



ISDA Expands ISDA Clause Library to Cover Collateral Documentation

NEW YORK, May 25, 2021 – The International Swaps and Derivatives Association, Inc. (ISDA) has today announced the expansion of the [ISDA Clause Library](#) to cover ISDA’s collateral documentation, a development that will bring greater efficiency and standardization to the negotiation and collateral management process.

The expansion follows the publication of the ISDA Clause Library for the ISDA Master Agreement in [June 2020](#), which was aimed at bringing greater consistency in the drafting of clauses when there is no need for customization. By adding standard drafting options for frequently negotiated provisions within ISDA’s collateral documentation, the ISDA Clause Library will further reduce complexity within industry standard documentation, make contract negotiation quicker and more efficient, and improve the consistency and accuracy of legal agreement data.

“In publishing the ISDA Clause Library for the Master Agreement last year, ISDA took a significant step toward promoting enhanced standardization of language within industry documentation. Expanding the Clause Library to cover ISDA collateral documentation builds on this foundation, increasing consistency and paving the way for digitization of documentation,” said Katherine Tew Darras, General Counsel at ISDA.

To develop the ISDA Clause Library, ISDA conducted a review of thousands of agreements to identify clauses that essentially achieve the same outcomes, even though they may be worded differently. The resulting data feeds into the ISDA Legal Agreement Taxonomy, which establishes a framework for identifying and categorizing commonly used clause variants. Standard drafting options are then made available in the ISDA Clause Library that achieve the same outcome as the clause variants within a category.

The ISDA Clause Library is an important component in ISDA’s strategy to increase standardization in order to facilitate the digitization of legal documentation and the automation of derivatives processes through the development of smart derivatives contracts.

To help achieve that, the ISDA Clause Library has been incorporated into [ISDA Create](#), an online platform that allows parties to digitally produce, deliver, negotiate and execute derivatives documents. The ISDA Legal Agreement Taxonomy is also being used as the source for a legal agreement data application within ISDA’s [Common Domain Model \(CDM\)](#), which establishes a common, industry-wide terminology for trade events and processes. The CDM-based legal agreement data model is aimed at ensuring greater connectivity between contractual terms and associated derivatives processes and data.

“As events of the past year have demonstrated, it is time to move away from paper-based documentation and embrace greater digitization. Last year, ISDA and several other trade associations made a [joint commitment](#) to regulators to promote the development of a digital future for financial markets. As part of that commitment, we agreed to promote the adoption of standardized and simplified legal documentation. The ISDA Clause Library delivers upon this objective and is a key component of ISDA’s strategy to support greater digitization, foster an environment for technological innovation, and build a safer, more robust financial system,” said Scott O’Malia, ISDA’s Chief Executive.

The ISDA Clause Library for ISDA’s collateral documentation is available in the ISDA bookstore and is designed to be used in conjunction with the 1994 ISDA Credit Support Annex (CSA) (Security Interest – New York Law), the 1995 ISDA CSA (Title Transfer – English Law), the 1995 ISDA Credit Support Deed (CSD) (Security Interest – English Law), the 2016 ISDA VM CSA (Security Interest – New York Law) and the 2016 ISDA VM CSA (Title Transfer – English Law). The ISDA Clause Library and underlying ISDA Legal Agreement Taxonomy will be maintained over time to reflect changes to market and legal standards.

The ISDA Clause Library for collateral documentation is [available here](#).

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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 950 member institutions from 76 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:

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