



**ISDA Annual Legal Forum
New York, October 28, 2025**

**Opening Remarks
Katherine Tew Darras
ISDA General Counsel**

Good morning and welcome to the Annual Legal Forum here in New York. Thank you for joining us today and thanks to all our sponsors for making the event possible.

This year, we've been celebrating ISDA's 40th anniversary. It's given us the perfect opportunity to look back at our contributions to achieving a safe and efficient derivatives market and reflect on the huge changes in our industry over that period.

Since 1985, ISDA has helped guide the market from its beginnings as a niche tool for a handful of dealers to a fundamental part of risk management for thousands of entities across the globe. Originally encompassing just interest rate swaps, it now covers a vast array of different products, totaling over \$17.6 trillion in gross market value at the end of last year

We've seen successive waves of regulatory and market structure change, and major technological shifts – enabling us to move from a world where the only option was reams of paper and wet signatures to the emergence of digital documentation, smart contracts and artificial intelligence (AI).

Through all this, ISDA has continued to provide legal certainty and standardization to market participants. We started small. Our very first document, published in 1985, was the Code of Standard Wording, Assumptions and Provisions for Swaps, which was a relatively simple dictionary of common terms that parties could use in their contracts. By 1992, this had evolved into the first ISDA Master Agreement. Today, ISDA's suite of industry documentation is incredibly extensive, with more than 160 documents and document versions now available in digital form on ISDA MyLibrary.

As we celebrate the achievements of the past four decades, we're also looking to the future and finding ways to modernize our markets. In these remarks, I want to give an overview of some those efforts, starting with a major development this year – the launch of the ISDA Notices Hub.

When a counterparty fails, affected trades must be swiftly valued and closed out. In this instance, time really is money. ISDA analysis shows even a small delay in the delivery of a termination notice can result in losses totaling millions of dollars.

The ISDA Master Agreement specifies that these notices must be delivered by certain prescribed methods including physical delivery, using company address details listed in the agreement. This worked reasonably well in the early years of the market, when the derivatives world was smaller and the pace of change was slower. Now, in a world of instantaneous digital trading and fast-moving markets, insisting on the physical delivery of notices looks rather antiquated.

A few major events highlight the need for change. First, when Lehman Brothers collapsed in 2008, hundreds of termination notices were delivered to an address in London – a building Lehman hadn't occupied for some time, but many Master Agreements hadn't been updated with the bank's new address. The result was significant delay and uncertainty for both the sender and recipient of these notices, in an already turbulent situation.

More recently, during COVID and the early days of the Russian invasion of Ukraine, physical delivery proved to be incredibly challenging. In the latter case, some firms reported seeing massive swings in their exposures but were unable to deliver notices in a hostile environment.

The ISDA Notices Hub is our solution to these problems. It's a secure online tool that enables fast delivery and receipt of termination notices and waivers and ensures address details for physical delivery are updated centrally. Available on the S&P Global Market Intelligence Counterparty Manager platform, the ISDA Notices Hub is free for buy-side firms and dealers benefit from a discounted rate for the first two years of operation.

The Notices Hub was launched in July, and more than 140 buy- and sell-side entities have so far adhered to the ISDA 2025 Notices Hub Protocol, which provides the legal framework to allow delivery of notices via the platform. This is a vital step forward in modernizing the close-out process for derivatives trades and we're seeing widespread interest in accessing it. If you'd like to join this growing universe of adopters, our team is available to help you with the onboarding process.

The ISDA Notices Hub is the latest addition to our suite of digital offerings. One of the more established is ISDA Create, an online platform that enables firms to digitally generate and execute documentation and then capture, process and store data from negotiations. As a result, firms can onboard new counterparties faster and more efficiently, allowing them to trade quicker.

More than 500 buy- and sell-side entities around the world are now experiencing the benefits of ISDA Create, including recent adopters Amundi and TD Securities. But we're not standing still – we've continuously looked to evolve and improve the service.

Following extensive development and testing, I'm pleased to say we're working with Linklaters to introduce artificial intelligence to ISDA Create. As a first step, the platform now includes an AI feature that allows users to negotiate their agreements offline if they want to and then have them re-uploaded and mapped back onto ISDA Create. This offers the best of both worlds. Counterparties can negotiate contracts outside of ISDA Create if they prefer but can also ensure all the data within them is captured on the platform, maintaining a single source of truth for contractual relationships.

This is just one example of how we're using AI to make legal and documentation processes more efficient. Earlier this year, we published a whitepaper showing that generative AI can be used to accurately extract, interpret and digitize key legal clauses from credit support annexes. Something similar could be done for the ISDA netting opinions, which tend to be long, complex documents.

A significant amount of work still needs to be done to achieve the full potential of this technology, but we believe the direction of travel – to a more automated, more efficient market – is clear. ISDA is excited to be leading efforts to bring the benefits of AI to our markets.

While we push the boundaries of new technology, we are also focused on our bread-and-butter issues. In response to industry feedback, we embarked on an update of the 1998 FX and Currency Option Definitions last year. Of course, the contractual terms applicable to FX derivatives have evolved with the addition of supplemental publications. But it is widely recognized that a review and consolidation are needed to reflect the evolution of this market, which has seen a sixfold increase in average daily turnover since those definitions were written.

Throughout this process, we have endeavored to preserve the many parts of the definitions that still function well, while streamlining and rationalizing other aspects that need revision. This includes updates to disruption events for deliverable transactions and alignment on the calculation agent standard. I'm pleased to say we're expecting to complete the substantive drafting work in December, giving two years for the market to implement before the new FX Definitions are rolled out at the end of 2027. I'd like to thank GFXD for its close cooperation throughout this project.

Before finishing, I want to give a quick update on the Credit Derivatives Determinations Committees (DCs). The DCs play a critical role in the safety and efficiency of the market by providing a single determination on whether a credit event has occurred, enabling credit derivatives to be cleared.

Given the importance of the DCs, it's vital the DC process remains robust, transparent and trusted. To that end, the DCs voted earlier this year to form a governance committee under a charter developed by ISDA's Credit Steering Committee and published by ISDA.

This will be responsible for overseeing the operation of the DCs and for making changes to the DC rules where necessary. The governance committee won't have any involvement in DC outcomes, guaranteeing the integrity of the decision-making process, and any proposed rule change would be open to market consultation for at least 30 days before a vote by the governance committee.

The governance committee met for the first time in September and is initially focused on finding a suitable Determinations Committee administrator, which will run the DC process from an operational point of view. We'll continue to work with market participants on other recommendations that can be put before the governance committee.

I hope that's given you a good sense of what we're doing to modernize and strengthen our markets. ISDA began life as a small group of derivatives professionals who wanted to improve legal certainty and standardization. Forty years on, it has grown to become so much more. But leading the way on legal standards remains at the heart of our role. I'm very proud of the work we're continuing to do in this area, as we make the market ever safer and more efficient for all participants.

Thank you again for joining us today. We've got some fantastic panels and presentations lined up, so I hope you enjoy the event.