

CDS Reference Data

SUKUK REFERENCE OBLIGATION LISTS - PROCEDURES

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Background

1. The 'Sukuk Reference Obligation Lists' contain Reference Obligations related to Reference Entities that issue debt in the form of Sukuk. They are additional Deliverable Obligations with respect to contracts that incorporate them.
2. The Sukuk Reference Obligation Lists are published by S&P Global, and the lists are available at:
<https://www.spglobal.com/marketintelligence/en/mi/products/red-cds.html>
3. Each Sukuk Reference Obligation List shall contain all Reference Obligations that pertain to the specified Reference Entity, as agreed by the Markit RED European Emerging Markets Trading Group. The following information shall also be included:
 1. Reference Entity
 2. Region
 3. Issuer
 4. Coupon
 5. Maturity
 6. RED Code
 7. Date Added
 8. Date removed.
4. The universe of Reference Entities has been determined by the Markit RED European Emerging Markets Trading Group and 10 entities were submitted to Markit for review (see below for details).
 1. Aldar Properties PJSC
 2. Dar Al Arkan Real Estate Development Company
 3. Dubai
 4. Dubai Islamic Bank (Public Joint Stock Company)
 5. Islamic Republic of Pakistan
 6. Kingdom of Bahrain
 7. Malaysia
 8. Nakheel Development Limited
 9. Republic of Indonesia
 10. Republic of Turkey

High-Level Procedures

1. S&P Global will publish a Sukuk Reference Obligation List for each of the Reference Entities selected by the Markit RED Emerging Markets Trading Group.
 - a. The Sukuk Reference Obligation Lists will be subject to an annual review by the Markit RED Emerging Markets Trading Group. This annual review will also be communicated to the ISDA Credit Market Infrastructure Group, to ensure wide and transparent communication of any potential amendments to the Sukuk Reference Obligation Lists.
2. Markit RED Emerging Markets Trading Group members can propose changes to the existing lists or the creation of a new list (to include a newly traded Reference Entity) at any time.
3. Markit RED Emerging Markets Trading Group members will have the ability to veto, prior to the publication of a Sukuk Reference Obligation List, the inclusion of a Reference Entity or Reference Obligation on the basis that it does not satisfy the conditions of the Additional Provisions for Sukuk Reference Entities as published by ISDA.
4. Until a consensus is reached within the Markit RED Emerging Markets Trading Group, the Reference Entity or Reference Obligation will not be updated or added to a new or existing list.
5. Following the review of a Sukuk Reference Obligation List by the Markit RED Emerging Markets Trading Group, S&P Global, where possible, will arrange for the Reference Entity name to be legally verified and a 9-digit RED Code will be assigned to the list.
6. If the Entity or Obligation documents for a Reference Entity or Obligation are not available, S&P Global will inform the Markit RED Emerging Markets Trading Group that it is not possible to legally verify the Reference Entity or Obligation.
7. All Reference Obligations for each of the Reference Entities will be determined by the Markit RED Emerging Markets Trading Group, and a consensus will be sought to determine the entire list of Reference Obligations to be contained within the relevant Sukuk Reference Obligation Lists.

Amendments to the Sukuk Lists to list additional Reference Entities and Reference Obligations

1. Any firm that participates in the Markit RED Emerging Markets Trading Group is able to propose the creation of a new Sukuk Reference Obligation List or the amendment of an existing one, to cater for the inclusion of additional Reference Entities or Obligations. S&P Global will then seek consensus within the Markit RED Emerging Markets Trading Group as to the inclusion of these.
2. Any additional Reference Entity, where possible, will be legally verified and assigned a 6-digit RED Code (for the entity) and a 9-digit RED Code will be assigned to the Sukuk Reference Obligation List.
3. Reference Obligations for any additional Reference Entities will be agreed by the Markit RED Emerging Markets Trading Group; until a consensus is reached the Reference Obligation(s) will not be updated or added to the list.
4. S&P Global shall monitor the legally verified Reference Entities and Reference Obligations for corporate events resulting in name change or bond redemption.
5. S&P Global will bring any discrepancies or changes to the Markit RED Emerging Markets Trading Group and the ISDA Credit Market Infrastructure Group attention, who will decide on the best course of action.

Any queries relating to the Sukuk Reference Obligation Lists should be addressed to red@ihsmarkit.com