

Purpose: The Trade Life Cycle Events Guide for Non-Cleared Margin was initially established and agreed by market participants through a series of discussions held within the ISDA WGMR Margin and Collateral Processing and Portfolio Integrity Workstreams in 2016. The workstreams were comprised of a wide array of market participants from buy and sell side institutions. The working group both identified and agreed the list of trade events as well as agreed to the general consensus captured in the below matrix as to whether or not these identified trade events would bring a legacy non cleared swap transaction into scope for the new margin rules. The intention of this list is to provide an agreed market guide for firms to utilize in order to comply with certain aspects of the non cleared margin rules within their respective jurisdictions. No firm is legally bound or compelled in any way to follow any determinations made within this list.

Please see the legal disclaimers below for further details.

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with no substantive changes made.

ISDA Trade Life Cycle Events Guide for Non Cleared Margin

Category	Trade Event	Detail	* Bring into scope for Un-cleared margin? Yes or No (Working Group Consensus View)	Notes	Does M&CP Consensus Align With Clearing Y/N	
Amendments and Cancellations	Amendment (i.e. Correction)	Amending details that were originally input incorrectly.	No		Y	
	Economically Immaterial Amendment		No (no change in pricing)		Y	
	Economically Material Amendment		Yes (change in pricing)		N	
	Cancellation	Trade booked in error and subsequently cancelled.	No		Y	
Trade events	New Trade which is In-scope Product (post-compliance date)		Yes		N/A	
	New Trade which is Out-of-scope Product (post-compliance date)		No		N/A	
	New Trade which is Out-of-scope Product in one jurisdiction and In-scope Product for another jurisdiction (post-compliance date)		Yes, for the entity subject to the regulatory regime where the product is in-scope.	The CSA specifies applicable regimes per the two counterparties.	N/A	
	Increase	A bilaterally executed agreement to increase the notional on the transaction.	Yes	Generally, firms seem to feel the entire trade comes into scope.	N	
	Full Termination	Full Unwind	No		Y	
	Partial Termination	Partial Unwind	No	The partial unwind would not bring the remaining portion of the trade into scope. (Similar as under clearing mandate logic.)	Y	
	Allocation	Original Unallocated "Block" Trade allocated to principal parties post go live.	No	Yes for allocations of trades entered into post-effective date.	N/A	
	Cleared Positions	Original Bilateral Trade (the "alpha" trade), post-compliance.	No			N/A
		Cleared Position ("beta" and "gamma" trades)	No			N/A
	Full Novation	Remaining party	Yes	No, if the remaining party and the step-in party are eligible for an inter-affiliate exemption.	Y	

Category	Trade Event	Detail	* Bring into scope for Uncleared margin? Yes or No (Working Group Consensus View)	Notes	Does M&CP Consensus Align With Clearing Y/N
Trade events		Step in	Yes	No, if the remaining party and the step-in party are eligible for an inter-affiliate exemption.	Y
		Step out	No		Y
	Partial Novation	Remaining party	Yes	No, if the remaining party and the step-in party are eligible for an inter-affiliate exemption.	Y
		Step in	Yes	No, if the remaining party and the step-in party are eligible for an inter-affiliate exemption.	Y
		Step out	No		Y
	Swaption Exercise	Exercise of a Swaption/Resulting Swap from the exercise of a Swaption.	No		
	Compression Event	Original Trade - Terminated	No		Y
		Original Trade - Amendment	No		Y
		New resultant trade	Yes	No, if all trades within an industry-wide run compression were legacy trades.	Yes - Any contract in a clearing obligation product which is entered into or novated between in-scope counterparties after the clearing obligation is in force must be cleared. This is regardless of whether the contract results from a compression exercise or similar.
	Cash Settlement	The actual cash settlement of fees, payments, etc.	No		Y
Intrinsic changes	Amortizing Notionals	Changes to the notional during the course of a trade.	No	If pursuant to the original contract terms.	Y
	Dividend Resets		No	If pursuant to the original contract terms.	N/A
	Equity Resets		No	If pursuant to the original contract terms.	N/A
	Rate Resets	Changes to the floating rate of a trade	No	If pursuant to the original contract terms.	Y

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Other	Successor Events	The reference entity specified in the transaction is succeeded by another entity.	No	If pursuant to the original contract terms.	N/A
Other	Credit Events	Default on a transaction e.g., bankruptcy/restructuring/ obligation default.	No	If pursuant to the original contract terms.	Y
Other	Corporate Actions	Including:	No, assuming related to the underlying equity.	If pursuant to the original contract terms.	N/A
		Bonus Issue/Capitalisation issue		If pursuant to the original contract terms.	N/A
		Special Dividend		If pursuant to the original contract terms.	N/A
		Spin-Off		If pursuant to the original contract terms.	N/A
		Stock Split/Change in nominal value		If pursuant to the original contract terms.	N/A
		Reverse Stock split/Change in nominal value		If pursuant to the original contract terms.	N/A
Other	Conversions	Parties mutually agreeing and consenting to a conversion post-compliance date which results in a material amendment. Would not include a conversion documented pre-compliance date as an event due to take place in the future (i.e. post-compliance date). Example would be swap on an ADR that is converted to swap on the underlying stock as agreed by both parties, or a stock is dual listed and is converted from a GBP line to a HK line as agreed by both parties.	Yes	No, if option to convert is negotiated pre-compliance date. Yes, if post-compliance date, you amend swap originally referencing ADR to instead reference the underlying stock.	N/A
Other	Publicly Traded / Listed Swap Index	Swap is removed/changed in the index by the administrator of the index (i.e. not at the discretion of the dealer or counterparty). Example would be quarterly roll for index CDS. Would not include rebalancing of the index.	No		N/A

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Other	Customized Basket Index Swap	Constituents of the basket are changed at the discretion of the dealer or counterparty. Example would be rebalancing the basket by closing a swap on an old ticker and booking that swap on a new ticker.	Yes		N/A
Other	Reference Entity Succession Event		No	If pursuant to original contract terms (i.e., no change in pricing).	N/A
Other	Addition of Reference Underlyer to Long Portfolio or Short Portfolio	Creation of a new swap contract on Security XYZ.	Yes	No, if initial agreement allowed addition or removal.	N/A
Other	Removal of Reference Underlyer from Long Portfolio or Short Portfolio	Partial or full termination of existing swap contract on Security XYZ.	No		N/A
Other	Increase in Notional Amount for Existing Reference Underlyer	Increasing long or short exposure to Security XYZ.	Yes	No, if a function of a corporate action or a stock split.	N/A
Other	Decrease in Notional Amount for Existing Reference Underlyer	Decreasing long or short exposure to Security XYZ in a portfolio swap wrapper.	No		N/A

Legal Disclaimer

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