in respect of a LIBOR Rate Option, the first date on which the Relevant IBOR (or, if the Relevant IBOR is either the Singapore dollar swap offer rate or the Thai baht interest rate fixing, U.S. dollar LIBOR) is no longer provided or, in respect of LIBOR, is Non-Representative.

For example, if an announcement constituting an Index Cessation Event in respect of sterling LIBOR provides that sterling LIBOR will be no longer be published *from (and including)* 13 January 2022, the Index Cessation Effective Date will be 13 January 2022 and the fallbacks in the IBOR Fallbacks Supplement for sterling LIBOR (and also in the IBOR Fallbacks Protocol) will apply from (and including) 13 January 2022. By contrast, if an announcement constituting an Index Cessation Event in respect of sterling LIBOR provides that sterling LIBOR will no longer be published *after* 13 January 2022, the Index Cessation Effective Date will be 14 January 2022 and the fallbacks in the IBOR Fallbacks Supplement for sterling LIBOR (and also in the IBOR Fallbacks Protocol) will apply from 14 January 2022.

If an Index Cessation Effective Date occurs with respect to a Relevant IBOR *on* the day on which it is ordinarily observed (for example, on the "Reset Date" in respect of GBP-LIBOR-BBA) so that no rate is published for that Relevant IBOR on that day (or, in respect of LIBOR, the rate that is published on that day is Non-Representative), then the fallbacks in the IBOR Fallbacks Supplement for the Relevant IBOR (and also in the IBOR Fallbacks Protocol) will apply from that date (for example, in respect of GBP-LIBOR-BBA, the rate for that "Reset Date" will be determined by reference to the fallbacks). However, if the Relevant IBOR is published (and, in respect of LIBOR, is not Non-Representative) at the time at which it is ordinarily observed on the day on which it is ordinarily observed and is only discontinued *after* that time on that day, then the rate for that day will be determined by reference to the Relevant IBOR which has been published and which, in respect of LIBOR, is not Non-Representative. For example, in respect of GBP-LIBOR-BBA, if sterling LIBOR is published (assuming it is not Non-Representative) at 11:55 a.m., London time, on the relevant "Reset Date", then the rate for that Reset Date will be that published sterling LIBOR rate and the Index Cessation Effective Date will be the *next day* on which sterling LIBOR would ordinarily have been published. The fallbacks will only apply to Reset Dates which occur *on or after* that Index Cessation Effective Date.

If on a day an announcement which constitutes a Pre-cessation Index Cessation Event is made after a representative LIBOR rate is published, it would, in practice, have an effective date no earlier than the following day (i.e. the Index Cessation Effective Date would be the following day at the earliest and, in any event, would be the date included in the regulator's announcement/statement as the date from which that LIBOR rate is Non-Representative).

6. What happens if only certain tenors of a Relevant IBOR are permanently discontinued or, in respect of LIBOR, become Non-Representative?

It is possible that only certain tenors of a Relevant IBOR will be permanently discontinued or, in respect of LIBOR, become Non-Representative, whilst shorter or longer tenors of that Relevant IBOR continue to be available and, in respect of LIBOR, not Non-Representative.

The discontinued rates maturities provisions included in the IBOR Fallbacks Supplement at Section 8.5 (as referred to in Question 3 (*What does the IBOR Fallbacks Supplement do?*)) provide that, if (i) the rate for a Reset Date is to be determined by reference to a discontinued tenor (or, in respect of LIBOR, a Non-Representative tenor) and (ii) at least two other tenors are available (and, in respect of LIBOR, not Non-Representative), one of which is longer and one of which is shorter than the discontinued tenor, then the rate for the Reset Date will be determined by interpolating between the next shorter and next longer available (and, in respect of LIBOR, not Non-Representative) IBOR tenors. If there is no such shorter or longer tenor, then interpolation between IBOR tenors will not be possible and an Index Cessation Effective Date will be deemed to have occurred. This means that, if the Relevant IBOR in the relevant tenor is discontinued or, in respect of LIBOR, is Non-Representative, the first fallback is to an interpolated IBOR rate. The fallback to the adjusted risk-free rate plus spread will only apply if interpolation between IBOR tenors (which, in respect of LIBOR, are not Non-Representative) is not possible (i.e. because all shorter or all longer IBOR tenors have also been discontinued or, in the case of LIBOR, are Non-Representative). If interpolation between IBOR tenors (which, in respect of LIBOR, are not Non-Representative) is not possible, the relevant Index Cessation Event will occur on the date of the announcement pursuant to which all shorter or all longer tenors will be discontinued or, in respect of LIBOR, Non-Representative (or, if later, the date of the announcement pursuant to which the referenced tenor will be discontinued or, in respect of LIBOR, Non-Representative). The related Index Cessation Effective Date will be the first date on which all shorter or all longer IBOR tenors are discontinued or, in respect of LIBOR, Non-Representative (or, if later, the first date on which the referenced tenor is discontinued or, in respect of LIBOR, Non-Representative).

Bloomberg is already publishing 'indicative' spreads in advance of a fallback actually applying by reference to published IBOR values and for information purposes. If an announcement is made that a tenor of a Relevant IBOR will be discontinued, Bloomberg will calculate the 'indicative' spread by interpolating between remaining IBOR tenors (which, in respect of LIBOR, are not Non-Representative) in order to obtain a value for the IBOR. This value will then be compared to equivalent risk-free rate data in order to determine the spread. If there is an announcement (or announcements) that all shorter or all longer IBOR tenors will be discontinued (or, in respect of LIBOR, will be Non-Representative), then the spread will be fixed or 'set' (i.e. the 'Spread Adjustment Fixing Date', as defined in Bloomberg's IBOR Fallback Rate Adjustments Rule Book, will occur). After this date, the spread published by Bloomberg for that IBOR in the relevant currency and tenor will not change. For example, if a tenor of a Relevant IBOR is discontinued and, at a later date, all shorter tenors are also discontinued, then Bloomberg will fix or 'set' the spread upon the announcement that all shorter tenors will be discontinued (or, if more than one announcement is made with respect to the discontinuation of shorter tenors, upon the announcement with respect to the last remaining shorter tenor).

Bloomberg's IBOR Fallback Rate Adjustments Rule Book, which sets out how the fallback rates (including the spread) are calculated in detail, can be found here.

7. Does the IBOR Fallbacks Supplement address Calculation Periods or Compounding Periods to which 'Linear Interpolation' is specified to apply (for example, stub periods or other non-standard periods)?

The IBOR Fallbacks Supplement specifically addresses Calculation Periods and Compounding Periods (for example, a stub period) to which "Linear Interpolation" is specified to apply. This is because the fallback to a term adjusted version of the risk-free rate plus a spread may not operate effectively for these Calculation Periods (or Compounding Periods) which, pursuant to Section 8.3 of the 2006 ISDA Definitions, will use a rate which is calculated by reference to two rates, one of which will often have a tenor that is longer than the length of the Calculation Period (or the Compounding Period). The issue with this is that the compounded risk-free rate (which forms part of the standard fallback) for that longer tenor will generally not be known until the end of that longer tenor period (i.e. it will not be known on the Payment Date which will fall at the end of the shorter relevant Calculation Period (or Compounding Period)).

The IBOR Fallbacks Supplement therefore provides (in a new Section 7.9(a) of the 2006 ISDA Definitions) that (for key IBORs other than SOR and THBFIX):

(i) 'Linear Interpolation' between IBOR tenors will be used pursuant to Section 8.3 of the 2006 ISDA Definitions if IBOR rates are available and, in the case of a LIBOR Rate Option, not Non-Representative, for periods of time that are both shorter and longer than the length of the Calculation Period (or Compounding Period) (or, if the parties have agreed alternative Designated Maturities between which to interpolate pursuant to Section 8.3, if IBOR rates for both of those agreed periods of time are still available and, in the case of a LIBOR Rate Option, not Non-Representative);

(ii) as set out in Question 6 (*What happens if only certain tenors of a Relevant IBOR are permanently discontinued or, in respect of LIBOR, become Non-Representative?*)

above, interpolation of IBOR tenors in accordance with the discontinued rates maturities provisions will apply if possible (i.e. to the extent that IBOR rates are available for both tenors which are longer and shorter than the length of the Calculation Period (or Compounding Period)). The discontinued rates maturities provisions are set out in a new Section 8.5 of the 2006 ISDA Definitions and apply to a rate which was not originally interpolated but also where a tenor that was previously used for interpolation has been discontinued or, in the case of LIBOR, is Non-Representative;

(iii) if the discontinued rates maturities provisions do not apply because the only IBOR tenors available (and which, in the case of a LIBOR Rate Option, are not Non-Representative) are either all longer or all shorter than the length of the Calculation Period (or the Compounding Period), then the risk-free rate will be compounded over the length of the Calculation Period (or Compounding Period) (which will be backward-shifted so that the rate is known in advance of the Payment Date) and a spread will be added. The spread will be calculated by interpolating between the Bloomberg-published 'set' or 'crystallized' spreads for the tenors which are next shorter and next longer than the length of the Calculation Period (or Compounding Period) or, if there is either no next longer or no next shorter 'set' spread (for example because all longer or all shorter IBOR tenors are still available, such that only 'indicative' Bloomberg-published spreads are available), the 'set' spread for the tenor which is closest in length to the Calculation Period (or Compounding Period) shall apply. This is set out in Section 7.9 of the 2006 ISDA Definitions.

For example, in respect of a 4-month Calculation Period for which 'Linear Interpolation' is specified to apply and for which the parties have agreed that the specific alternative Designated Maturities between which linear interpolation should apply are 3 and 6-month sterling LIBOR, the rate which applies if 6-month sterling LIBOR is discontinued will be:

(i) on the assumption that the 3 and 12-month sterling LIBOR tenors are the next shortest and longest that continue to be published, and are not Non-Representative, a rate based on interpolation between 3-month sterling LIBOR and 12-month sterling LIBOR. This is pursuant to the discontinued rates maturities provisions in Section 8.5 of the 2006 ISDA Definitions; or

(ii) if 12-month sterling LIBOR has also been discontinued, such that there are no remaining sterling LIBOR tenors longer than 4 months, then the applicable risk-free rate (i.e. SONIA) will be compounded over the 4-month Calculation Period (backward-shifted by 2 Applicable Reference Rate Business Days) and, assuming that no other sterling LIBOR tenors (other than 6 and 12-month sterling LIBOR) have been discontinued or are Non-Representative, the 'set' spread for 6-month sterling LIBOR will apply (as this is the 'set' spread for the tenor which is closest in length to the Calculation Period). As there is no discontinued or Non-Representative tenor shorter than 6-month sterling LIBOR, the spread cannot be determined through linear interpolation and this is why the set spread for 6-month sterling LIBOR applies (see paragraph (b) in the definition of "Interpolated

Spread" in Section 7.9 of the 2006 ISDA Definitions, as amended by the IBOR Fallbacks Supplement); or

(iii) if 12-month sterling LIBOR and another IBOR tenor which is shorter than the 4-month Calculation Period has been discontinued or is Non-Representative (for example, if 2-month sterling LIBOR has also been discontinued), then the applicable risk-free rate (i.e. SONIA) will be compounded over the 4-month Calculation Period (backward-shifted by 2 Applicable Reference Rate Business Days) and a spread based on interpolation between the 'set' spread for 2-month sterling LIBOR and the 'set' spread for 6-month sterling LIBOR will apply. This is the case as long as *any* tenor shorter than the Calculation Period, not specifically the next shorter tenor, has been discontinued or is Non-Representative such that a 'set' spread for that discontinued or Non-Representative shorter tenor is available. For example, if 2-month sterling LIBOR has been discontinued but 3-month sterling LIBOR has *not* been discontinued, a spread based on interpolation between the 'set' spread for 2-month sterling LIBOR and the 'set' spread for 6-month sterling LIBOR will still apply.

See Diagram B in the Annex to these FAQs for a high-level summary of the provisions that apply to a Calculation Period or Compounding Period to which 'Linear Interpolation' is specified to apply.

If SGD-SOR-WVAP or THB-THBFIX-Reuters is the applicable Floating Rate Option, a new Section 7.10 separately deals with Calculation Periods (or Compounding Periods) to which 'Linear Interpolation' has been specified to apply and a new Section 7.11 deals with Calculation Periods (or Compounding Periods) to which 'Linear Interpolation' has *not* been specified to apply but which are shorter than the length of the Designated Maturity. SOR and THBFIX are dealt with separately because they are calculated based on U.S. dollar LIBOR.

8. When does the IBOR Fallbacks Protocol become effective?

A. When is the Protocol Effective Date?

The Protocol Effective Date is January 25, 2021. See Question 8.B (*When is the agreement to make the amendments contemplated by the IBOR Fallbacks Protocol made?*) and Question 8.C (*When are the amendments contemplated by the IBOR Fallbacks Protocol actually made?*) below for more information on when the IBOR Fallbacks Protocol becomes effective.

B. When is the agreement to make the amendments contemplated by the IBOR Fallbacks Protocol made?

The IBOR Fallbacks Protocol will amend Protocol Covered Documents between two Adhering Parties that have a Protocol Covered Document Date before the later of (i) the

Protocol Effective Date and (ii) the date on which the later of the two parties adheres to the IBOR Fallbacks Protocol.

The agreement between two parties who have sent Adherence Letters to ISDA to make the amendments contemplated by the IBOR Fallbacks Protocol will be effective on the Implementation Date (see the paragraph below regarding when the Implementation Date is) and that agreement to make the amendments will form part of each Protocol Covered Document from the Implementation Date (or, if later, the Protocol Covered Document Date) (see also Question 11 (*Will the IBOR Fallbacks Protocol apply to novated transactions?*)). This means that, after the Implementation Date, if a party revokes its adherence to the IBOR Fallbacks Protocol, it will not affect Protocol Covered Documents between it and another party who has already adhered to the IBOR Fallbacks Protocol (even if those Protocol Covered Documents have not yet been amended because the Implementation Date has occurred before the Protocol Effective Date). See Question 9.G (*Can I revoke my adherence to the IBOR Fallbacks Protocol?*) for further information on revocation and Question 8.C (*When are the amendments contemplated by the IBOR Fallbacks Protocol actually made?*) for further information on when amendments are actually made to Protocol Covered Documents.

If neither Adhering Party is an Agent, the Implementation Date is the date of acceptance by ISDA of the Adherence Letter from the later of such two Adhering Parties. If, however, one of the parties is an Agent, see Question 10 (*Can an investment/asset manager or other Agent adhere to the IBOR Fallbacks Protocol on behalf of its Clients?*) and Question 10.C (*Will a Protocol Covered Document into which an Agent did not enter on behalf of its Client but that the Agent otherwise has the authority to amend be amended under the IBOR Fallbacks Protocol by virtue of the Agent adhering on behalf of its Client?*) for further information regarding when the Implementation Date falls.

The Implementation Date under the IBOR Fallbacks Protocol is specific to a particular Protocol Covered Document and there may be various Implementation Dates as between two Adhering Parties (particularly where an Agent is adhering on behalf of a Client). This is different to the approach in other ISDA protocols where there is generally only one Implementation Date per relationship. For more information please see Question 10.A (*Can an Agent adhere on behalf of all its Clients?*), Question 10.B (*Can an Agent adhere on behalf of certain of its Clients only?*), Question 10.C (*Will a Protocol Covered Document into which an Agent did not enter on behalf of its Client but that the Agent otherwise has the authority to amend be amended under the IBOR Fallbacks Protocol by virtue of the Agent adhering on behalf of its Client?*), Question 10.F (*If a Client adheres to the IBOR Fallbacks Protocol itself and an Agent which represents that Client also adheres to the IBOR Fallbacks Protocol on behalf of that Client, what will the Implementation Date be for any Protocol Covered Document?*) and Question 10.G (*If an Agent that has entered into a Protocol Covered Document on behalf of a Client adheres to the IBOR Fallbacks Protocol on behalf of that Client and another Agent who did not enter into that Protocol Covered Document but which otherwise has the authority to amend that Protocol Covered Document also adheres to the IBOR Fallbacks Protocol and identifies that Client as a*

Client on whose behalf it is amending Non-Agent Executed Protocol Covered Documents, what will be the Implementation Date for that Protocol Covered Document?).

C. When are the amendments contemplated by the IBOR Fallbacks Protocol actually made?

The amendments to Protocol Covered Documents contemplated by the IBOR Fallbacks Protocol will actually be made on the later of (i) the Implementation Date and (ii) the Protocol Effective Date. Given that the *agreement* to make the amendments is made on the Implementation Date (see Question 8.B (*When is the agreement to make the amendments contemplated by the IBOR Fallbacks Protocol made?*) above for information regarding when the Implementation Date is), this means that the agreement to make the amendments may occur before the documents are actually amended.

The amendments shall only be made to Protocol Covered Documents entered into before the Protocol Effective Date (or, if later, the date of acceptance by ISDA of an Adherence Letter from the later of the two Adhering Parties to adhere). Therefore, if two parties adhere to the IBOR Fallbacks Protocol before the Protocol Effective Date, the amendments contemplated by the IBOR Fallbacks Protocol in relation to their Protocol Covered Documents entered into *before* the Protocol Effective Date will be effective on the Protocol Effective Date, irrespective of the fact that the date of acceptance by ISDA of an Adherence Letter from the later of the two Adhering Parties to adhere is earlier than the Protocol Effective Date.

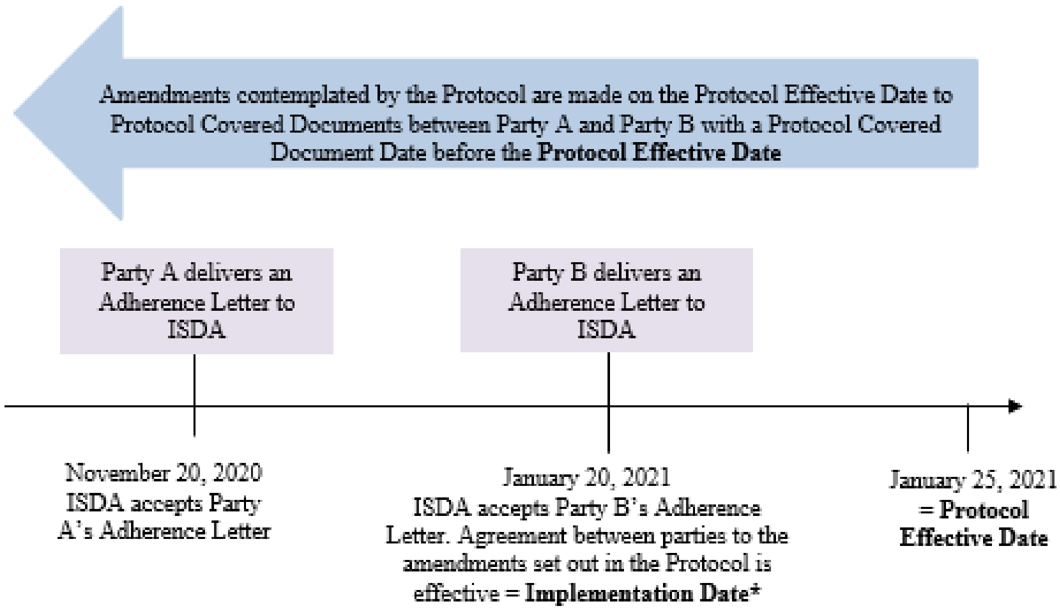
If two parties adhere to the IBOR Fallbacks Protocol *after* the Protocol Effective Date, however, the amendments contemplated by the IBOR Fallbacks Protocol in relation to their Protocol Covered Documents entered into before the date of acceptance by ISDA of an Adherence Letter from the later of the two Adhering Parties to adhere will be effective on the Implementation Date.

If one party adheres to the IBOR Fallbacks Protocol *before* the Protocol Effective Date and the other party adheres to the IBOR Fallbacks Protocol *after* the Protocol Effective Date, the amendments contemplated by the IBOR Fallbacks Protocol in relation to Protocol Covered Documents between those parties entered into *before* the date of acceptance by ISDA of an Adherence Letter from the later of the two Adhering Parties to adhere will be effective on the Implementation Date.

If a Protocol Covered Master Agreement is amended by the IBOR Fallbacks Protocol, any transactions entered into under that Protocol Covered Master Agreement will be subject to the terms of that Protocol Covered Master Agreement as amended by the IBOR Fallbacks Protocol, regardless of whether those transactions and the related confirmations under that Protocol Covered Master Agreement are entered into after the Protocol Effective Date or Implementation Date (as applicable). For example, a transaction which is documented under a confirmation entered into after the Protocol Effective Date and which confirmation references "GBP-LIBOR-BBA" and supplements, forms part of and is subject to a Protocol Covered Master Agreement which was entered into before the Protocol Effective Date and which Protocol Covered Master Agreement incorporates the 2006 ISDA Definitions will include the fallbacks for sterling LIBOR set out in the definition of GBP-LIBOR-BBA in the IBOR Fallbacks Supplement.

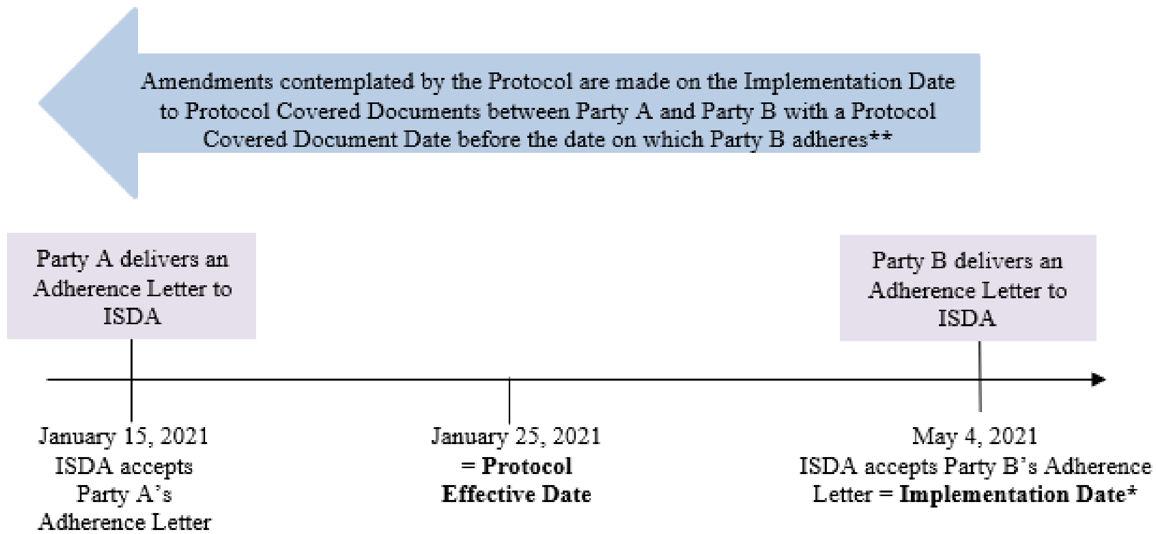
For example:

Example A



If both parties adhere to the IBOR Fallbacks Protocol before the Protocol Effective Date, the parties should consider setting out their intentions with regard to the incorporation of the IBOR Fallbacks Protocol amendments within a Protocol Covered Document that is entered into between the Implementation Date and the Protocol Effective Date.

Example B



* The Implementation Date will be different for Protocol Covered Documents into which an Agent has entered on behalf of a Client and for Non-Agent Executed Protocol Covered Documents (see Question 10 (*Can an investment/asset manager or other Agent adhere to the IBOR Fallbacks Protocol on behalf of its Clients?*) for further information).
** Master agreements, credit support documents and confirmations which (i) incorporate a Covered ISDA Definitions Booklet or reference a Relevant IBOR "as defined" in, or otherwise provide that the Relevant IBOR has the meaning given in, a Covered ISDA Definitions Booklet and (ii) are entered into after the Protocol Effective Date, will contain the terms of the IBOR Fallbacks Supplement irrespective of whether counterparties adhere to the IBOR Fallbacks Protocol.

9. How do I adhere to and implement the IBOR Fallbacks Protocol?

A. Is there a cut-off date for adherence to the IBOR Fallbacks Protocol?

There is currently no cut-off date for adherence to the IBOR Fallbacks Protocol, but ISDA reserves the right to designate a closing date of the IBOR Fallbacks Protocol by giving at least 30 days' calendar notice on the "ISDA 2020 IBOR Fallbacks Protocol" section of its website at www.isda.org (or by any other suitable means).

B. How do I submit an Adherence Letter?

Each market participant that intends to adhere to the IBOR Fallbacks Protocol should access the "Protocols" section of the ISDA website at www.isda.org to enter the information that is required to generate its form of Adherence Letter. Either by directly downloading the populated Adherence Letter from the Protocol system or upon receipt via e-mail of the populated Adherence Letter, each Adhering Party should sign the populated Adherence Letter (a "wet-ink" signature is not required) and upload it as a PDF (portable document format) attachment into the Protocol system. Once the signed Adherence Letter has been approved and accepted by

ISDA, such Adhering Party will receive an e-mail confirmation of adherence to the IBOR Fallbacks Protocol. For a step-by-step guide to adherence, please see the following guide:

How to Adhere to 2020 IBOR Fallbacks Protocol

C. Is adherence public?

Yes. An electronic version of each Adherence Letter, with the details of the authorized signatory redacted, will be published by ISDA so that it may be viewed publicly. The names of entities that have adhered will be published on ISDA's website as and when entities adhere (which could be before the Protocol Effective Date).

D. 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.

E. 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 IBOR Fallbacks Protocol and generated by the protocol webpage.

F. Are there any costs to adhere to the IBOR Fallbacks Protocol?

This depends on what type of ISDA member you are and when you adhere. Each Adhering Party that is an "ISDA Primary Member" must submit a one-time fee of U.S. $500 to ISDA on or before submission of its Adherence Letter. Each Adhering Party that is not an "ISDA Primary Member" is not required to submit a fee to ISDA if it submits its Adherence Letter prior to the Protocol Effective Date. If an Adhering Party which is not an "ISDA Primary Member" submits its Adherence Letter on or after the Protocol Effective Date, it must submit a one-time fee of U.S. $500 to ISDA on or before submission of its Adherence Letter.

Affiliates and subsidiaries of "ISDA Primary Members" that also benefit from their parent company primary membership are categorized as an "ISDA Primary Member" for purposes of adhering to the IBOR Fallbacks Protocol and will therefore need to pay the "ISDA Primary Member" fee for each entity adhering to the IBOR Fallbacks Protocol.

If an Agent that is an "ISDA Primary Member" adheres to the IBOR Fallbacks Protocol on behalf of its Clients (see Question 10 (*Can an investment/asset manager or other Agent adhere to the IBOR Fallbacks Protocol on behalf of its Clients?*)), it need only submit a one-time fee of U.S. $500 to ISDA on or before submission of its Adherence Letter. It is not required to submit a fee of U.S. $500 to ISDA for each Client on whose behalf it adheres.

If an Agent that is not an "ISDA Primary Member" adheres to the IBOR Fallbacks Protocol on behalf of its Clients and submits its Adherence Letter prior to the Protocol Effective Date, it will not be required to submit a fee to ISDA. If, however, an Agent that is not an "ISDA Primary Member" adheres to the IBOR Fallbacks Protocol on behalf of its Clients and submits its Adherence Letter on or after the Protocol Effective Date, it must only submit a one-time fee of U.S. $500 to ISDA. It is not required to submit a fee of U.S. $500 to ISDA for each Client on whose behalf it adheres.

ISDA offers bulk adherence fees for entities that arrange for 25 or more of their affiliated entities to adhere to the IBOR Fallbacks Protocol. For more details on bulk adherence fees, please contact protocolmanagement@isda.org.

G. Can I revoke my adherence to the IBOR Fallbacks Protocol?

Yes. An Adhering Party may, after the Protocol Effective Date, deliver to ISDA a notice substantially in the form of Exhibit 2 to the IBOR Fallbacks Protocol (a **Revocation Notice**) to designate the Revocation Date (which will be the last Protocol Business Day of the calendar month following the calendar month in which that Revocation Notice is effectively delivered by that Adhering Party to ISDA) as the last date on which an Implementation Date can occur in respect of any Protocol Covered Document between that Adhering Party and another Adhering Party. Any such Revocation Notice must be in writing and delivered as a locked PDF (portable document format) attachment to an email to ISDA at isda@isda.org and will be deemed effectively delivered on the date it is delivered unless on the date of that delivery ISDA's London office is closed or that communication is delivered after 5:00 p.m., London time, in which case that communication will be deemed effectively delivered on the next day ISDA's London office is open.

As with all ISDA protocols, if a market participant delivers a Revocation Notice to ISDA, it will not have any effect on Protocol Covered Documents in respect of which both parties have adhered (and completed all the necessary steps associated with adherence which, for parties acting as principals, is sending an adherence letter to ISDA and which, for agents, includes sending an adherence letter to ISDA and potentially additional steps such as identifying covered clients or providing evidence of authority to amend Non-Agent Executed Protocol Covered Documents, depending on the method of adherence chosen by the agent) before the relevant Revocation Date. Instead, it will only have the effect of preventing Protocol Covered Documents entered into by that market participant and another Adhering Party from being amended by the IBOR Fallbacks Protocol if that other Adhering Party has not adhered (and completed all necessary steps associated with adherence, as explained above) before the Revocation Date (i.e. those Protocol Covered Documents for which the Implementation Date – which is the date on which all necessary steps associated with adherence have been completed by both parties – would have occurred after that Revocation Date will not be amended by the IBOR Fallbacks Protocol as a result of the Revocation Notice).

If an Agent which represents a Client adheres to the IBOR Fallbacks Protocol on behalf of that Client (see Question 10 (*Can an investment/asset manager or other Agent adhere to the IBOR Fallbacks Protocol on behalf of its Clients?*)), then a Revocation Notice delivered by the Client will have the effect of preventing the IBOR Fallbacks Protocol from amending:

a. any Protocol Covered Document between that Client and another Adhering Party that the Client entered into itself or that the Agent entered into on behalf of the Client; or

b. any Non-Agent Executed Protocol Covered Document (see Question 10.C (*Will a Protocol Covered Document into which an Agent did not enter on behalf of its Client but that the Agent otherwise has the authority to amend be amended under the IBOR Fallbacks Protocol by virtue of the Agent adhering on behalf of its Client?*) below),

in each case for which the Implementation Date would occur after the Revocation Date designated in the Client's Revocation Notice.

If an Agent's Client directly adheres to the IBOR Fallbacks Protocol and the Agent which represents that Client also adheres to the IBOR Fallbacks Protocol on behalf of that Client, then a Revocation Notice delivered by the Agent on behalf of the Client will not prevent an Implementation Date from occurring after the Revocation Date in respect of any Protocol Covered Document that the Client entered into with another Adhering Party (including through the Agent).

See Question 8.B (*When is the agreement to make the amendments contemplated by the IBOR Fallbacks Protocol made?*) for more information on when the Implementation Date occurs.

H. Can I include the amendments contemplated by the IBOR Fallbacks Protocol in my documents without adhering to the IBOR Fallbacks Protocol?

Yes. ISDA has published a 'long-form' and a 'short-form' template bilateral amendment agreement that each allows parties to apply the terms of the Attachment to the IBOR Fallbacks Protocol to documents without the need to adhere to the IBOR Fallbacks Protocol. These operate either by setting out the terms of the Attachment in full ('long-form') or by cross-referencing the terms of the Attachment ('short-form'). These template bilateral amendment agreements will also be made available on ISDA Create.

10. Can an investment/asset manager or other Agent adhere to the IBOR Fallbacks Protocol on behalf of its Clients?

Yes. An Agent may adhere to the IBOR Fallbacks Protocol on behalf of all, or some, of its Clients.

A. Can an Agent adhere on behalf of all its Clients?

Yes. If an Agent adheres to the IBOR Fallbacks Protocol in its capacity as Agent and elects not to identify any Clients (other than Clients in respect of which it wishes to amend Non-Agent Executed Protocol Covered Documents, as applicable) then it will have adhered on behalf of all the Clients it represents for the purposes of amending Protocol Covered Documents which the Agent entered into on behalf of such Clients. The Implementation Date for such Protocol Covered Documents is the date of acceptance by ISDA of an Adherence Letter from the later of the two Adhering Parties to adhere.

See Question 10.B (*Can an Agent adhere on behalf of certain of its Clients only?*) in respect of adherence on behalf of some Clients only. See Question C (*Will a Protocol Covered Document into which an Agent did not enter on behalf of its Client but that the Agent otherwise has the authority to amend be amended under the IBOR Fallbacks Protocol by virtue of the Agent adhering on behalf of its Client?*) in respect of amending Non-Agent Executed Protocol Covered Documents.

B. Can an Agent adhere on behalf of certain of its Clients only?

Yes, an Agent can do this in two different ways.

Adhering on behalf of identified Clients:

Firstly, if an Agent wants to adhere on behalf of certain named or otherwise identified Clients only for the purposes of amending Protocol Covered Documents which the Agent entered into on behalf of such Clients, it should specifically name or identify those Clients through an online platform available generally to the industry, such as the ISDA Amend platform provided by IHS Markit (a **Platform**). The Implementation Date for such Protocol Covered Documents is the date shown on the Platform as the date on which the Agent communicated the name or identity of the relevant Client to the other Adhering Party (or, if later, the date of acceptance by ISDA, as Agent, of an Adherence Letter from the other Adhering Party).

If an Agent specifically names or identifies certain Clients on whose behalf it is adhering through a Platform for the purposes of amending Protocol Covered Documents which the Agent entered into on behalf of such Clients and it then wishes to add further Clients to this list after the date of acceptance by ISDA of its Adherence Letter, then the Agent may do so by naming or identifying additional

Clients through a Platform. As between any other Adhering Party and that additional Client, the Implementation Date shall be the date on which the Agent communicates the name or identity of the additional Client to the other Adhering Party (or, if later, the date of acceptance by ISDA, as agent, of an Adherence Letter from that other Adhering Party), unless otherwise agreed between the Agent and that Adhering Party.

An Agent will also be able to send different lists of named or identified Clients to different counterparties through a Platform (and will not be required to send the same list of Clients to every counterparty).

Adhering on behalf of all Clients except for identified excluded Clients:

Alternatively, if an Agent wants to adhere on behalf of all Clients it represents except for certain excluded Clients for the purposes of amending Protocol Covered Documents which the Agent entered into on behalf of such Clients, it should specifically name or identify those excluded Clients through a Platform on or before the date of acceptance by ISDA of an Adherence Letter from the later of the two Adhering Parties to adhere (except for any new Clients added to an Agent Protocol Covered Document after that date which can be excluded at the same time that the new Client is added to the Agent Protocol Covered Document).

The Implementation Date for all Clients which have not been named or identified as excluded Clients and in respect of a Protocol Covered Document into which the Agent has entered on behalf of such Clients will be the date of acceptance by ISDA of an Adherence Letter from the later of the two Adhering Parties to adhere. If no Clients are named or identified through a Platform as excluded Clients on or before the date of acceptance by ISDA of an Adherence Letter from the later of the two Adhering Parties to adhere, then this will be the Implementation Date for all Clients in respect of which the Agent has entered into a Protocol Covered Document and for the purposes of those Protocol Covered Documents (except for any new Clients added to an Agent Protocol Covered Document after that date, on which see Question 10.E (*What happens if an Agent adds a Client to an umbrella agreement that is an Agent Protocol Covered Document after adhering to the IBOR Fallbacks Protocol?*) below).

If an Agent specifically names or identifies a Client as excluded from adherence, then it may, after the date of acceptance by ISDA of its Adherence Letter, remove that Client from its list of excluded Clients through a Platform. As between any other Adhering Party and that Client, the Implementation Date shall be the date shown on the Platform as the date on which the Agent communicated to the other Adhering Party that the Client is removed from the list of excluded Clients (or, if later, the date of acceptance by ISDA, as agent, of an Adherence Letter from that other Adhering Party), unless otherwise agreed between the Agent and that other Adhering Party.

An Agent will also be able to send different lists of excluded Clients to different counterparties through a Platform (and will not be required to send the same list of excluded Clients to every counterparty).

See Question C (*Will a Protocol Covered Document into which an Agent did not enter on behalf of its Client but that the Agent otherwise has the authority to amend be amended under the IBOR Fallbacks Protocol by virtue of the Agent adhering on behalf of its Client?*) in respect of amending Non-Agent Executed Protocol Covered Documents.

C. Will a Protocol Covered Document into which an Agent did not enter on behalf of its Client but that the Agent otherwise has the authority to amend be amended under the IBOR Fallbacks Protocol by virtue of the Agent adhering on behalf of its Client?

Election for Agents in the Adherence Letter:

The Agent can elect in its Adherence Letter for the amendments in the IBOR Fallbacks Protocol to apply to either:

(i) in respect of all those Clients on whose behalf the Agent adheres, each Protocol Covered Document into which the Agent has entered on behalf of a Client (**Option 1**) (in which case the Agent will adhere as described in Question 10.A (*Can an Agent adhere on behalf of all its Clients?*) or Question 10.B (*Can an Agent adhere on behalf of certain of its Clients only?*) above, as applicable); or

(ii) (A) in respect of all those Clients on whose behalf the Agent adheres, each Protocol Covered Document into which the Agent has entered on behalf of a Client and (B) in respect of those Clients whose name or identity the Agent communicates to the other Adhering Party through a Platform as being a Client in respect of which sub-paragraph 3(g)(ii)(B)(II) of the IBOR Fallbacks Protocol applies, each Protocol Covered Document into which the Agent did not enter on behalf of a Client but which the Agent nevertheless has the authority from the Client to amend (**Option 2**).

For the purposes of subparagraph (ii)(A) above, an Agent will adhere using one of the approaches described in Question 10.A (*Can an Agent adhere on behalf of all its Clients?*) or Question 10.B (*Can an Agent adhere on behalf of certain of its Clients only?*) above. If the Agent elects for Option 2 in its Adherence Letter, then the Agent will additionally be required to communicate to the other Adhering Party, through a Platform, those Clients on whose behalf it wants to amend Protocol Covered Document into which the Agent did not enter on behalf of a Client but which the Agent nevertheless has the authority from the Client to amend (i.e. Clients in respect of which sub-paragraph 3(g)(ii)(B)(II) of the IBOR Fallbacks Protocol applies). This means that if the Agent chooses to adhere on behalf of certain of its Clients only (see Question 10.B (*Can an Agent adhere on behalf of certain of its Clients only?*) and elects for Option 2 in its Adherence Letter, then it will be required to send two lists of Clients through a Platform (one list of excluded or included Clients, as set out in Question 10.B (*Can an Agent adhere on behalf of certain of its Clients only?*) and one list of Clients in respect of which it wishes to amend Protocol Covered Documents into which the Agent did not enter but which it has the authority from the Client to amend).

Documents described in subparagraph (ii)(B) above are called "**Non-Agent Executed Protocol Covered Documents**". For the avoidance of doubt, a document which the Agent does not have the authority from the Client to amend will not constitute a Non-Agent Executed Protocol Covered Document and will not be amended under the IBOR Fallbacks Protocol unless either the underlying Client or the Agent which did enter into the document on behalf of the underlying Client adheres to the IBOR Fallbacks Protocol for the purposes of amending that document (and assuming that the counterparty also adheres).

The date shown on the Platform as the date on which the Agent communicates the name or identity of the Client to the other Adhering Party for the purposes of amending Non-Agent Executed Protocol Covered Documents is the "**Identification Date**". Given that the Agent can send different lists of Clients in respect of which it wants to amend Non-Agent Executed Protocol Covered Documents to different counterparties, the Identification Date specified on the Platform will be the date on which the Client is named or identified to a particular counterparty (i.e. it will be the date on which the Client is identified through the Platform to the specific counterparty and, as such, may vary as between different counterparties).

If an Agent adheres to the IBOR Fallbacks Protocol and elects to apply Option 2 in its Adherence Letter, then for any Client on whose behalf the Agent adheres (pursuant to one of the approaches described in Question 10.A (*Can an Agent adhere on behalf of all its Clients?*) or Question 10.B (*Can an Agent adhere on behalf of certain of its Clients only?*) above, as applicable) which the Agent also identifies through a Platform as being a Client in respect of which it is amending Non-Agent Executed Protocol Covered Documents:

(i) each Protocol Covered Document into which the Agent has entered on behalf of the Client (which Protocol Covered Documents could alternatively have been amended via Option 1); and

(ii) each Non-Agent Executed Protocol Covered Document,

will be amended in accordance with the terms of the IBOR Fallbacks Protocol.

Requirement to identify Clients and provide evidence of authority:

If an Agent elects to apply Option 2 in its Adherence Letter, then, the Agent must (with respect to Non-Agent Executed Protocol Covered Documents only):

(a) identify the Clients for which it wishes to amend Non-Agent Executed Protocol Covered Documents through a Platform. This identification of Clients will be separate to any identification of Clients on whose behalf the Agent is adhering for the purposes of amending Protocol Covered Documents into which the Agent entered on behalf of Clients; and

(b) in respect of any Non-Agent Executed Protocol Covered Document only, as soon as reasonably practicable following a written request (which may be delivered by e-mail) from the counterparty, and in any event by no later than the end of the fifteenth calendar day following such request, provide reasonable evidence of its authority to amend those Non-Agent Executed Protocol Covered Documents to the counterparty which is satisfactory to that counterparty in its sole discretion.

However:

(I) if, prior to the date of acceptance by ISDA of an Adherence Letter from the later of the Agent and the other Adhering Party to adhere, the Agent has provided the counterparty with a copy, or relevant extracts, of the agreement (such as an investment management agreement) pursuant to which the Client appoints the Agent to act on its behalf and authorizes the Agent to make the amendments contemplated by the IBOR Fallbacks Protocol to the Non-Agent Executed Protocol Covered Documents (whether or not such authority expressly refers to the IBOR Fallbacks Protocol), then, subject to the counterparty's right to request a copy of that agreement or those extracts (which request must be made in writing (which includes email) no later than the end of the fifteenth calendar day following the later of the Identification Date and the date of acceptance by ISDA of an Adherence Letter from the counterparty), the Agent shall be deemed to have provided reasonable evidence satisfactory to the counterparty on (a) if the counterparty does not request an additional copy of that agreement or those relevant extracts, the end of the fifteenth calendar day following the later of the Identification Date and the date of acceptance by ISDA of an Adherence Letter from the counterparty or (b) if the counterparty does request an additional copy of that agreement or those relevant extracts, the day on which that additional copy is delivered to the counterparty;

(II) if the counterparty does not request any evidence by the end of the fifteenth calendar day following the later of the Identification Date and the date of acceptance by ISDA of an Adherence Letter from that counterparty, then the Agent shall be deemed to have provided reasonable evidence satisfactory to the counterparty at the end of that fifteenth calendar day;

(III) subject to subparagraph (I) above, following the delivery of any such evidence, if the counterparty has not otherwise notified the Agent by the end of the fifteenth calendar day following delivery of the evidence, the Agent shall be deemed to have provided reasonable evidence satisfactory to the counterparty at the end of that fifteenth calendar day; and

(IV) if either:

a. following written request from the counterparty, the Agent does not provide the counterparty with evidence (or, if subparagraph (I) above applies, with an additional copy of the relevant agreement or extracts) by the end of the fifteenth calendar day following the counterparty's written request; or

b. subject to subparagraph (I) above, the counterparty determines that the evidence provided is not satisfactory and notifies the Agent accordingly by the end of the fifteenth calendar day following the day on which the evidence is delivered,

then the Non-Agent Executed Protocol Covered Documents between the Agent's Client and the relevant counterparty shall *not* be amended by the IBOR Fallbacks Protocol. This is without prejudice to the counterparty's right to submit a request for further evidence and the Agent's right to provide such evidence.

Failure to provide any other Adhering Party with this evidence shall not give rise to a Potential Event of Default or an Event of Default (each as defined in the relevant ISDA Master Agreement) or any similar event under that Non-Agent Executed Protocol Covered Document or other contractual right of action.

Adding Clients to the list of Clients on whose behalf the Agent is amending Non-Agent Executed Protocol Covered Documents:

If an Agent adheres to the IBOR Fallbacks Protocol, elects for Option 2 in its adherence letter and therefore specifically names or identifies one or more Clients in respect of which it wishes to amend Non-Agent Executed Protocol Covered Documents, then it may name or identify additional Clients in respect of which it wishes to amend Non-Agent Executed Protocol Covered Documents (through a Platform) after the date of acceptance by ISDA, as agent, of its Adherence Letter.

In respect of any Non-Agent Executed Protocol Covered Document which the Agent has the authority from any such Client to amend, the Agent will be required to provide evidence of its authority in accordance with the process set out above.

Implementation Date for Non-Agent Executed Protocol Covered Documents:

If an Agent adheres to this Protocol and elects for Option 2 in its adherence letter, then the Implementation Date for each Non-Agent Executed Protocol Covered Document shall be the day on which the Agent is deemed to have provided evidence supporting the Agent's authority to amend such Non-Agent Executed Protocol Covered Document to the other Adhering Party (as explained above) and, with respect to such Non-Agent Executed Protocol Covered Documents only, the Agent's adherence will be deemed effective on that day.

D. What happens if an Agent enters into an umbrella agreement that is a Protocol Covered Document with a counterparty after both the Agent and the counterparty have adhered to the IBOR Fallbacks Protocol but before the Protocol Effective Date?

The umbrella agreement would be amended to include the amendments as contemplated by the IBOR Fallbacks Protocol on the Protocol Effective Date (provided that the umbrella agreement is a Protocol Covered Document (see Question 4.C (*What are Protocol Covered Documents?*)). If both an Agent and a counterparty adhere to the IBOR Fallbacks Protocol before the Protocol Effective Date, they should consider setting out their intentions with regard to the incorporation of the IBOR Fallbacks Protocol amendments within a Protocol Covered Document that is entered into between the Implementation Date and the Protocol Effective Date.

E. What happens if an Agent adds a Client to an umbrella agreement that is an Agent Protocol Covered Document after adhering to the IBOR Fallbacks Protocol?

If an Agent that has adhered to the IBOR Fallbacks Protocol on behalf of all of its Clients (or on behalf of all of its Clients except for certain identified excluded Clients) adds a Client to an umbrella agreement that is an Agent Protocol Covered Document after the date of acceptance by ISDA of an Adherence Letter from the later of the Agent and the counterparty to adhere, unless otherwise agreed the terms of the agreement between the other Adhering Party (i.e. the counterparty) and the new Client will be subject to the amendments contemplated by the IBOR Fallbacks Protocol, because the agreement that comes into existence when the new Client is added would have incorporated the amendments. The Implementation Date as between that new Client and the counterparty will be the date on which the new Client is added to the umbrella agreement.

However, if the Agent has adhered to the IBOR Fallbacks Protocol on behalf of certain named or otherwise identified Clients only (and has therefore specifically named or identified those Clients through a Platform), it will need to communicate the identity of any new Client which is added to an umbrella agreement that is an

Agent Protocol Covered Document after the date of acceptance by ISDA of an Adherence Letter from the later of the Agent and the counterparty (including that Client's legal entity identifier) in order for that agreement, as between the new Client and the other Adhering Party (i.e. the counterparty), to be amended. The Implementation Date as between that new Client and the counterparty will be the date shown on the Platform as the date on which the Agent communicates the identity of that new Client to the other Adhering Party (i.e. the counterparty) through the Platform.

F. If a Client adheres to the IBOR Fallbacks Protocol itself and an Agent which represents that Client also adheres to the IBOR Fallbacks Protocol on behalf of that Client, what will the Implementation Date be for any Protocol Covered Document?

If an Agent adheres to the IBOR Fallbacks Protocol on behalf of a Client and that Client also adheres to the IBOR Fallbacks Protocol in its own right then, in respect of any Protocol Covered Document into which the Agent entered on behalf of the Client, the Implementation Date shall be the earlier of:

(a) the date of acceptance by ISDA of an Adherence Letter from the later of the counterparty and the Client to adhere; and

(b) the date of acceptance by ISDA of an Adherence Letter from the later of the counterparty and the Agent to adhere (or, if the Agent adheres to the IBOR Fallbacks Protocol on behalf of specified Clients only, the date shown on the Platform as the date on which that Client is named or identified or, if later the date of acceptance by ISDA, as agent, of an Adherence Letter from the counterparty).

For example, if the counterparty adheres first, then the Client adheres directly and then the Agent adheres on behalf of that Client, the Implementation Date will be the date on which the Client adheres. If this is before the Protocol Effective Date, the relevant Protocol Covered Document will be amended on the Protocol Effective Date. If this is after the Protocol Effective Date, then the relevant Protocol Covered Document will be amended on the date on which ISDA accepts an Adherence Letter from the Client.

G. If an Agent that has entered into a Protocol Covered Document on behalf of a Client adheres to the IBOR Fallbacks Protocol on behalf of that Client and another Agent who did not enter into that Protocol Covered Document but which otherwise has the authority to amend that Protocol Covered Document also adheres to the IBOR Fallbacks Protocol and identifies that Client as a Client on whose behalf it is amending Non-Agent Executed Protocol Covered

Documents, what will be the Implementation Date for that Protocol Covered Document?

If one Agent (**Agent 1**) adheres to the IBOR Fallbacks Protocol on behalf of a Client and identifies that Client as a Client in respect of which it wants to amend Non-Agent Executed Protocol Covered Documents and, in addition to this, another Agent (**Agent 2**) adheres to the IBOR Fallbacks Protocol on behalf of the same Client then, in respect of a Protocol Covered Document into which Agent 2 entered on behalf of the Client but which Agent 1 also has the authority from the Client to amend, the Implementation Date shall be the earlier of:

(a) the date on which Agent 1 is deemed to have provided sufficient evidence of its authority to amend the Non-Agent Executed Protocol Covered Document (as set out in paragraph 3(g)(iv) of the IBOR Fallbacks Protocol and as described in Question 10.C (*Will a Protocol Covered Document into which an Agent did not enter on behalf of its Client but that the Agent otherwise has the authority to amend be amended under the IBOR Fallbacks Protocol by virtue of the Agent adhering on behalf of its Client?*)); and

(b) the date of acceptance by ISDA of an Adherence Letter from the later of the counterparty and Agent 2 to adhere (or, if Agent 2 adheres to the IBOR Fallbacks Protocol on behalf of specified Clients only, the date shown on the Platform as the date on which that Client is named or identified or, if later, the date of acceptance by ISDA of an Adherence Letter from the counterparty).

For example, if the counterparty adheres to the IBOR Fallbacks Protocol first, then Agent 1 adheres and is deemed to have provided sufficient evidence of its authority to amend the Non-Agent Executed Protocol Covered Document and then Agent 2 adheres on behalf of all of the Clients on whose behalf it has entered into Protocol Covered Documents (including that particular Client), then the Implementation Date for that Non-Agent Executed Protocol Covered Document will be the date on which Agent 1 is deemed to have provided sufficient evidence supporting its authority to amend the Non-Agent Executed Protocol Covered Document (see Question 10.C (*Will a Protocol Covered Document into which an Agent did not enter on behalf of its Client but that the Agent otherwise has the authority to amend be amended under the IBOR Fallbacks Protocol by virtue of the Agent adhering on behalf of its Client?*)). If this Implementation Date is before the Protocol Effective Date, the relevant Protocol Covered Document will be amended on the Protocol Effective Date. Alternatively, if this Implementation Date is after the Protocol Effective Date, then the relevant Protocol Covered Document will be amended on that Implementation Date (i.e. on the date on which Agent 1 is deemed to have provided sufficient evidence supporting its authority to amend the Non-Agent Executed Protocol Covered Document).

11. Will the IBOR Fallbacks Protocol apply to novated transactions?

If a transaction, which is documented under a Protocol Covered Confirmation that has been amended by the IBOR Fallbacks Protocol because the parties to it have adhered to the IBOR Fallbacks Protocol, is novated, the transaction will continue to include the amendments as contemplated by the IBOR Fallbacks Protocol, even if the party or parties to which it is novated are not Adhering Parties. This is because the amendments contemplated by the IBOR Fallbacks Protocol will form part of the terms of the transaction which has been novated. Similarly, if a transaction is entered into between two Adhering Parties under a Protocol Covered Master Agreement which incorporates a Covered ISDA Definitions Booklet, such that the reference to a relevant IBOR Rate Option (such as "GBP-LIBOR-BBA") in the confirmation related to that transaction includes the new fallbacks and that transaction is subsequently novated to a party which has not adhered to the IBOR Fallbacks Protocol, so that after novation it is governed by a master agreement that is not a "Protocol Covered Master Agreement", the transaction will continue to include the amendments contemplated by the IBOR Fallbacks Protocol because those amendments will form part of the terms of the transaction which has been novated.

By contrast, if a transaction is entered into by an Adhering Party and a non-adhering party, such that the confirmation does not include the amendments contemplated by the IBOR Fallbacks Protocol, and is later novated such that the non-adhering party is replaced by an Adhering Party, the amendments contemplated by the IBOR Fallbacks Protocol will not apply to the novated transaction. The parties would need to include the amendments contemplated by the IBOR Fallbacks Protocol as part of the novation process if desired.

If the parties use the form of the ISDA 2002 Novation Agreement to document the novation process, the parties could include the amendments contemplated by the IBOR Fallbacks Protocol by including the following wording:

*The [Remaining Party][6] and the Transferee agree that, with effect from and including the [Novation Date][7], (i) the terms of the Attachment to the ISDA 2020 IBOR Fallbacks Protocol published by ISDA on October 23, 2020 (the "**IBOR Fallbacks Protocol**") are*

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6 This language assumes that one party is a Remaining Party rather than a four-way novation agreement where there are two Tranferors and two Transferees.

7 If the Novation Date occurs before the Protocol Effective Date specified in the IBOR Fallbacks Protocol, the parties should consider whether the incorporation of the terms of the Attachment to the IBOR Fallbacks Protocol should instead take effect from the Protocol Effective Date. If this language is used, the parties should consider whether it is necessary to include additional language addressing a scenario where each of the parties subsequently adheres to the IBOR Fallbacks Protocol (or, if one party has already adhered, if the other party subsequently adheres) and any resulting inconsistencies. Parties may have reference to paragraph 1 of the *Template Form of Amendment for short-form bilateral adoption of the terms of the ISDA 2020 IBOR Fallbacks Protocol in existing agreements (Principal Version)* published by ISDA which includes template language to deal with this scenario.
If the Transferee adheres to the IBOR Fallbacks Protocol before the Protocol Effective Date, such that both parties to the novated transaction are Adhering Parties, this language is not required in order to incorporate the amendments contemplated by the IBOR Fallbacks Protocol in the novated transaction, as the novated transaction includes an agreement between the Adhering Parties to amend the novated transaction in accordance with the IBOR Fallbacks Protocol once it becomes effective between those Adhering Parties.

incorporated into and apply to each New Transaction, (ii) the Remaining Party and the Transferee will each be deemed to be an 'Adhering Party' with respect to the IBOR Fallbacks Protocol as between themselves, (iii) references in the IBOR Fallbacks Protocol to a 'Protocol Covered Document' will be deemed to include references to each New Transaction and (iv) each New Transaction which (A) references a Relevant IBOR "as defined" in, or otherwise provides that the Relevant IBOR has the meaning given in, a Covered ISDA Definitions Booklet (regardless of whether such Covered ISDA Definitions Booklet is incorporated in full in that New Transaction), or (B) references a Relevant IBOR (howsoever defined), will be deemed to be a Protocol Covered Document to which, respectively, paragraph 5 or paragraph 6 of the Attachment to the IBOR Fallbacks Protocol applies."[8]

The IBOR Fallbacks Protocol also provides that the agreement to make the amendments contemplated by the IBOR Fallbacks Protocol will form part of each Protocol Covered Document from the Implementation Date (or, if later, from the relevant Protocol Covered Document Date). This means that, if two parties have adhered to the IBOR Fallbacks Protocol before the Protocol Effective Date, then the agreement to make the amendments contemplated by the IBOR Fallbacks Protocol will form part of a Protocol Covered Document between those parties from the date on which the second party adheres (or, if later, from the relevant Protocol Covered Document Date). The amendments to actually include the new fallbacks and related provisions will not, however, be effective until the Protocol Effective Date. If those Adhering Parties novate a transaction which is documented under a Protocol Covered Confirmation after the Implementation Date but before the Protocol Effective Date, then the transaction will include the amendments as contemplated by the IBOR Fallbacks Protocol from the Protocol Effective Date, even if the party or parties to which it is novated are not Adhering Parties. This is because the agreement to make the amendments contemplated by the IBOR Fallbacks Protocol will form part of the terms of the transaction which has been novated.

For clarity, parties may nevertheless wish to explicitly address the application of the IBOR Fallbacks Protocol within the relevant novation agreement.

12. Can parties agree bilaterally to amend the terms or scope of the IBOR Fallbacks Protocol?

ISDA has published template language that Adhering Parties may use to:

(1) exclude one or more documents from the scope of the IBOR Fallbacks Protocol and, if the parties so choose to, include wording to provide that the relevant fallbacks should match those in related hedged products such as loans or bonds;

[8] If this language is used, the parties should consider whether it is necessary to include additional language addressing a scenario where each of the parties subsequently adheres to the IBOR Fallbacks Protocol (or, if one party has already adhered, if the other party subsequently adheres) and any resulting inconsistencies. Parties may have reference to paragraph 1 of the *Template Form of Amendment for short-form bilateral adoption of the terms of the ISDA 2020 IBOR Fallbacks Protocol in existing agreements (Principal Version)* published by ISDA which includes template language to deal with this scenario.

(2) include additional documents as "Additional Credit Support Documents" and/or "Additional Master Agreements" for the purposes of the IBOR Fallbacks Protocol; and/or

(3) disapply the pre-cessation provisions for the purposes of the IBOR Fallbacks Protocol (see Question 3 (*What does the IBOR Fallbacks Supplement do?*) and Question 5.D (*What happens if I have bilaterally opted out of a pre-cessation trigger?*) for further information on the pre-cessation provisions).

This template language will also be made available on ISDA Create.

13. Do the amendments made by the IBOR Fallbacks Protocol constitute a "Spread Provision" (as defined in the ISDA 2014 Collateral Agreement Negative Interest Protocol published on May 12, 2014 by ISDA)?

Paragraph 7 of the Attachment to the IBOR Fallbacks Protocol provides that the amendments made by the IBOR Fallbacks Protocol do not constitute a "Spread Provision" (as defined in the ISDA 2014 Collateral Agreement Negative Interest Protocol published on May 12, 2014 by ISDA) (the **Negative Interest Protocol**). Therefore, if parties have adhered to both the Negative Interest Protocol and the IBOR Fallbacks Protocol, the provisions of the IBOR Fallbacks Protocol will not prevent the Negative Interest Protocol from applying.

14. Why does paragraph 3(a) of the Attachment to the IBOR Fallbacks Protocol delete "THB-THFIX-Reuters" from the IBOR Fallbacks Supplement and what about "THB-SOR-Telerate"?

Paragraph 3(a) of the Attachment to the IBOR Fallbacks Protocol applies if a Protocol Covered Document incorporates the 1991 ISDA Definitions and/or the 1998 Supplement to the 1991 ISDA Definitions.

The 1991 ISDA Definitions do not include any Thai baht interest rate fixing rate options and therefore a Protocol Covered Document which incorporates the 1991 ISDA Definitions will not reference a Thai baht interest rate fixing rate option as defined in that definitional booklet. Therefore, the provisions relating to Thai baht interest rate fixing rate options in the IBOR Fallbacks Supplement will not be relevant to a Protocol Covered Document that incorporates the 1991 ISDA Definitions (and so have been deleted in these circumstances).

The 1998 Supplement to the 1991 ISDA Definitions added "THB-SOR-Telerate". This rate was defined in largely the same way as "SGD-SOR-Telerate" which was also added in the 1998 Supplement to the 1991 ISDA Definitions (the Telerate screen referenced is the same). "THB-THBFIX-Reuters" was later added as an additional Rate Option in the 2000 ISDA Definitions (in Supplement number 12 thereto) and it references the THBFIX Page and fixes by reference to Bangkok (as opposed to Singapore) Banking Days (as defined in the 2000 ISDA Definitions). Given that "THB-SOR-Telerate" (in the 1998 Supplement to the 1991 ISDA Definitions, which was in turn updated in the 2006 Definitions to reference Reuters Screen ABSIRFIX01) and “THB-THBFIX-Reuters” (which was added in the 2000 ISDA Definitions and references Reuters Screen THBFIX Page) do not appear to be exactly the same rate, the IBOR Fallbacks Protocol does not provide that derivatives incorporating the 1998 Supplement to the 1991 ISDA Definitions which reference “THB-SOR-Telerate” will be updated to reference the “THB-THBFIX-Reuters” rate option in the new IBOR Fallbacks Supplement (as this would result in changes to those derivatives over and above the new fallbacks).

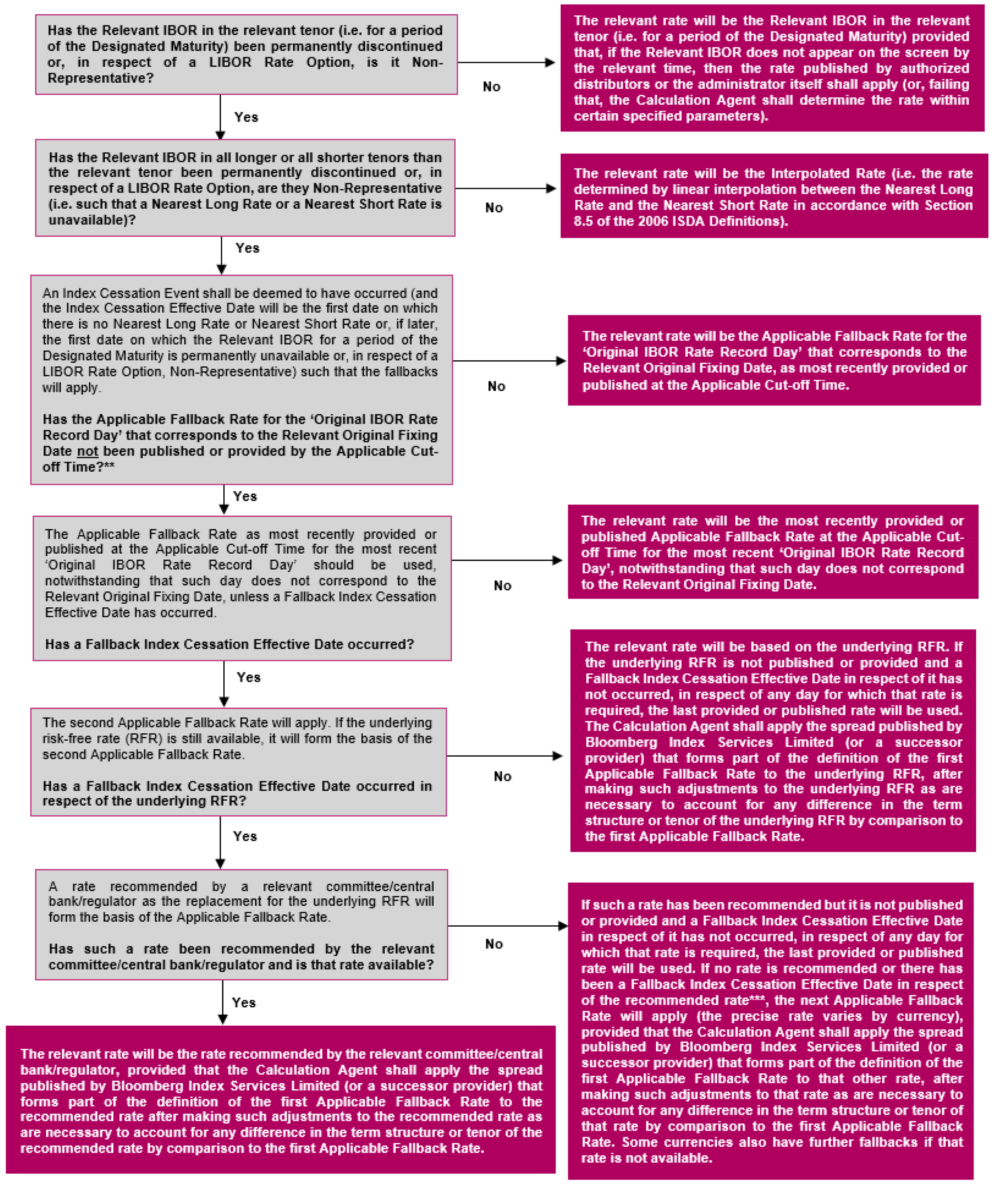
As “THB-THBFIX-Reuters” does not appear in the 1998 Supplement to the 1991 ISDA Definitions, a Protocol Covered Document which incorporates the 1998 Supplement to the 1991 ISDA Definitions will not reference “THB-THBFIX-Reuters” and so this has been deleted from the IBOR Fallbacks Supplement in these circumstances.

15. Is the ISDA 2018 Benchmarks Supplement Protocol the same as the new IBOR Fallbacks Protocol and can I just adhere to one of them?

No, they are not the same. The ISDA Benchmarks Supplement was produced by ISDA to facilitate compliance with Article 28(2) and related provisions of the EU Benchmarks Regulation and was published in 2018 alongside a protocol (called the ISDA 2018 Benchmarks Supplement Protocol). The IBOR Fallbacks Protocol is a newly launched separate protocol which allows parties to include new fallbacks for key IBORs. They are both separate and standalone protocols, so you do not need to adhere to the ISDA 2018 Benchmarks Supplement Protocol in order to adhere to the IBOR Fallbacks Protocol or vice versa. They have, however, been designed to work together to the extent that both are adhered to. Further information on the interaction between the 2018 Benchmarks Supplement and the IBOR Fallbacks Protocol can be found in the FAQs and webinars listed here: https://www.isda.org/book/isda-benchmarks-supplement/.

Annex

Diagram A: Application of fallbacks to standard Calculation Periods and non-standard Calculation Periods for which “linear interpolation” has not been specified to apply*

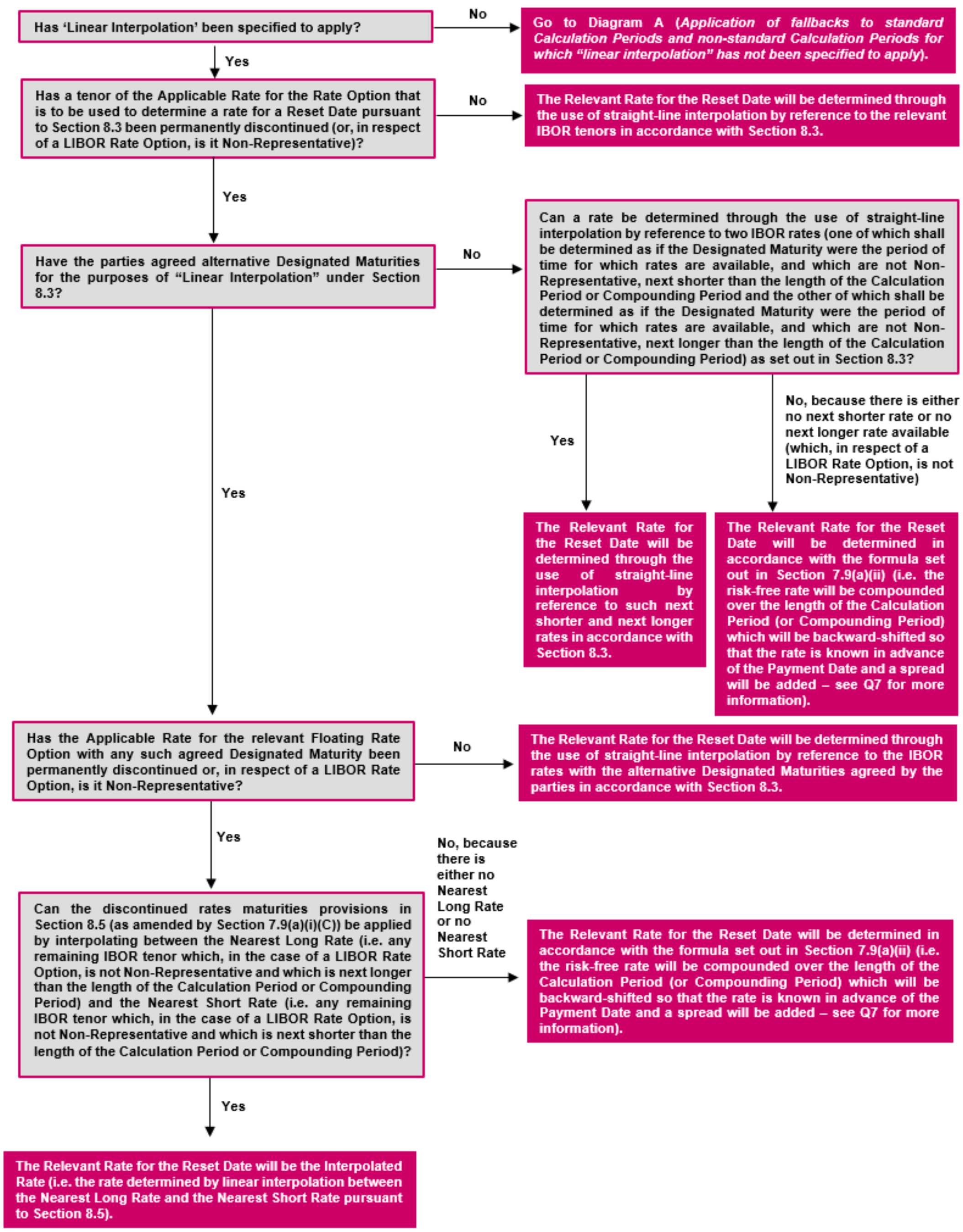


* This diagram does not cover SOR and THBFIX (where the approach is slightly different due to the use of USD LIBOR and FX data to calculate those rates). This diagram is a summary of the applicable fallbacks and parties should review the IBOR Fallbacks Supplement and the IBOR Fallbacks Protocol for full details of the rates that will apply. Capitalized terms used in this diagram have the meanings given to them in the IBOR Fallbacks Protocol and the IBOR Fallbacks Supplement.

**If a Calculation Period to which ‘Linear Interpolation’ does not apply (such as a stub period or other non-standard period) is longer than the length of the Designated Maturity (for example, if 3-month sterling LIBOR was originally to be used for a four month Calculation Period), then the fallback rate for the ‘Original IBOR Rate Record Day’ that corresponds to the Relevant Original Fixing Date *would* ordinarily be published/provided by the Applicable Cut-off Time. However, if a Calculation Period is shorter than the length of the Designated Maturity (for example, if 6-month sterling LIBOR was originally to be used for a four month Calculation Period), then the fallback rate for the ‘Original IBOR Rate Record Day’ that corresponds to the Relevant Original Fixing Date would *not* be published/provided by the Applicable Cut-off Time such that the most recently published fallback rate for the most recent Original IBOR Rate Record Day will be used instead.

*** For Swiss franc LIBOR, the fallback will be based on the NWG Recommended Rate or, if no such rate is recommended the Modified SNB Policy Rate. Unlike the other IBORs, if there is an NWG Recommended Rate and a Fallback Index Cessation Effective Date subsequently occurs with respect to it, the fallback to the Modified SNB Policy Rate will not apply (because the Modified SNB Policy Rate only applies if no NWG Recommended Rate is recommended). This is consistent with the template wording for cash products that reference Swiss franc LIBOR published by the NWG and available here.

Diagram B: Application of fallbacks to non-standard Calculation Periods*



*This flowchart sets out the provisions in the IBOR Fallbacks Supplement which apply to a key IBOR Rate Option (other than SGD-SOR-VWAP or THB-THBFIX-Reuters) for a Calculation Period to which "Linear Interpolation" is specified to be applicable. References to Section numbers in this diagram are to Sections of the 2006 ISDA Definitions, as amended by the IBOR Fallbacks Supplement. Capitalized terms have the meanings given to them in the IBOR Fallbacks Supplement and the 2006 ISDA Definitions.

This diagram does not cover Calculation Periods to which "Linear Interpolation" is specified to apply where SGD-SOR-VWAP or THB-THBFIX-Reuters is the applicable Floating Rate Option. See Section 7.10 of the IBOR Fallbacks Supplement for further information on fallbacks for SGD-SOR-VWAP and THB-THBFIX-Reuters for Calculation Periods to which "Linear Interpolation" is specified to apply and Section 7.11 of the IBOR Fallbacks Supplement for further information on fallbacks for SGD-SOR-VWAP and THB-THBFIX-Reuters for Calculation Periods to which "Linear Interpolation" is *not* specified to be applicable and which are shorter than the Designated Maturity. If the applicable Floating Rate Option is a key IBOR Rate Option other than SGD-SOR-VWAP or THB-THBFIX-Reuters and "Linear Interpolation" is *not* specified to apply to the relevant Calculation Period, see Diagram A (which, in respect of key IBOR Rate Options other than SGD-SOR-VWAP or THB-THBFIX-Reuters, summarizes the fallbacks for Calculation Periods to which "Linear Interpolation" is *not* specified to apply, regardless of whether such Calculation Periods are shorter than the Designated Maturity).