

APPENDIX A

Summary Tables

Application of the CFTC Margin Rules to CFTC-Registered Covered Swap Entities (CSEs)²⁶

Table 1 is based on the table found at the end of the CFTC Cross-Border Rule,²⁷ which we have simplified in certain respects to improve readability. Table 2 reorganizes the same summary information in a different manner.

Table 1

Applicable CSE ²⁸	Swap Counterparty	CFTC Proposed Approach
<ul style="list-style-type: none"> • U.S. CSE <li style="text-align: center;">or • Non-U.S. CSE whose swap obligations are guaranteed by a U.S. person 	<ul style="list-style-type: none"> • U.S. person²⁹ <li style="text-align: center;">or • Non-U.S. person whose swap obligations are guaranteed by a U.S. person <li style="text-align: center;">(including, in either case, any CSE) 	CFTC Margin Rules: Applicable Substituted Compliance: No
	<ul style="list-style-type: none"> • Non-U.S. person whose swap obligations are not guaranteed by a U.S. person <li style="text-align: center;">(including any CSE) 	CFTC Margin Rules: Applicable Substituted Compliance: Yes, but only with respect to initial margin posted by Applicable CSE to Swap Counterparty

²⁶ “Covered Swap Entities” are CFTC-registered swap dealers and major swap participants that do not have a Prudential Regulator.

²⁷ CFTC Cross-Border Rule at 34850-51.

²⁸ “U.S. CSEs” refer to CSEs that are U.S. persons, and “Non-U.S. CSEs” refer to CSEs that are not U.S. persons (and include “foreign consolidated subsidiaries” as separately defined (see below) and U.S. branches of non-U.S. CSEs).

²⁹ The term “U.S. person” is defined in Section 23.160(a)(10) of the CFTC Cross-Border Rule solely for the purposes of the application of the CFTC’s margin rules. *See* CFTC Cross-Border Rule at 34821.

Applicable CSE ²⁸	Swap Counterparty	CFTC Proposed Approach
<ul style="list-style-type: none"> • Non-U.S. CSE whose obligations under the relevant swap are not guaranteed by a U.S. person, if it is either: <ul style="list-style-type: none"> ○ a Foreign Consolidated Subsidiary (FCS)³⁰ <li style="text-align: center;">or ○ a U.S. branch of the non-U.S. CSE 	<ul style="list-style-type: none"> • U.S. CSE <li style="text-align: center;">or • Non-U.S. CSE whose swap obligations are guaranteed by a U.S. person 	<p>CFTC Margin Rules: Applicable</p> <p>Substituted Compliance: Yes, but only with respect to initial margin collected by Applicable CSE from Swap Counterparty</p>
	<ul style="list-style-type: none"> • Non-U.S. CSE whose swap obligations are not guaranteed by a U.S. person <li style="text-align: center;">or • Non-CSE (whether or not a U.S. person or guaranteed by a U.S. person) 	<p>CFTC Margin Rules: Applicable</p> <p>Substituted Compliance: Yes</p>
<ul style="list-style-type: none"> • Non-U.S. CSE (other than FCS or U.S. branch of a non-U.S. CSE, which are addressed above) whose swap obligations are not guaranteed by a U.S. person 	<ul style="list-style-type: none"> • U.S. CSE <li style="text-align: center;">or • Non-U.S. CSE whose swap obligations are guaranteed by a U.S. person 	<p>CFTC Margin Rules: Applicable</p> <p>Substituted Compliance: Yes, but only with respect to initial margin collected by Applicable CSE from Swap Counterparty</p>

³⁰ “Foreign Consolidated Subsidiary” is defined Section 23.160(a)(1) of the CFTC Cross-Border Rule as “a non-U.S. CSE in which an ultimate parent entity that is a U.S. person has a controlling financial interest, in accordance with U.S. GAAP, such that the U.S. ultimate parent entity includes the non-U.S. CSE’s operating results, financial position and statement of cash flows in the U.S. ultimate parent entity’s consolidated financial statements, in accordance with U.S. GAAP.”

Applicable CSE ²⁸	Swap Counterparty	CFTC Proposed Approach
	<ul style="list-style-type: none"> • Non-U.S. CSE whose swap obligations are not guaranteed by a U.S. person, if it is either: <ul style="list-style-type: none"> ○ an FCS <li style="text-align: center;">or ○ a U.S. branch of the non-U.S. CSE • Non-CSEs if it is either: <ul style="list-style-type: none"> ○ a U.S. person <li style="text-align: center;">or ○ a non-U.S. person whose swap obligations are guaranteed by a U.S. person 	<p>CFTC Margin Rules: Applicable</p> <p>Substituted Compliance: Yes</p>
	<ul style="list-style-type: none"> • Non-U.S. person (other than an FCS or a U.S. branch of a non-U.S. CSE, which are addressed above) whose swap obligations are not guaranteed by a U.S. person 	<p>CFTC Margin Rules: Not applicable (except in connection with certain inter-affiliate swaps)</p> <p>Substituted Compliance: Not applicable</p>

Table 2

CSE	SWAP COUNTERPARTY						
	U.S. Person		Non-U.S. Person				
	CSE	Non-CSE	Guaranteed by U.S. Person		Not Guaranteed by U.S. Person		
			CSE	Non-CSE	CSE		Non-CSE
				FCS or U.S. Branch	Non-FCS/U.S. Branch		
U.S. CSE	1	1	1	1	2A	2A	2A*
Non-U.S. CSE							
Guaranteed by U.S. Person	1	1	1	1	2A	2A	2A
Not Guaranteed by U.S. Person							
FCS or U.S. Branch	2B	3	2B	3	3	3	3*
Non-FCS/U.S. Branch	2B	3	2B	3	3	4 ³¹	4 ³¹

1. CFTC Rules: Applicable
Substituted Compliance: No
2. CFTC Rules: Applicable
A. Substituted Compliance: Yes, but only for initial margin posted by CSE to Swap Counterparty
B. Substituted Compliance: Yes, but only for initial margin collected by CSE from Swap Counterparty
3. CFTC Rules: Applicable
Substituted Compliance: Yes
4. CFTC Rules: Not Applicable

* Segregation requirements may be lifted in certain circumstances for non-U.S. branches of U.S. CSEs and for FCSs. See § 23.160(e).

³¹ Excluding any non-cleared swap where (i) the Non-U.S. CSE enters into inter-affiliate swap(s) transferring any risk arising out of the uncleared swap, directly or indirectly, to a margin affiliate that is a U.S. CSE or a non-U.S. CSE guaranteed by a U.S. Person, and (ii) the Non-U.S. CSE is not covered by a Comparability Determination with respect to the initial margin collection requirements. See § 23.160(b)(2)(ii)(B).