ISDA 2002 Equity Definitions VE Implementation

June 2026

Introduction

- In January 2024, ISDA published version 1.0 of the 2002 ISDA Equity Derivatives Definitions (Versionable Edition) (the 'Equity Definitions VE'), a digital and updatable edition of the 2002 Equity Definitions. Version 2.0, published in January 2025, contains the first set of enhancements to the 2002 Equity Definitions. In October 2025, ISDA launched a Protocol to assist the market in transitioning equity master confirmation agreements from the "printed/static" 2002 Equity Definitions to the versionable booklet.

- OSTTRA hosted multiple Equity Working Group sessions, discussing and capturing key requirements to align with our customers needs.

- The majority of the upcoming slides outlines the process of the adoption of the Equity Definitions VE.

- Key Principles:
    - Forward-Looking: The Protocol affects only new transactions and we do not modify legacy contracts. Where required users can bilaterally amend existing contracts to reflect the application of new definitions.

    - Bespoke Preserved: We preserve all bilaterally negotiated amendments

Implementation Timeline

OSTTRA structured the adoption of the Equity Definitions VE into three distinct phases to ensure system stability, comprehensive testing and seamless user migration.

- **Phase 1:** Adoption (Live August 2025 | Release 22.1.1)
  - Introduction of an optional contractual definitions field across all equity products, UI layouts, and API schemas.

- **Phase 2:** Enhancement (Target September 5, 2026 | Release 23.1.1)
  - Enable automated defaulting of the definitions based on static data captured within OSTTRA's Data Management System (DMS).

- **Phase 3:** Support (Target September 5, 2026 & Beyond)
  - Publish user guides, assist firms during the protocol go-live and introduce v2 adoption plan

- **Key Date:** ISDA Protocol Effective Date is October 26, 2026.

Phase 1: Scope & API Integration

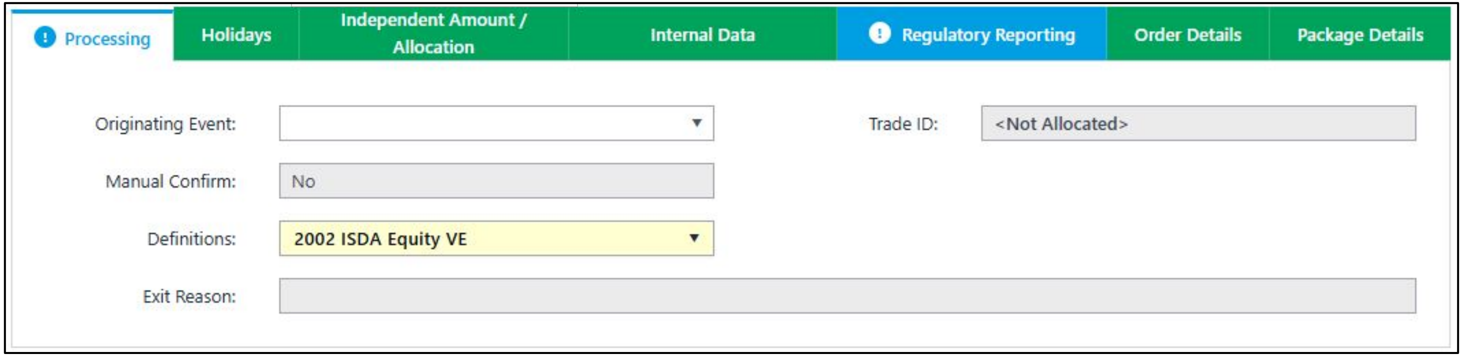
- Added the optional contractual definitions field to 16 Equity product templates across our UI and API platforms.

- If a user sets the definitions field to blank, our messaging layer does not generate the XML tag. If a user selects the Equity Definitions VE, we populate the XML tag with the designated enum.

- **Product Scope:**
  - Equity Option (Index & Share)
  - Equity Swap (Index, Share & Baskets)
  - Variance & Volatility Swap (Index & Share)
  - Accumulators & Decumulators
  - Dividend Swap (Index & Share)
  - Variance Option (Index & Share)
  - Dispersion Variance Swap

- **API Schema Details:**
  - xPath: ..swStructuredTradeDetails/FpML/trade/documentation/contractualDefinitions

Phase 1: Scope & API Integration (contd.)



Contractual Definition	UI Value	API Value	Blotter Value	Deal Ticket mapping
ISDA 2002 VE	2002 ISDA Equity VE	ISDA2002EquityVE	ISDA2002EquityVE	2002 ISDA Equity Derivatives Definitions (Versionable Edition)
ISDA 2011	2011 ISDA Equity	ISDA2011Equity	ISDA2011Equity	2011 ISDA Equity Derivatives Definitions

Special Defaulting Fallback:

- For Equity Accumulators, Equity Decumulators, Equity Index Volatility Swaps, and Equity Share Volatility Swaps, we continue to generate and accept ISDA2002Equity (for non-IVS1 MCA) when the definitions field is blank.
- This safeguard prevents disruption to existing client integrations.

Phase 2: Automated Defaulting via DMS

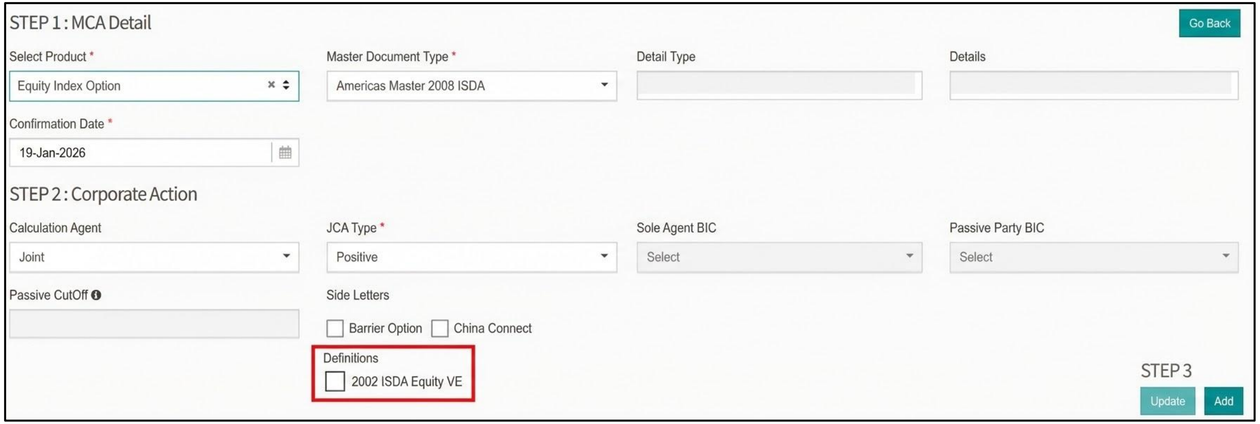
- Introduction of automated defaulting for contractual definitions on new submissions. OSTTRA Connect will query the Master Confirmation Agreement (MCA) static data defined within our Data Management System (DMS).

- If the DMS static data flag for '2002 ISDA Equity VE' is 'true' for an agreement, default the definitions dropdown to '2002 ISDA Equity VE'. If the DMS flag is 'false', preserve the legacy system default.

- Core Rules:
  - Bilateral Amendments: The definitions field remains fully editable and optional when a bilateral amendment occurs.
  - Client Autonomy: Users retain the ability to manually override default values at the transaction level.

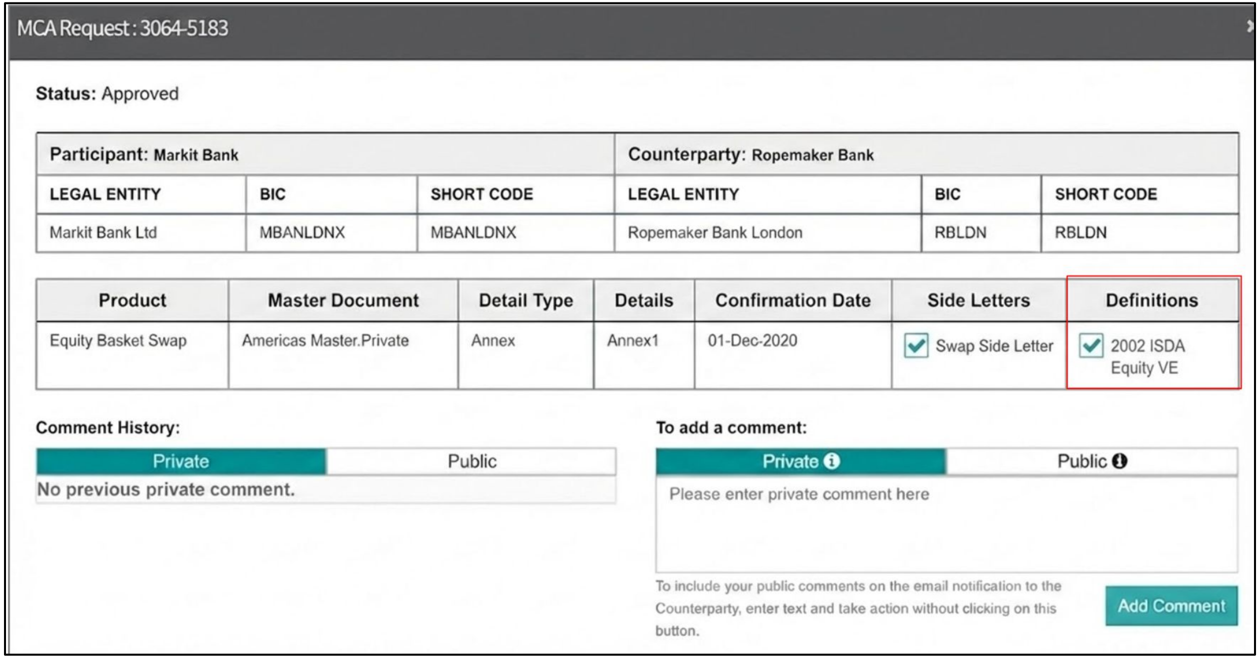
Phase 2: DMS - New MCA

- Users can setup new MCAs with 2002 ISDA Equity VE applicable on all transactions processed with the new MCA.
- The new Definitions field will be editable across the MCA lifecycle.



Phase 2: DMS - Manage MCAs

- MCA Management window allow users to update existing MCA requests and edit in-flight requests.



MCA Request : 3064-5183

Status: Approved

Participant: Markit Bank			**Counterparty:** Ropemaker Bank		
LEGAL ENTITY	BIC	SHORT CODE	LEGAL ENTITY	BIC	SHORT CODE
Markit Bank Ltd	MBANLDNX	MBANLDNX	Ropemaker Bank London	RBLDN	RBLDN

Product	Master Document	Detail Type	Details	Confirmation Date	Side Letters	Definitions
Equity Basket Swap	Americas Master.Private	Annex	Annex1	01-Dec-2020	Swap Side Letter	2002 ISDA Equity VE

Comment History:

Private	Public
No previous private comment.	

To add a comment:

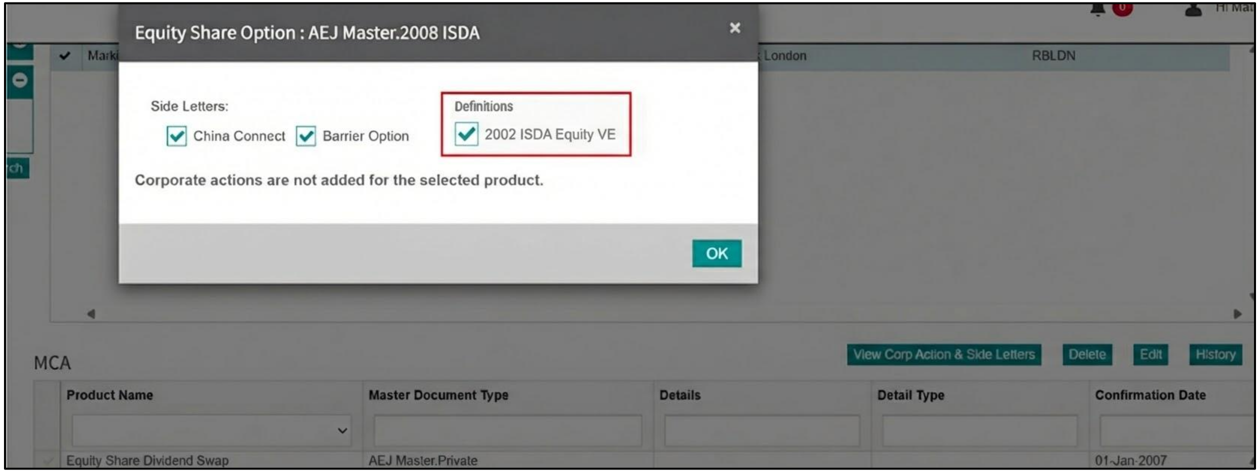
Private	Public
Please enter private comment here	

To include your public comments on the email notification to the Counterparty, enter text and take action without clicking on this button.

Add Comment

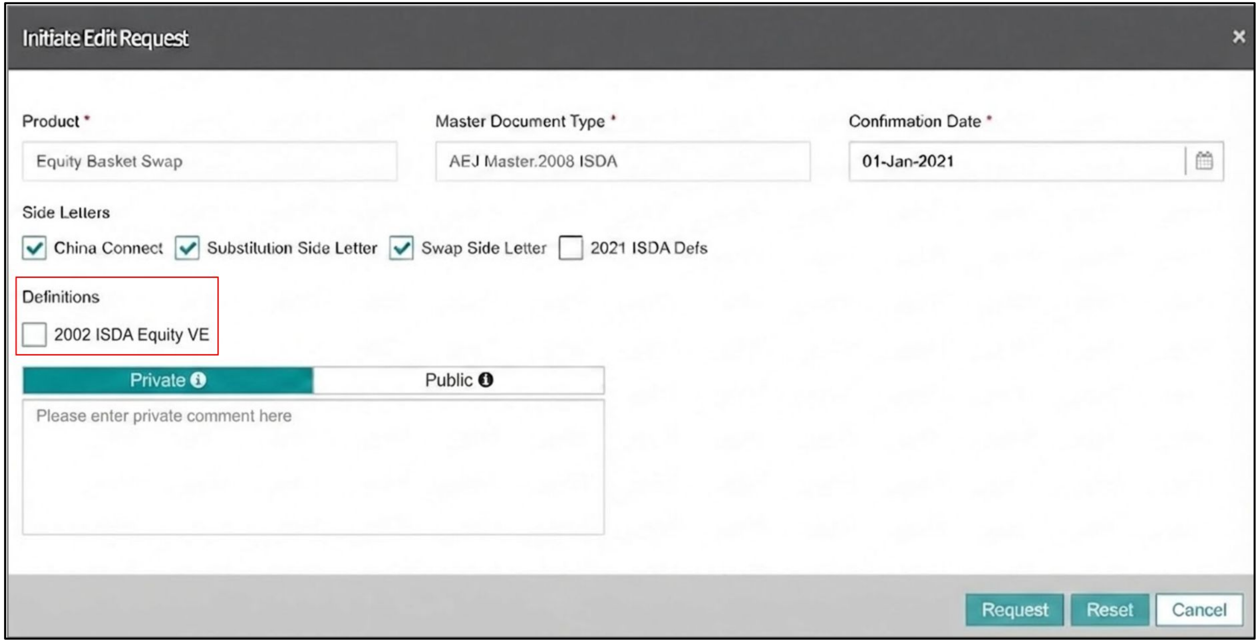
Phase 2: DMS - Live MCAs

- For Live MCAs, users will be able to view Definitions as part of MCA details pop-up window.
- Where MCA Definitions are not set, the window will display “Definitions are not added for the selected product”



Phase 2: DMS - Live MCAs (contd.)

- Users will be able to update existing Live MCAs to request Definitions update on individual MCAs



Phase 2: DMS - Bulk Update MCAs

- OSTTRA's DMS platform also supports the bulk review, addition, deletion and update of MCAs.

- Users can leverage csv/excel files to bulk process actions across multiple Products, Legal Entities, Master Confirmations, Regions and Participants

Import / Export CSV:

Participant Enter Parti		Participant Enter Parti																		
Participant				Counterparty					MCA Details					Corporate Action Details					Side Letters	Definitions
Name (Opt	Group Type	Legal Entity	BIC (Manda	Name (Opt	Short Code	Group Type	Legal Entity	BIC (Manda	Product (M	Master Doc	Detail Type	Detail (Con	Confirmati	Calculation	JCA Type (C	Passive Par	Sole Agent	Passive Cu	Side Letters (Co	Definitions
																				2002 ISDA Equity VE

- Full workflow details and Bulk update specification are available on the OSTTRA Documentation portal
  - DMS Bulk Update MCAs
  - DMS User Guide
  - DMS API User Guide

Phase 3: Support

- OSTTRA is committed to supporting market participants throughout this transition. We will ensure all documentation is available well in advance of the go-live.
- OSTTRA Connect will maintain legacy definitions support for firms during this transition as they adopt the new versionable edition.

Key Contacts:

Holly Bamford
Product Owner
+44 203 650 3004
holly.bamford@osttra.com

Gaurav Mishra
Product Management
+44 207 260 2164
gaurav.mishra@osttra.com

Matthew Johnson
Product Management
+44 204 601 1910
matthew.johnson@osttra.com

- **OSTTRA Regional Support Hotlines & Email:**
  - US: (+1)-646-475-6910
  - UK: (+44)-20-4601-1910
  - India: 000-800-040-4910 (Toll-Free, only local India numbers)
  - Singapore:(+65)-6035-5670
  - Japan: (+81)-50-4560-2670
  - Email: markitwire-support@osttra.com