



ISDA and ISLA Agree to Closer Collaboration on Digital Initiatives

LONDON, July 27, 2020 – The International Swaps and Derivatives Association, Inc. (ISDA) and the International Securities Lending Association (ISLA) have agreed to closely collaborate on two key initiatives to deliver digital solutions to their respective memberships in a consistent and cost-effective way.

Under the terms of the agreement, the associations will increase their engagement and cooperation at all levels to expand electronic contract opinions and to apply the Common Domain Model (CDM) to help facilitate greater automation in the derivatives and securities lending markets. Other areas of collaboration may be added over time.

Expansion of e-contract opinions: The ISDA e-contract opinions will be updated to cover securities financing transactions (SFTs) as well as derivatives, and will be made available to members of both associations. The expansion is in response to the increasing number of derivatives, securities financing and repo transactions that are being executed and confirmed electronically. The coronavirus pandemic has further heightened interest in e-contracts, with the closure of offices and the introduction of remote working highlighting challenges and inefficiencies associated with the physical delivery of signed paper documents and notices.

The [e-contract opinions](#) assess the enforceability of electronically executed and confirmed contracts under the laws of various jurisdictions. Thirty seven jurisdictions are currently covered, with a further 10 commissioned this year.

CDM: As part of the agreement, ISLA will also work to model and code specific SFT components for inclusion in the CDM, creating greater alignment between derivatives and securities lending markets. ISLA will join ISDA’s CDM Governance Executive Committee, which oversees strategy for the adoption of the CDM, as well as the Architecture and Review Committee, which is responsible for developing technical guidance and reviewing proposed changes to the model.

The CDM establishes a single, common digital representation of events and processes that occur during the lifecycle of a trade, and is aimed at enhancing consistency and facilitating interoperability across firms and platforms. More information is available [here](#).

“We are delighted to be working closely with ISLA on these important projects. Our member firms are increasingly looking to automate legal and operational processes in order to cut costs and improve efficiency. By working together to develop cost-effective and scalable mutualized solutions, we will be able to provide real and lasting value to our memberships,” said Scott O’Malia, ISDA’s Chief Executive.

Andrew Dyson, Chief Executive Officer, ISLA, added: “As markets progressively coalesce and our members look to derive trading and post-trade efficiencies across previously separate products, it is important that their associations respond to these important changes. By collaborating with ISDA, we aim to deliver a CDM framework that will help our collective member firms realize the very real benefits that will be derived from a cross-industry approach.”

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About ISDA

Since 1985, ISDA has worked to make the global derivatives markets safer and more efficient. Today, ISDA has over 925 member institutions from 75 countries. These members comprise a broad range of derivatives market participants, including corporations, investment managers, government and supranational entities, insurance companies, energy and commodities firms, and international and regional banks. In addition to market participants, members also include key components of the derivatives market infrastructure, such as exchanges, intermediaries, clearing houses and repositories, as well as law firms, accounting firms and other service providers. Information about ISDA and its activities is available on the Association’s website: www.isda.org. Follow us on [Twitter](#), [LinkedIn](#), [Facebook](#) and [YouTube](#).

About ISLA

The International Securities Lending Association (ISLA) is a leading industry association, representing the common interests of securities lending and financing market participants across Europe, Middle East and Africa. Its geographically diverse membership of over 160 firms includes institutional investors, asset managers, custodial banks, prime brokers and service providers. Working closely with the global industry, as well as regulators and policymakers, ISLA advocates the importance of securities lending to the broader financial services industry. ISLA supports the development of a safe and efficient framework for the industry, by playing a pivotal role in promoting market best practice, amongst other things. ISLA sponsors the Global Market Securities Lending Agreement (GMSLA) and the annual enforceability review in over 20 jurisdictions globally. Through member working groups, industry guidance, consultations and leading events, ISLA helps to steer the direction of the industry and is one of its most influential voices on the European and global stage. www.isla.co.uk. Follow us on LinkedIn (/international-securities-lending-association) and Twitter (@_ISLA)