Greece became the first euro-zone member officially to be rated in default, 13 years after the single European currency was adopted to strengthen the European Union.

Standard & Poor’s cut Greece’s long-term credit rating to selective default from double-C. The move was expected, as S&P said this month that it would consider Greece in default if it added "collective-action" clauses to its sovereign debt, effectively forcing all bondholders to accept a bond-swap offering. Greece’s Parliament approved that measure last week.

Moody’s Investors Service and Fitch Ratings also are likely to place Greece in default. The ratings companies deem an issuer in default any time it fails to pay back creditors in full and on time.

The bigger question remains whether the action triggers payments on credit-default-swap contracts, a form of insurance against a bond default or restructuring.

The net payments that would change hands between buyers and sellers of credit-default swaps on Greece wouldn’t total more than an estimated $3.2 billion, according to the Depository Trust & Clearing Corp.

A committee convened by the organization that oversees those contracts, the International Swaps and Derivatives Association, has been asked by an unidentified entity to decide whether Greece’s restructuring should trigger the payouts.

Greece hasn’t failed to make any interest payments to bondholders, and the official restructuring of the country’s debt isn’t complete.

The committee is being asked to consider whether Greek legislation to retrofit its debt with collective-action clauses, potentially forcing losses on private investors, should trigger credit-default-swap payouts because the decision won’t include the European Central Bank and the new Greek bonds it received in an exchange, protecting the ECB from losses.

Under definitions published by the association, a change in the payment priority ranking of any obligation is one of the events in a restructuring that can trigger credit-default-swap payouts, as long as it results from a deterioration in credit-worthiness.

The association said in a statement that the committee will decide by Wednesday "whether to accept the question for deliberation or reject it." If the committee reviews the case, it then would consider whether sellers of Greek credit-default swaps should pay buyers of the protection.

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