

For the attention of all ISDA member institutions

June 12, 2025

Dear Market Participants,

### **Request to adopt the ISDA Notices Hub**

As we approach its July 15 go-live date, I am writing to ask that your institution takes the necessary steps to adopt ISDA's Notices Hub, a secure online platform managed by S&P Global that will radically improve the operational efficiency of delivering and receiving time-critical termination notices under ISDA Master Agreements. I appreciate that many of you have already registered your intent to join and my personal conversations with many others indicate additional support. ISDA's free protocol to adopt the Notices Hub is available for use from today, and preparatory steps you can take now are set out in the links annexed to this letter.

### **Updating Addresses for Physical Delivery**

When Lehman Brothers collapsed in 2008, hundreds of termination notices were delivered to an address in London it had vacated four years earlier. Failure to update physical address details in ISDA Master Agreements is the cause of delay and uncertainty for both the sender and recipient of these notices. The ISDA Notices Hub will be a 'golden source' of up-to-date physical address details, ensuring they remain accurate via a simple single-entry process.

### **The Price of Delay**

The consequences of a delay in closing out a trading relationship have been amply illustrated by major market events, including the COVID pandemic lockdowns and Russia's invasion of Ukraine. ISDA's value-at-risk analysis shows even a small delay in delivery of a termination notice – for example, from Friday afternoon until Monday morning – on a single medium-sized derivatives portfolio could result in an uncollateralized loss of \$1 million<sup>1</sup>. As the portfolio size gets larger, so do the risks. Some parties reportedly faced movements in their exposures worth hundreds of millions of dollars during the period in which they were unable to deliver notices in Moscow.

### **Bringing Order to the Waiver Process**

ISDA's members asked that the ISDA Notices Hub cover the waiver process at go-live. Waiver requests sent to dealers in relation to net asset value threshold breaches increased markedly during recent market turbulence. Bringing waivers onto the ISDA Notices Hub will help regularize a currently ad hoc process.

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<sup>1</sup> Based on a 99% value-at-risk calculation assuming an outright non-cleared derivatives portfolio with \$10 million of initial margin

## Creating a Network Effect

The platform's success will depend on widespread adoption to create a network effect. To incentivize uptake, we have made the ISDA Notices Hub free for buy-side firms and provided dealers with two years of discounted fees if they adopt early.

One year ago, 73 institutions provided ISDA with statements of intent to adopt the ISDA Notices Hub if it was built. This included over two-thirds of ISDA's global primary dealer members and 42 buy-side institutions, ranging from investment managers and hedge funds to insurance groups and pension companies. The respondents came from every region of the derivatives-trading world. Engagement with our members since then has continued to demonstrate widespread support.

## Pre-Adherence from June 12

We are asking dealers and buy-side firms to use a 'pre-adherence period' starting today, June 12 and ending July 14, to sign up to ISDA's free protocol to adopt the Notices Hub. This will help generate the momentum that will be required to ensure this important tool is adopted across the market and make the associated client outreach effort much more efficient. Post-go-live, ISDA and S&P will pro-actively support efforts to ensure the Notices Hub is ultimately adopted across as much of the market as possible.

Attached to this letter are links to the pre-adherence process and a short list of actions you can take **today** to prepare for onboarding. Importantly, there is no IT build required to use the platform and the onboarding process for buy- and sell-side institutions has been designed to be extremely light touch.

The ISDA Notices Hub has the potential to eradicate unnecessary losses from delays in the delivery and receipt of termination notices that can affect institutions of all sizes. It will provide a golden source of address details for physical delivery that should overcome the issues parties face today with stale address details. Whether you are an end user with one ISDA Master Agreement or a sophisticated multi-entity group with hundreds of them, the ISDA Notices Hub will help ensure that, if the worst should happen, the last thing you have to worry about is where to send the notice.

Yours faithfully



Scott O'Malia  
Chief Executive Officer  
ISDA

## Adoption Materials

Use click-through links below or access these and more information on the Notices Hub at <https://www.isda.org/isda-solutions-infohub/isda-notices-hub/>

<b>To adhere to the Notices Hub Protocol, click here: <a href="#">Notices Hub Protocol Adherence Link</a><sup>2</sup></b>	
General	Executive Factsheet - <a href="#">What is the ISDA Notices Hub?</a>
Dealers	<a href="#">Final Costs Schedule</a>
	<a href="#">Dealer Resource Heatmap</a> and <a href="#">video explainer</a>
	<a href="#">Dealer Pre-adherence preparation form</a> and <a href="#">video explainer</a>
	<a href="#">S&amp;P FTE Estimator</a> and <a href="#">video explainer</a>
Buy side	Resource Heatmaps: these are designed to indicate which internal resources are likely to need to engage in adoption of Notices Hub and our estimate of how light or intense each step will be:  (1) <a href="#">End User</a> (2) <a href="#">Agent and multi-principal</a>
	Pre-adherence preparation forms:  (1) <a href="#">End User/Multi-principal</a> and <a href="#">video explainer</a> (2) <a href="#">Agent</a> and <a href="#">video explainer</a>
	<a href="#">Agent adherence and matching flow diagram</a> (see Agent Resource Heatmap video explainer)
Opinions	<a href="#">Link to top 20 priority jurisdiction legal opinions</a> – click the link and navigate to the Notices Hub Opinions
	<a href="#">Video explainer – Structure of the Notices Hub opinions</a>

<sup>2</sup> <https://www.isda.org/protocol/isda-2025-notices-hub-protocol/?special-access=NHP>. Videos to guide you through the adherence process and newly launched bulk adherence process will be available through this link shortly after June 12