



IHS Markit®

# MarkitServ 2021 ISDA Definitions Implementation Working Group

Session #5 September 15, 2021 with additional updates

October 1, 2021

# Introduction

- The majority of this presentation starting from Slide 8 is based on materials MarkitServ presented on September 15, 2021 at its own 2021 ISDA Definitions Implementation Working Group with some updates in the Cash Settlement slides which were presented by MarkitServ to the ISDA 2021 Definitions subgroup meeting on September 16, 2021 for which a [recording](#) is available.
- Slides 3-7 are updates and additions which have been separately presented or distributed to MarkitWire customers since the September 15 meeting.


# 2021 ISDA Definitions: MarkitWire Contractual Definitions system default setting

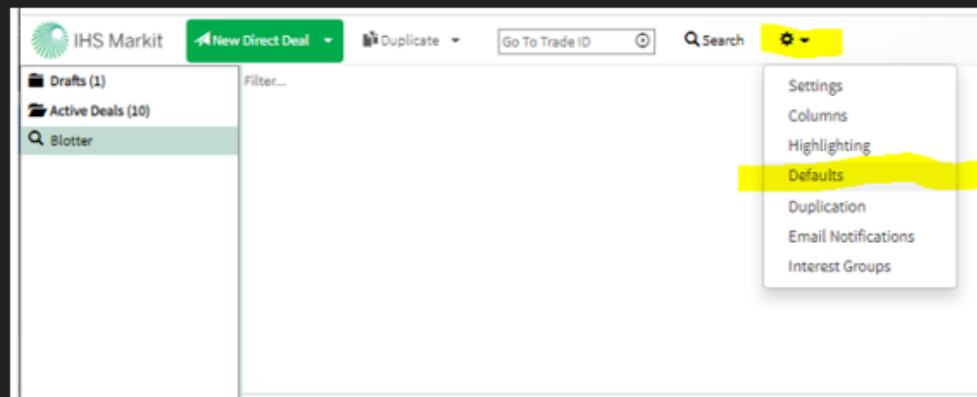
- Following a consultation of its customers and having considered all of the views expressed, MarkitWire announced on September 1st that it would be keeping its contractual definitions system default setting unchanged as 2006 Definitions in both its UAT and Production environments up to, and for a transitional period after, October 4th.
- Feedback was split between those customers that preferred to maintain the default as the 2006 Definitions and those in favor of switching it to the 2021 Definitions.
  - You can hear a [recording](#) of the September 2<sup>nd</sup> ISDA implementation subgroup meeting where MarkitServ presented and discussed the decision and its implications.
- In recognition of the issues raised by respondents to the consultation on both sides, however, alongside the fact that ISDA does not intend to maintain the 2006 Definitions post-October 4<sup>th</sup> and widespread acknowledgement amongst respondents that the 2021 Definitions will be adopted as the new standard definitional booklet for cleared and non-cleared derivatives, we have formulated a revised proposal and solution on when to change the MarkitWire default and shared this within the MarkitWire working group and the ISDA implementation subgroup last week.
  - You can hear a [recording](#) of the September 13<sup>th</sup> ISDA implementation subgroup meeting where MarkitServ presented and discussed this proposal.
  - MarkitWire plans to move ahead with the proposal to switch the MarkitWire Contractual Definitions default to “2021 ISDA” (meaning the 2021 Interest Rate Derivatives Definitions) as part of its MarkitWire 18.2.2 Release.
  - **The UAT default switch date will be November 3, 2021 and the Production default switch date will be November 27, 2021.**
  - Firms who wish to incorporate the 2021 Definitions in a transaction must continue to explicitly send a **contractualDefinitions** element in MarkitWire API messaging referencing ‘ISDA2021’ plus the corresponding 2021 FRO names (and 2021 compliant Cash Settlement Methods where applicable).
  - From the MarkitWire 18.2.2 Release date (from November 3<sup>rd</sup> in UAT and from November 27<sup>th</sup> in Production) omitting the **contractualDefinitions** will now be deemed to have specified the 2006 Definitions (whereas previously any such transaction would have been validated based upon the prevailing contractual definitions default).

## MarkitWire Contractual Definitions user preference enhancement

- One function of the contractual definitions system default setting is to set the initial MarkitWire system-wide default value for the ISDA Interest Rate Derivatives (IRD) definitional booklet that will be incorporated into each MarkitWire Rates transaction entered using the MarkitWire User Interface (UI).
- It is recognized that in the non-cleared market in particular a phased adoption approach is being taken to transitioning to the new 2021 Definitions. MarkitWire is therefore releasing an additional enhancement outlined on the following slides, as part of its 18.2.1 Release, aimed at improving operational efficiency and control when users are manually entering transactions using the UI and wish to incorporate the ISDA definitional booklet which is different to the 'then prevailing' MarkitWire system-wide default.
- The ability to configure user level Contractual Definitions preferences for each Rates product will go live in MarkitWire Production with the 18.2.1 Release on **October 23, 2021** and became available in UAT on **September 29, 2021**.

## How to configure your Contractual Definitions preferences...

- MarkitWire UI users will be able to configure their own Rates product-level preference for the ISDA definitional booklet (whether the 2021 Definitions or 2006 Definitions) avoiding the need to have to override the system-wide default for each transaction. Once set, the user level preference will be automatically applied for the given product when entering a new Direct Deal, Prime Brokered Deal or Client Clearing Deal in the UI
  - This ability to configure user level preferences for each Rates product became available in the MarkitWire UAT on September 29<sup>th</sup>, 2021 and will be available in Production from October 23<sup>rd</sup>, 2021
- **Step 1** – Click on the cog  in the MarkitWire UI menu bar and select 'Defaults' from the dropdown menu as shown below:



## How to configure your Contractual Definitions preferences... (2)

- **Step 2** – In the window that appears under the ‘Product Values’ section in the lower half of the window select the desired Rates product, e.g. ‘OIS’, and then select the desired IRD Contractual Definitions preference, e.g. ‘ISDA2021’.
- **Step 3** – Repeat Step 2 to set a preference for each required Rates product.
- **Step 4** – Press the OK button to save the entered preferences.
- **Step 5** – Logout of the MarkitWire UI.
- **Step 6** – Login to the MarkitWire UI.

Books:

Product	Curren...	Currency 2	Book
OIS	All	All	AAA TEST1
IRS	All	All	AAA TEST2
All other	All	All	BOOK1

Remove Edit Add

Product Values:

Product: OIS

My Entity: AAA Bank

IRD Contractual Definitions: ISDA2021

Break Details:

OK Cancel

## Points to note about the preferences functionality

- An IRD Contractual Definitions preference can be set for the following Rates products:
  - Basis Swap
  - CapFloor
  - Cross Currency Basis Swap
  - Cross Currency IRS
  - Fixed Fixed Swap
  - FRA
  - IRS
  - OIS
  - Swaption
  - ZC Inflation Swap
- If a preference is not set for any given product then the system-wide default setting for Contractual Definitions will continue to apply when entering new deals for that product in MarkitWire.
- If a preference for a given product is set equal to the 'then prevailing' MarkitWire system-wide default setting then the behaviour will be as if no preference had been set (since the nominal override would be to the same value as the current default).
- A product preference can be set back to an empty value so that the 'then prevailing' MarkitWire system-side setting will apply.
- The functionality is not applicable or available to a Broker MarkitWire UI user.

# Agenda for September 15 meeting

- Notable highlights since last meeting on August 17th
- Background and Implementation Timeline
- Cleared vs Non-Cleared Implementation Considerations
- MarkitWire messaging and API considerations
- Phase 3 - MarkitWire 18.2 (In UAT now)
  - > Key Product Considerations
  - > Clearing Eligibility in MarkitWire under 2021 Definitions
  - > JPY-LIBOR Swaption Example Change
  - > Cash Settlement Method Changes
  - > Early Termination Cash Settlement
    - Mid-market Valuation
    - Replacement Value
    - Collateralized Cash Price
  - > Swaption Cash Settlement
- Annex
  - > Additional ISDA Resources and Educational Materials
  - > Trade Manager (MTM) Platform Changes
  - > MarkitWire Floating Rate Option Mapping Table
  - > Key contacts



## Notable highlights since last meeting on August 17th

- MarkitServ released its MarkitWire Phase 3 functionality into the MarkitWire Production environment on September 11<sup>th</sup>.
  - > This MarkitWire Release 18.2 contains all the functionality to support MarkitWire's enablement of support for the 2021 Definitions over the October 2/3 implementation weekend.
  - > This is also the same software currently running in the MarkitWire UAT environment. The only difference between the environments is you can specify a 2021 Definitions transaction in UAT but in Production that won't be possible until the October implementation weekend.
- MarkitServ released its Trade Manager (MTM) Release 21.5 functionality into UAT on September 8<sup>th</sup>
  - > Trade Manager (MTM) Release 21.5 will go into Production on September 24<sup>th</sup>
  - > Trade Manager (MTM) slide updates have been made in the Annex to this presentation
- Following a consultation of its customers and having considered all of the views expressed, MarkitServ announced on September 1st that it would be keeping its MarkitWire contractual definitions system default setting unchanged as 2006 Definitions in both the UAT and Production environments up to, and for a transitional period beyond, October 4<sup>th</sup>.
  - > Feedback was split between those customers that preferred to maintain the default as the 2006 Definitions and those in favour of switching it to the 2021 Definitions.
  - > You can hear a [recording](#) of the September 2<sup>nd</sup> ISDA implementation subgroup meeting where MarkitServ presented and discussed the decision and its implications.
  - > The decision should not be construed as a reflection on whether or not customers are expected to adopt the 2021 Definitions but an accommodation to ensure that those who are not yet ready to do so, have a period of time in which to make any necessary systems changes to allow them to specify the ISDA definitional booklet they want to apply to their transactions. Feedback MarkitWire received during its consultation suggested that many of those intending to adopt the 2021 Definitions from October 4<sup>th</sup> already had, or were planning for, system arrangements of this nature.

## Notable highlights since last meeting on August 17<sup>th</sup> (2)

- The decision to leave the contractual definitions default unchanged in MarkitWire Production for a transitional period beyond October 4<sup>th</sup> is intended to help ensure an orderly and safe transition over the October 2/3 implementation weekend for market participants and minimize the number of potential trade rejections.
  - > It broadly ensures users of the MarkitWire platform have to consciously and explicitly specify where they intend to incorporate the 2021 Definitions into a transaction from October 4<sup>th</sup>.
- In recognition of the issues raised by respondents to the consultation on both sides (those wanting to see the default changed and those wanting it to remain unchanged), however, alongside the fact that ISDA does not intend to maintain the 2006 Definitions post-October 4th and widespread acknowledgement amongst respondents to the consultation that the 2021 Definitions will be adopted as the new standard definitional booklet for cleared and non-cleared derivatives, MarkitServ remains committed to switching the default setting to 2021 Definitions as soon as technologically possible.
- On September 13 MarkitServ additionally followed up with a proposal that was presented at the ISDA implementation subgroup meeting for switching this default to the 2021 Definitions in MarkitWire Production on November 27.
  - > The recording of the September 13 ISDA meeting is available on the ISDA website and we encourage anybody that didn't attend that meeting to listen to the recording as there were other important agenda items discussed beyond the MarkitServ proposal.
  - > We will dedicate a later part of today's meeting to presenting this proposal again.
  - > **Note the proposal solely focuses on functionality that would change after the transition period beyond October 4<sup>th</sup>. The current functionality and behaviour in MarkitWire UAT today reflects the behaviour that will exist in MarkitWire Production on and immediately following October 4<sup>th</sup>.**

## Notable highlights since last meeting on August 17<sup>th</sup> (3)

- ISDA published Supplements 83 to 86 to the 2006 ISDA Definitions (see <https://www.isda.org/book/supplements-to-the-2006-isda-definitions/>)
  - > Supplements 83, 84 and 85 added new Rate Option definitions. There are no current plans to add support for these on MarkitWire and their publication has no impact on MarkitServ's 2021 Definitions implementation
  - > Supplement 86 updates a Rate Option which is not supported on MarkitWire.
    - ④ [Supplement 83 \("JPY-TORF QUICK", published August 25, 2021\) \(pdf\)](#)
    - ④ [Supplement 84 \("USD-SOFR CME Term", published September 8, 2021\) \(pdf\)](#)
    - ④ [Supplement 85 \("INR-Modified MIFOR", published September 9, 2021\) \(pdf\)](#)
    - ④ [Supplement 86 \(Updated "SAR-SRIOR-SUAA" and "SAR-SRIOR-Reference Banks", published September 9, 2021\) \(pdf\)](#)
- ISDA is updating certain component documents of the 2021 Definitions ahead of the October 4th implementation date. This is principally in order to maintain alignment with the 2006 Definitions.
  - > On September 9th ISDA circulated page pulls showing the changes being made to (1) the Main Book; (2) the Floating Rate Matrix; (3) the Consolidated Confirmation Template; (4) The Settlement Matrix; (5) the Currency/Business Day Matrix; (6) the MTM Matrix; and (7) the Form of Amendment Agreement to incorporate a more recent version of the 2021 Definitions.
- As discussed on the September 13<sup>th</sup> ISDA 2021 Definitions Implementation Subgroup call firms are asked to complete the high-level implementation survey sent to ISDA Working Group members and return it to ISDA as soon as possible and no later than close of business on Thursday, 16th September.

# Background and Implementation Timeline

- Version 1 of the 2021 ISDA Interest Rate Derivatives Definitions was published **June 11, 2021** on the ISDA MyLibrary Platform (<https://mylibrary.isda.org>).
- The 2021 Definitions are scheduled for implementation over the weekend of October 2/3, 2021 with an expected first business day of market adoption on **October 4, 2021** (coordinated first day of trading under the new definitions for major CCPs and market infrastructures, including confirmation platforms such as MarkitWire). While firms can continue to use the 2006 ISDA Definitions, ISDA will stop updating them following implementation of the 2021 Definitions, except for any inflight supplements.
- MarkitWire will be enabling use of 2021 ISDA Definitions in Production over the weekend of October 2/3, 2021 but introduced functionality in the UAT environment in multiple phases:
  - ✓ > **Phase 1** - Early visibility build with limited product and Floating Rate Option (FRO) support – (Release 18.1 became available in UAT from **May 19, 2021**)
  - ✓ > **Phase 2** - Early visibility build with new Early Termination Cash Settlement methods (both Optional and Mandatory Early Termination support) and new Swaption Cash and Physical Settlement native FpML 4.2 support – (Release 18.1.1 became available in UAT from **June 30, 2021**)
  - ✓ > **Phase 3 - Final Build** - Full 2021 ISDA equivalent FROs implementation (where applicable) for those supported under 2006/2000 ISDA in MarkitWire – (Release 18.2 became available in UAT from **August 11, 2021** and went into Production on **September 11, 2021**)
  - > **Production Go-Live** – ability to enter a trade referencing the 2021 ISDA Definitions will be enabled over the weekend of October 2/3, 2021.

	Version	UAT release	PROD release
Current	18.2	11 Aug 2021	11 Sep 2021
Next	18.2.1	29 Sep 2021	23 Oct 2021
Next +1	18.2.2	3 Nov 2021	27 Nov 2021
Next +2	19.0	8 Dec 2021	22 Jan 2022

## 2021 ISDA support added alongside existing 2000/2006 ISDA support

- As the MarkitWire platform provides legal confirmation for non-cleared transactions under the terms of bilateral master agreements executed between parties, legal confirmation for transactions under the new 2021 Definitions will be added alongside existing support for confirmations that are referencing the 2006 and 2000 ISDA Definitions.
- > It will remain possible to enter and legally confirm non-cleared transactions on MarkitWire referencing the 2006 ISDA (or 2000 ISDA) Definitions on or after the 2021 Definitions implementation date.



## 2021 ISDA support added alongside existing 2006/2000 ISDA support (2)

- While we expect most new transactions – both cleared and non-cleared – to start referencing the 2021 Definitions from October 4, 2021 the legal status of legacy non-cleared transactions will remain unchanged on the platform unless subject to any protocol or other form of bilateral agreement between parties to amend them to incorporate the 2021 Definitions.
- Every MarkitWire Rates trade today displays the applicable Contractual Definitions together with Floating Rate Option names consistent with the selected Contractual Definitions. This principle will be maintained with 2021 ISDA support.

Master Agreement: ISDA

Definitions: 2006 ISDA

Main

Futures Cross

Index/Bonds

Roll Dates

Add'l Payments 1-3

Add'l Payments 4-6

Cancellation Fee

Regulatory Reporting

Order Details

Identifiers

Floating Rate Index: EUR-EURIBOR-Reuters

Spread Over Floating: 0.0000 bp

1st Fixing Rate: %

Master Agreement: ISDA

Definitions: 2021 ISDA

Main

Futures Cross

Index/Bonds

Roll Dates

Add'l Payments 1-3

Add'l Payments 4-6

Cancellation Fee

Regulatory Reporting

Order Details

Identifiers

Floating Rate Index: EUR-EURIBOR

Spread Over Floating: 0.0000 bp

1st Fixing Rate: %

- Note for Inflation Swap trades on MarkitWire two ISDA definitional booklets are referenced. The incorporated Inflation Derivatives Definitions (2006 or 2008) and the incorporated [Interest Rate Derivatives] Definitions (2000, 2006 or 2021)

Inflation Definitions: 2008 ISDA

Definitions: 2006 ISDA

Inflation Definitions: 2008 ISDA

Definitions: 2021 ISDA

**2008 ISDA INFLATION DERIVATIVES DEFINITIONS**

Any or all of the following definitions and provisions may be incorporated into a document by wording in the document indicating that, or to the extent to which, the document is subject to the 2008 ISDA Inflation Derivatives Definitions (as published by the International Swaps and Derivatives Association, Inc. ("ISDA")). All definitions and provisions so incorporated in a document will be applicable to that document unless otherwise provided in that document, and all terms defined in these Definitions and used in any definition or provision that is incorporated by reference in a document will have the respective meanings set forth in these Definitions unless otherwise provided in that document. Any capitalized term not herein defined, shall have the meaning given to that term in the 2006 ISDA Definitions or other relevant ISDA publication as the context requires.



## Auto-created new transactions on MarkitWire

- There are several workflows where MarkitWire automatically creates new MarkitWire transactions based on an existing transaction:
  - > New-Allocation trade(s) during a Block->Allocation workflow
  - > New-PrimeBrokered trades from a Prime Broker workflow
  - > New-Novated trade from a Novation
  - > New IRS/OIS trade from a Swaption physical exercise
- In all these scenarios:
  - > If the relevant transaction that is used to generate the new transaction has “2006 ISDA” specified as the Contractual Definitions then the new transaction will be generated under the 2006 Definitions and use corresponding 2006 FROs and terms
  - > If the relevant transaction that is used to generate the new transaction has “2021 ISDA” specified as the Contractual Definitions then the new transaction will be generated under the 2021 Definitions and use corresponding 2021 FROs and terms

# Major implementation considerations for cleared and non-cleared workflows in MarkitWire

- For both cleared and non-cleared workflows MarkitWire transactions booked under the 2021 Definitions will only be supported under SWML/SWDML/SWBML 4.2 messaging versions (based upon FpML Version 4.2). See next slide for further details
- The main implementation consideration on workflows where the transaction is intended to clear is the difference in Floating Rate Option (FRO) names under the 2021 Definitions versus the 2006 Definitions (see Annex to this presentation)
  - > Of the 7 CCPs that have presented or shared their 2021 Definitions plans with the ISDA Implementation subgroup 6 have indicated they will accept new eligible transactions for clearing referencing either 2006 or 2021 FRO names from the October 4 implementation date and 1 will accept 2021 FRO names beginning December 6 (and only 2006 FRO names prior to December 6)
- Where the transaction will remain a bilateral non-cleared transaction on MarkitWire the main implementation considerations are:
  - > Differences in FRO names under 2021 Definitions versus 2006 Definitions (see Annex to this presentation)
  - > New Cash Settlement Methods introduced in the 2021 Definitions which impact Optional and Mandatory Early Terminations (OET and MET).
    - Many of the Cash Settlement Methods supported under the 2006 Definitions are no longer supported under the 2021 Definitions, e.g. “Cash Price”
  - > Changes in applicable elections for Cash Settlement Method and Settlement Rate for some currencies in the ‘2021 Definitions Settlement Matrix for Settlement, Early Termination and Swaptions’ which impacts OETs, METs and Swaptions, e.g. changes for JPY Swaptions which are outlined in later slides.



# MarkitWire messaging support for 2021 ISDA trades

- A reminder that MarkitWire will not be supporting the 2021 Definitions under our older DTD-based (Document Type Definition) MarkitWire Rates messaging versions which are based upon FpML version 2.0.
  - > This will impact SWML 3.1, SWDML 3.0 and 3.1 and SWBML 3.0 for both cleared and non-cleared workflows.
  - > These versions can continue to be used to support legacy (non-2021 ISDA) trades only.
- FpML version 4.2 (on which MarkitWire XML schema-based SWML 4.2/SWBML 4.2/SWDML 4.2 messaging versions are based) has been updated with the necessary 2021 Definitions changes allowing MarkitWire to offer 2021 Definitions support **in these versions only**.
  - > Our previous FpML 4.2 schemas in 18.2 UAT were based <sup>[1]</sup> upon the [FpML 4.2 Trial Recommendation \(build 10\)](#) publications
  - > On September 8 we updated our core MarkitWire platform in UAT to use the September 1 published [FpML 4.2 Recommendation - Draft \(build 12\)](#) and will retain this version for the 18.2 Production go-live and the October 2/3 implementation weekend.
    - We plan to have our corresponding MarkitWire API schema packages available for download from our documentation portal later today
    - *Note as the FpML 4.2 Recommendation draft was made available sooner than anticipated we have decided to use this build 12 version rather than the build 11 version as we had previously communicated.*
- Note an exception to the above was made to support the LCH and Eurex EUR EONIA/€STR dry runs which took place on June 5<sup>th</sup>, July 10<sup>th</sup>, August 18<sup>th</sup> and September 1<sup>st</sup> where MarkitWire provided support under SWML 3.1 for EUR OIS trades with 2021 Definitions and where a CCP was specified
  - > This special case support was removed in the MarkitWire UAT environment on September 8 and will not be available in the MarkitWire Production environment.

[1] An errata introduced in the FpML 4.2 build 10 schema (and subsequently corrected in builds 11 and 12) related to the mutuallyAgreedClearinghouse cardinality was not applied to the MarkitWire copy of the relevant schema file. See build 11 release notes on fpml.org via this link [https://www.fpml.org/latest\\_news/isdas-has-published-the-trial-recommendation-build-11-for-fpml-version-4-2/](https://www.fpml.org/latest_news/isdas-has-published-the-trial-recommendation-build-11-for-fpml-version-4-2/) for further details.

## MarkitWire messaging support for 2021 ISDA trades (2)

- The recommended SWML version for certain Rates products in MarkitWire changed as part of the MarkitWire 18.0.2 release in Production from May 8, 2021
  - > Specifically, the recommended version for IRS, OIS, FRA, CapFloor and Swaption products changed from version 3.1 to 4.2 in order to align all Rates products on SWML 4.2. API requests retrieving trades in their 'recommended' SWML version will return SWML 4.2 for all Rates products. Analogously, when requesting the SWDML representation of Rates trades, SWDML 4.2 will be retrieved and not SWDML 3.0.
  - > A user-level permission **UseLegacySWMLRecVersion** was developed for use in UAT and Production to maintain pre-18.0.2 behaviour for API and Deal Extractor users who need additional time to modify their integration.

# API Functionality

- API users today can submit **masterAgreementType** and **contractualDefinitions** elements in SWDML and SWBML input messaging
- .../FpML/trade/documentation

```
<documentation>
  <masterAgreement>
    <masterAgreementType masterAgreementTypeScheme="http://www.swapswire.com/spec/2001/master-agreement-type-1-0">ISDA</masterAgreementType>
  </masterAgreement>
  <contractualDefinitions>ISDA2021</contractualDefinitions>
</documentation>
```

- The **contractualDefinitions** element is optional and currently if omitted on an initial submission the prevailing MarkitWire environment default for the Contractual Definitions field will prevail (in other words, deemed to apply). In UAT and in Production, up to, and for a transitional period beyond, October 4<sup>th</sup> (the “2021 ISDA IRD Definitions implementation date”), MarkitWire’s default will remain as ‘2006 ISDA’ (meaning the 2006 ISDA Definitions).
- Note that even if **contractualDefinitions** is omitted on an initial submission MarkitWire immediately defaults a value and the trade viewed in the MarkitWire GUI, the SWML returned to the submitter and the trade received by the counterparty will ALWAYS contain an explicit **contractualDefinitions** value.
- FRO names (generally the FpML element **floatingRateIndex**) are mandatory and MarkitWire validates the FRO name (string) provided against the corresponding Contractual Definitions specified, or deemed to apply.
- While some firms today do not provide an explicit **contractualDefinitions** value in their dealer or broker API submissions we strongly recommend all firms consider changing this practice as part of their 2021 Definitions implementation changes in light of MarkitServ’s new proposal on the timing for switching the contractual definitions default value. **Moreover, contractualDefinitions must be provided in order to incorporate the 2021 Definitions in a MarkitWire transaction.**

## API Functionality (2)

### Dealer and Broker API

- The table on this slide illustrates the current behaviour for a Dealer or Broker API SWDML/SWBML submission based on the prevailing default Contractual Definitions value in the relevant MarkitWire UAT or Production environment
  - > While the Contractual Definitions default value remains as “2006 ISDA” (meaning the 2006 ISDA Definitions):

Input			Output
contractualDefinitions	floatingRateIndex	FRO Commentary	
ISDA2006	Legacy FRO	FRO defined under 2006 definitions	ISDA2006 + Legacy FRO
ISDA2021	New FRO	FRO defined under 2021 definitions	ISDA2021 + New FRO
[not specified]	Legacy FRO	FRO defined under 2006 definitions	ISDA2006 + Legacy FRO
[not specified]	New FRO	FRO defined under 2021 definitions	API rejects the submission.

## API Functionality (3)

- Please note that there are certain cases where the FRO name remains unchanged in MarkitWire's implementation between 2006 and 2021 Definitions. Current MarkitWire supported examples of this are:
  - > BRL-CDI
  - > TWD-TAIBIR01
  - > TWD-TAIBIR02
  - > USD-BSBY
- In such scenarios while the Contractual Definitions default value remains as "2006 ISDA" (meaning the 2006 ISDA Definitions):
  - > MarkitWire will book under the specified contractual definitions ('2006 ISDA' or '2021 ISDA') when the *contractualDefinitions* element is provided with an explicit value
  - > MarkitWire will book under the default contractual definitions of '2006 ISDA' when the *contractualDefinitions* element is omitted in the original submission.

## API Functionality (4) – Inflation Swaps

- Since Inflation Swap trades reference two ISDA definitional booklets the **contractualDefinitions** element occurs twice in SWML 4.2 messaging
  - > The 2006 and 2008 ISDA Inflation Derivatives Definitions are identified with the FpML code values of “**ISDA2006Inflation**” and “**ISDA2008Inflation**”
  - > The 2000, 2006 and 2021 [Interest Rate Derivatives] Definitions are identified with the FpML code values of “**ISDA2000**”, “**ISDA2006**” and “**ISDA2021**”

```
<documentation>
  <masterAgreement>
    <masterAgreementType masterAgreementTypeScheme="http://www.swapswire.com/spec/2001/master-agreement-type-1-0">ISDA</masterAgreementType>
  </masterAgreement>
  <contractualDefinitions>ISDA2006</contractualDefinitions>
  <contractualDefinitions>ISDA2008Inflation</contractualDefinitions>
</documentation>
```

- > For input submissions MarkitWire is insensitive to the ordering of the booklets in the **contractualDefinitions** element, i.e. the Inflation Definitions can be referenced in the **contractualDefinitions[1]** or **contractualDefinitions[2]** position. Additionally, if one or both elements are omitted then MarkitWire currently will use its prevailing default value(s):
  - The MarkitWire default value for the Inflation Derivatives Definitions is the 2008 Inflation Derivatives Definitions. This will continue to remain the default after the October 2/3 implementation weekend
  - The MarkitWire default value for the Interest Rate Derivatives Definitions is the 2006 Definitions. This will now continue to remain the default up to, and for a transitional period beyond, October 4<sup>th</sup>
- > On output SWML messaging both **contractualDefinitions** elements are always present and the Interest Rate Derivatives Definitions will always be in the **contractualDefinitions[1]** position as for other Rates products. The Inflation Derivatives Definitions will always be in the **contractualDefinitions[2]** position.

# Phase 3 - MarkitWire 18.2 (In UAT now)

## Early Visibility in UAT only

- MarkitWire has now implemented broad product and currency support for the 2021 Definitions in the UAT environment only.
- Setting Contractual Definitions to '2021 ISDA' on the Processing Tab makes Floating Rate Options defined under 2021 ISDA available for selection. An example is shown below for a GBP LIBOR vs. SONIA Basis Swap trade:

Definitions:

2021 ISDA
2000 ISDA
2006 ISDA
2021 ISDA

Main		Index/Stubs		Roll Dates		Break		Break(2)		Amortising/Accreting		Allocation		Holidays		Independent Amount	
Add'l Payments 1-3		Add'l Payments 4-6		Cancellation Fee		Processing		Clearing		Internal Data		Settlement Agency					
Regulatory Reporting		Order Details		Identifiers													

Pay		Rec			
Floating Rate Index:	3m	GBP-LIBOR	Floating Rate Index:		GBP-SONIA-OIS Compound
Spread Over Floating:	0.0000	bp	Spread Over Floating:	0.0000	bp
Floating Rate Multiplier:		%	Floating Rate Multiplier:		%
1st Fixing Rate:		%	1st Fixing Rate:		%



# Full Product and Currency Support

- The table below summarizes the list of MarkitWire Rates products where 2021 ISDA support is now available:

	Rates Products	Contractual Definitions		
		2000	2006	2021
1.	Basis Swap	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2.	Cap/Floor	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
3.	Cross Currency Basis Swap	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.	Cross Currency IRS	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
5.	Fixed Fixed Swap (Single CCY and XCCY)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
6.	FRA	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
7.	IRS	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
8.	OIS	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
9.	Swaption	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
10.	ZC Inflation Swap	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

## Key Product Considerations

- This table summarizes some of the key considerations for each MarkitWire Rates product. Note this is for guidance only and shouldn't be considered exhaustive. Firms are encouraged to consider their own specific implementations and which products are cleared (and at which CCP) and those which are non-cleared.

Product	FRO Name Changes	OET/MET Changes	Other Election (Mkt Practice) Changes	Other Considerations
<b>Basis Swap</b>	Yes	Yes		
<b>Cap/Floor</b>	Yes	Yes		
<b>Cross Currency Basis Swap</b>	Yes	Yes		
<b>Cross Currency IRS</b>	Yes	Yes		
<b>Fixed Fixed Swap (Single and Cross-Currency)</b>	Yes	Yes		
<b>FRA</b>	Yes	No [1]		[1] MarkitWire does not support OET or MET on the FRA product.
<b>IRS</b>	Yes	Yes		
<b>OIS</b>	Yes	Yes		
<b>Swaption</b>	Yes	Yes	Yes	Exercise into Underlying Swap. Note some counterparties may clear the underlying swap via other platforms.
<b>ZC Inflation Swap (these incorporate both Inflation and Rates Derivatives Definitions)</b>	No	Yes		While the Index Descriptions (analogous to FROs) remain unchanged if a bilateral transaction involved an OET or MET they would use the new cash settlement methods under 2021 Defs.

# Clearing Eligibility in MarkitWire UAT under 2021 Definitions

- When CCPs support 2021 FROs in their test environments, MarkitWire clearing eligibility will be updated to enable new clearing trade registration. The current status and planned dates (as CCPs have permitted MarkitServ to communicate) are shown below:

CCP	Support of all applicable FROs under the 2021 Definitions in UAT
LCH	August 11 <sup>th</sup>
CME	August 25 <sup>th</sup>
BME	September 1 <sup>st</sup>
KDPW	September 1 <sup>st</sup>
KRX	September 8 <sup>th</sup>
Eurex	September 6 <sup>th</sup>
NASDAQ OMX	September 15 <sup>th</sup>
BBG VCON	September 22 <sup>nd</sup>

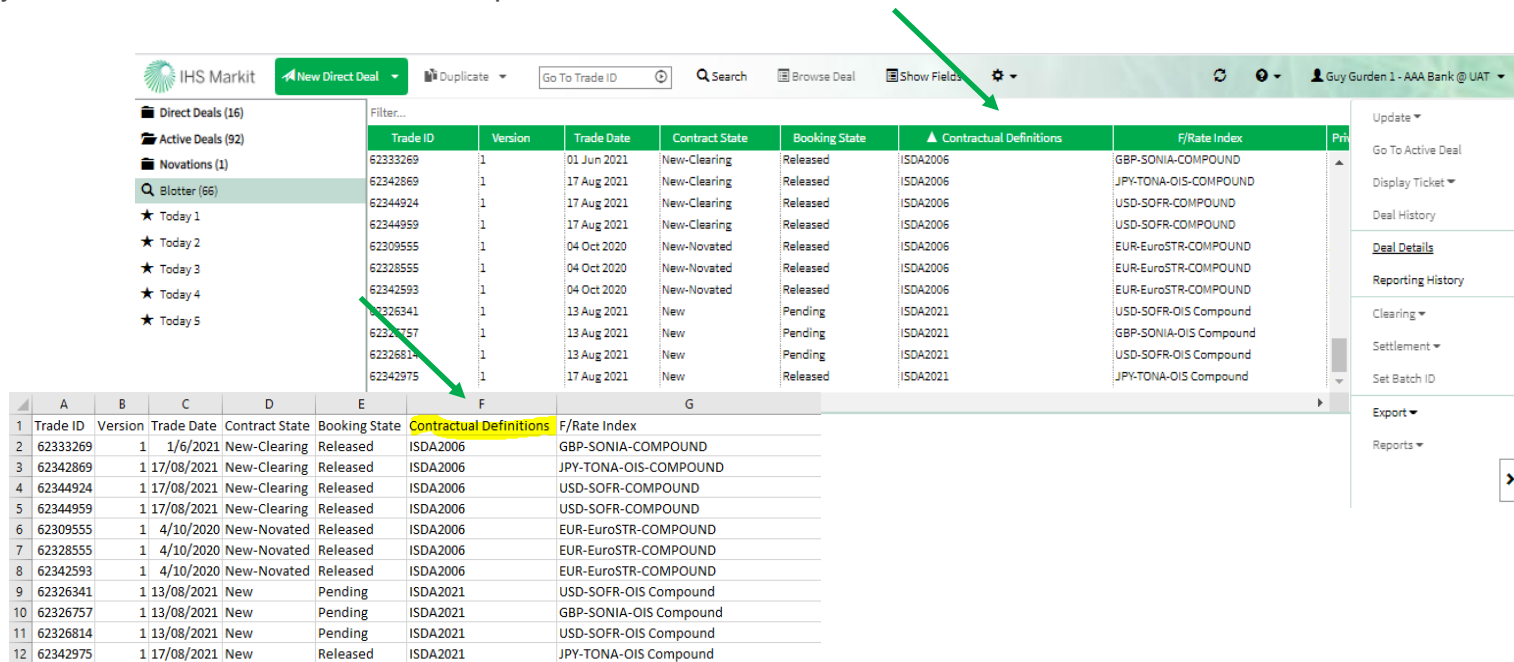


- In MarkitWire workflows where clearing eligibility rules are being applied, if the CCP is not yet able to accept new 2021 FRO names, e.g. “USD-LIBOR”, then the trade will fail eligibility checks in MarkitWire and the selected 2021 FRO name will be referenced as illustrated in a USD example below:

Trade marked as a Clearing trade but fails eligibility rules.  
The Floating Rate Index must be 'USD-LIBOR-BBA;USD-Federal Funds-H.15' for an IRS USD trade to be cleared. You selected **USD-LIBOR**.

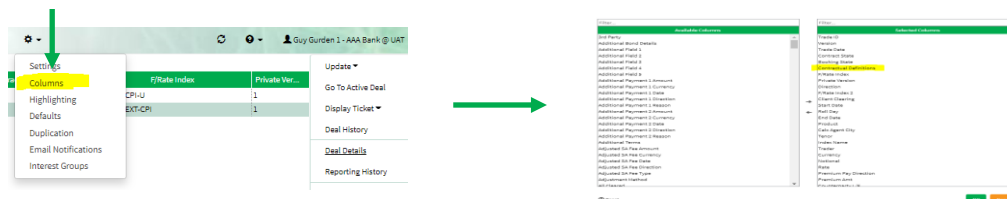
# Contractual Definitions column in GUI blotter and exports

- The Contractual Definitions column in the TC Web Blotter view and Exports will now display the applicable “ISDA2006” or “ISDA2021” value based on what has been specified on the trade. Note this column will be populated in Production for new activity from the 18.2 Release date of September 13, 2021



Trade ID	Version	Trade Date	Contract State	Booking State	Contractual Definitions	F/Rate Index
62333269	1	01 Jun 2021	New-Clearing	Released	ISDA2006	GBP-SONIA-COMPOUND
62342869	1	17 Aug 2021	New-Clearing	Released	ISDA2006	JPY-TONA-OIS-COMPOUND
62344924	1	17 Aug 2021	New-Clearing	Released	ISDA2006	USD-SOFR-COMPOUND
62344959	1	17 Aug 2021	New-Clearing	Released	ISDA2006	USD-SOFR-COMPOUND
62309555	1	04 Oct 2020	New-Novated	Released	ISDA2006	EUR-EuroSTR-COMPOUND
62328555	1	04 Oct 2020	New-Novated	Released	ISDA2006	EUR-EuroSTR-COMPOUND
62342593	1	04 Oct 2020	New-Novated	Released	ISDA2006	EUR-EuroSTR-COMPOUND
62326341	1	13 Aug 2021	New	Pending	ISDA2021	USD-SOFR-OIS Compound
62326757	1	13 Aug 2021	New	Pending	ISDA2021	GBP-SONIA-OIS Compound
62326814	1	13 Aug 2021	New	Pending	ISDA2021	USD-SOFR-OIS Compound
62342975	1	17 Aug 2021	New	Released	ISDA2021	JPY-TONA-OIS Compound

- To add the Contractual Definitions column into the TC Web list of displayed columns use the Options menu and select the Columns option to display the window where you can move the Contractual Definitions list item from the left-hand list of Available Columns to the right-hand list of Selected Columns:



# JPY-LIBOR-BBA Swaption (under 2006 Definitions)

- Example of a Swaption change brought about by a Settlement Rate reference change between 2006 and 2021 Definitions
- Per the 2006 ISDA Definitions Settlement Matrix for Early Terminations and Swaptions (see <https://www.isda.org/book/isda-definitions-settlement-matrix-for-early-termination-and-swaptions/>)

2006 ISDA Definitions Settlement Matrix for Early Termination and Swaptions (the "ISDA Settlement Matrix")

Published May 13, 2021, Effective May 13, 2021

SWAPTIONS only					EAR
Currency	Cash Settlement Method	Exercise Business Days (Cash and Physical Settlement)	Valuation Date (Cash and Physical Settlement)	Cash Settle Payment Business Days	Automatic
JPY	Cash Settlement Method				

Settlement: Cash ☐ Cleared Physical Settlement

Valuation Time: 3pm Tokyo

Valuation Date: 0 Days

Payment Date: 2 Days

Cash Method: Zero Coupon Yield - Adjusted

Cash Settle Ccy: JPY

Quotation Rate: Mid

Settle Rate Source: Reuters Page 17143

Cash Settlement Method

Zero Coupon Yield - Adjusted  
(Settlement Rate: Reuters Screen 17143 Page) \*\*

## Settlement Terms:

Settlement:	Cash Settlement
Cash Settlement Valuation Time:	03:00 pm Tokyo time
Cash Settlement Valuation Date:	Exercise Date
Cash Settlement Payment Date:	2 London, Tokyo Business Days following the Exercise Date
Cash Settlement Method:	Zero Coupon Yield - Adjusted
Settlement Rate:	Other Price Source - Reuters Page 17143
Quotation Rate:	Mid

# JPY-LIBOR Swaption (under 2021 Definitions)

- Per the 2021 ISDA Definitions Settlement Matrix for Settlement, Early Termination and Swaptions

SWAPTIONS									GENERAL	
Currency	Relevant Transaction Type <sup>3</sup>	Settlement Method	Cash Settlement	Exercise Business Days	Cash Settlement	Cash Settlement	Cash Settlement	Automatic Exercise	Amount	Settlement Rate
JPY	JPY-LIBOR / TIBOR / ZTIBOR Transactions <sup>20</sup>	Cleared Physical Settlement	Cash Settlement Method							
	TONA Transactions <sup>21</sup>									
			Collateralized Cash Price							

Settlement: Cash ☐ Cleared Physical Settlement

Valuation Time: 3pm Tokyo

Valuation Date: 0 Days

Payment Date: 2 Days

Cash Method: Collateralized Cash Price

Cash Settle Ccy: JPY

Quotation Rate: Mid

Settle Rate Source: Tokyo Swap Reference Rate

Settlement Terms:

**Settlement:** Cash Settlement

**Cash Settlement Valuation Time:** 03:00 pm Tokyo time

**Cash Settlement Valuation Date:** Exercise Date

**Cash Settlement Payment Date:** 2 London, Tokyo Business Days following the Exercise Date

**Cash Settlement Method:** Collateralized Cash Price

**Cash Settlement Currency:** JPY

**Settlement Rate:** Other Price Source - Tokyo Swap Reference Rate

**Quotation Rate:** Mid

## JPY-LIBOR Swaption (under 2021 Definitions) (2)

- In order to represent the new 2021 Definitions-defined Settlement Rate of “Tokyo Swap Reference Rate” in FpML messaging a new code “TOKYOSWAP” has been defined as shown below.
  - This works similarly to the existing code “ICESWAP” which represents the “ICE Swap Rate” and is relevant for EUR, GBP and USD Swaption currencies and both would appear within the `<rateSource>` FpML element.

```
<collateralizedCashPriceMethod>
  <cashSettlementCurrency>JPY</cashSettlementCurrency>
  <settlementRateSource>
    <informationSource>
      <rateSource>TOKYOSWAP</rateSource>
    </informationSource>
  </settlementRateSource>
  <quotationRateType>Mid</quotationRateType>
</collateralizedCashPriceMethod>
```

### Settlement Terms:

<b>Settlement:</b>	Cash Settlement
<b>Cash Settlement Valuation Time:</b>	03:00 pm Tokyo time
<b>Cash Settlement Valuation Date:</b>	Exercise Date
<b>Cash Settlement Payment Date:</b>	2 London, Tokyo Business Days following the Exercise Date
<b>Cash Settlement Method:</b>	Collateralized Cash Price
<b>Cash Settlement Currency:</b>	JPY
<b>Settlement Rate:</b>	Other Price Source - Tokyo Swap Reference Rate
<b>Quotation Rate:</b>	Mid

## SWML 4.2 Messaging

- As the market and ISDA language evolved through the publication of Supplements to the 2006 ISDA Definitions (e.g. Supplements 28, 48 and 64 affecting Swaption settlement), MarkitWire in some cases added elements in SWML outside of the core FpML to capture new confirmable fields which could not be captured within FpML 4.2 natively. Typically, these appear in the **swExtendedTradeDetails** container in the SWML.
- Examples of this can be found in the Swaption product with fields such as the Collateralized Cash Price cash settlement method, Cleared Physical Settlement, Mutually Agreed Clearinghouse and Agreed Discount Rate.

### Settlement Terms:

Settlement:	Cash
Cash Settlement Valuation Time:	11:00 AM New York time
Cash Settlement Valuation Date:	Exercise Date
Cash Settlement Payment Date:	2 London, New York Business Days following the Exercise Date
Cash Settlement Method:	Collateralized Cash Price
Settlement Rate:	ICESWAP Rate
Quotation Rate:	Mid
Mutually Agreed Clearing House:	LCHLGBOBFCM
Agreed Discount Rate:	SOFR

```

<swObligationToClear>false</swObligationToClear>
<swPredeterminedClearerForUnderlyingSwap>LCHLGBOBFCM</swPredeterminedClearerForUnderlyingSwap>
<swESMAClearingExemption>false</swESMAClearingExemption>
</swTradeHeader>
<swCollateralizedCashPrice>
  <settlementRateSource>
    <informationSource>
      <rateSource>ICESWAP</rateSource>
    </informationSource>
  </settlementRateSource>
  <quotationRateType>Mid</quotationRateType>
</swCollateralizedCashPrice>
<swAgreedDiscountRate>SOFR</swAgreedDiscountRate>
</swExtendedTradeDetails>

```



swExtendedTradeDetails



## SWML 4.2 Messaging (2)

- With ISDA updating the FpML 4.2 Schemas to support the 2021 ISDA Definitions certain fields such as the Collateralized Cash Price cash settlement method, Cleared Physical Settlement, Mutually Agreed Clearinghouse and Agreed Discount Rate can now be represented within the FpML 4.2 native structures.
- SWML 4.2 for any trade where 2021 ISDA is specified as the applicable Contractual Definitions will always use these newly available FpML 4.2 native structures and elements.
- SWML 4.2 for any non-2021 ISDA trade will be available using:
  - > Either the existing legacy **swExtendedTradeDetails** elements (as illustrated on previous slide);
  - > Or the newly available FpML 4.2 native structures and elements (i.e. consistent with how a 2021 ISDA SWML 4.2 trade would be generated as illustrated on next but one slide)
  - > The default SWML 4.2 generation for non-2021 ISDA trades will use the existing custom elements and API users will optionally be able to set a configuration via an API call if they wish the 'legacy' trades (e.g. those referencing 2006 ISDA and 2000 ISDA Contractual Definitions) to be generated using the same FpML 4.2 structures as 2021 ISDA trades.
  - > This configuration control will be available in both MarkitWire UAT and Production.
- The API function **SW\_SetCapability** has been provided with a new 'capability' '**Use2021SWML4.2ForNonISDA2021**' parameter value to allow an API user to request being provided harmonized SWML 4.2 formats for both 2021 ISDA and legacy 2006/2000 ISDA trades.
- We feel providing implementors with this choice for 'legacy' trades may provide additional flexibility as firms plan their changes and rollout strategy.
- Note this choice is about messaging formats only. FRO names and any other data or features specific to a given set of Definitions will remain distinct regardless of the messaging format preference chosen.

## SWML 4.2 Messaging (3)

- Either legacy 2006 (and 2000) trades can be generated using current legacy messaging formats while new 2021 trades will use native FpML messaging formats (**non-harmonized**):

Term	2006 ISDA Trade	2021 ISDA Trade
	Uses SWML sw ExtendedTradeDetails, e.g.	Uses Native FpML, e.g.
Mutually Agreed Clearinghouse	<sw PredeterminedClearerForUnderlyingSw ap>	<mutuallyAgreedClearinghouse>
Collateralized Cash Price	<sw CollateralizedCashPrice>	<collateralizedCashPriceMethod>
Agreed Discount Rate	<sw AgreedDiscountRate>	<agreedDiscountRate>
Etc.	Etc.	Etc.

- Or using the API function **SW\_SetCapability** with a new 'capability' '**Use2021SWML4.2ForNonISDA2021**' both legacy 2006 (and 2000) trades and new 2021 trades can be generated using native FpML messaging formats (**harmonized**):

Term	2006 ISDA Trade	2021 ISDA Trade
	Uses Native FpML, e.g.	Uses Native FpML, e.g.
Mutually Agreed Clearinghouse	<mutuallyAgreedClearinghouse>	<mutuallyAgreedClearinghouse>
Collateralized Cash Price	<collateralizedCashPriceMethod>	<collateralizedCashPriceMethod>
Agreed Discount Rate	<agreedDiscountRate>	<agreedDiscountRate>
Etc.	Etc.	Etc.

## SWML 4.2 Messaging (4)

**Example new native FpML 4.2 Swaption Cash Settlement:**  
**//FpML/trade/swaption/cashSettlement/collateralizedCashPriceMethod**

```
<collateralizedCashPriceMethod>
  <cashSettlementCurrency>EUR</cashSettlementCurrency>
  <settlementRateSource>
    <informationSource>
      <rateSource>ICESWAP</rateSource>
    </informationSource>
  </settlementRateSource>
  <quotationRateType>Mid</quotationRateType>
  <mutuallyAgreedClearinghouse>
    <identifier idScheme="http://www.fpml.org/coding-scheme/external/iso9362">XCMEUS4FXXX</identifier>
  </mutuallyAgreedClearinghouse>
  <agreedDiscountRate>EuroSTR</agreedDiscountRate>
</collateralizedCashPriceMethod>
```

**Example new native FpML 4.2 Swaption Cleared Physical Settlement:**  
**//FpML/trade/swaption/physicalSettlement**

```
<physicalSettlement>
  <clearedPhysicalSettlement>true</clearedPhysicalSettlement>
  <mutuallyAgreedClearinghouse>
    <identifier idScheme="http://www.fpml.org/coding-scheme/external/iso9362">XCMEUS4FXXX</identifier>
  </mutuallyAgreedClearinghouse>
  <agreedDiscountRate>EuroSTR</agreedDiscountRate>
  <settlementRateSource>
    <informationSource>
      <rateSource>ICESWAP</rateSource>
    </informationSource>
  </settlementRateSource>
  <quotationRateType>Mid</quotationRateType>
</physicalSettlement>
```

- Note the harmonized format would also apply for the `collateralizedCashPriceMethod` structure when used in the context of an Optional or Mandatory Early Termination on legacy 2006/2000 and 2021 trades.

# Cash Settlement Method Changes in the 2021 Definitions

- The Cash Settlement Provisions section of the ISDA Key Changes document <https://www.isda.org/a/BNEgE/Key-Changes-in-the-2021-ISDA-Interest-Rate-Derivatives-Definitions-June-2021.pdf> includes the following table which is a helpful reminder of the Cash Settlement Method which are supported under either the 2006 or 2021 Definitions. Refer to the Key Changes document for a description of the new methodologies introduced by the **Mid-market Valuation** and **Replacement Value** approaches.
- Note the **Par Yield Curve – Unadjusted** and **Collateralized Cash Price** methods are the only two supported under both the 2006 and 2021 Definitions.

**Table 4:** Comparison of Cash Settlement Methods

2006 Definitions – Cash Settlement Method	2021 Definitions – Cash Settlement Method
Cash Price	Mid-market Valuation (Indicative Quotations)
	Mid-market Valuation (Calculation Agent Determination)
	Replacement Value (Firm Quotations)
	Replacement Value (Calculation Agent Determination)
Cash Price – Alternate Method	Mid-market Valuation (Indicative Quotations) – Alternate Method
Par Yield Curve - Adjusted	Not included
Par Yield Curve - Unadjusted	Par Yield Curve - Unadjusted
Zero Coupon Yield - Adjusted	Not included
Cross Currency Method	Not included
Collateralized Cash Price	Collateralized Cash Price

- The December 15, 2020 and December 17, 2020 recordings of ISDA WG discussions on the cash settlement provisions may be helpful to provide context to how some of the Mid-market Valuation final drafting was agreed upon. The links are <http://assets.isda.org/media/b690fbed/93ab9322-mp3/> and <http://assets.isda.org/media/65eb5606/941f5a68-mp3/>

# Early Termination Cash Settlement

- MarkitWire will support the following Early Termination cash settlement methods under 2021 ISDA (see *Section 18.2 Cash Settlement Methods in the 2021 Definitions*):

Early Termination Cash Settlement Methods under 2021
Mid-market Valuation (Indicative Quotations)
Mid-market Valuation (Indicative Quotations) – Alternate Method
Mid-market Valuation (Calculation Agent Determination)
Replacement Value (Firm Quotations)
Replacement Value (Calculation Agent Determination)
Collateralized Cash Price

# Early Termination Cash Settlement – Mid-market Valuation

- There are 3 “Mid-market Valuation” Cash Settlement Methods introduced in the 2021 Definitions (also referred to as the “MMV” methods):
  - > **Mid-market Valuation (Indicative Quotations)**
  - > **Mid-market Valuation (Indicative Quotations) – Alternate Method**
  - > **Mid-market Valuation (Calculation Agent Determination)**
- The MarkitWire default Cash Settlement Method is “**Mid-market Valuation (Indicative Quotations)**” for both Optional (OET) and Mandatory (MET) Early Termination under 2021 ISDA. This is consistent with the values defined in the “2021 ISDA Interest Rate Derivatives Definitions Settlement Matrix for Settlement, Early Termination and Swaptions”. Version 2.0 of the matrix is illustrated below but there are no changes in this respect versus Version 1.0.
  - > For OET it’s “**Mid-market Valuation (Indicative Quotations)**” with “**Existing CSA**” as the “MMV Applicable CSA”
  - > For MET it’s “**Mid-market Valuation (Indicative Quotations)**” with “**Reference VM CSA**” as the “MMV Applicable CSA”

2021 ISDA Interest Rate Derivatives Definitions Settlement Matrix for Settlement, Early Termination and Swaptions

Published [●] June 14, 2021, Effective [●] June 14, 2021

Version 2.0

This Settlement Matrix applies in respect of a Transaction (a) to which either “Optional Early Termination” or “Mandatory Early Termination” is applicable or (b) that is a Swap, if, in either case, the Transaction involves either (a) one currency and that currency is, as the Trade Date of the Transaction, included in this Settlement Matrix, or (b) two currencies that are, as at the Trade Date of the Transaction, included in this Settlement Matrix.

(III) if neither “No CSA” nor “Existing CSA” applies as the “MMV Applicable CSA”, that Relevant Master Agreement shall have a bilateral VM Credit Support Annex (the “**Reference VM CSA**”) under which the Relevant Transaction is the only transaction subject to that VM Credit Support Annex and providing for the following elections in respect of each party:

SWAPTIONS <sup>1</sup>										SINGLE CURRENCY TRANSACTIONS <sup>2</sup> - OPTIONAL EARLY TERMINATION AND MANDATORY EARLY TERMINATION				SINGLE CURRENCY - SWAPTIONS AND OET/MET		GENERAL		
Currency	Relevant Transaction Type <sup>3</sup>	Settlement Method <sup>4</sup>	Cash Settlement Method	Exercise Business Days (Cash Settlement and Physical Settlement)	Cash Settlement Valuation Date (Cash Settlement and Physical Settlement)	Cash Settlement Payment Date (Business Days)	Cash Settlement Payment Date (“CSPD”)	Automatic Exercise / Fallback Exercise (Physical Settlement)	Cash Settlement Method - OET	Cash Settlement Method - MET	Exercise Business Days / Valuation Business Days	Expiration Date / Exercise Date <sup>5</sup>	Cash Settlement Valuation Date	Earliest Exercise Time	Latest Exercise Time / Cash Settlement Valuation Time / Expiration Time	Discount Rate	Settlement Rate	Currency Pair
AMERICAS																		
CAD	CDOR Transactions <sup>6</sup>	Cleared Physical Settlement	Collateralized Cash Price	Toronto	Exercise Date	Toronto	One Business Day following Exercise Date	Fallback Exercise	Mid-market Valuation (Indicative Quotations) with “Existing CSA” applicable	Mid-market Valuation (Indicative Quotations)	Toronto	Five Exercise Business Days prior to relevant CSPD	CSPD <sup>7</sup>	9:00 a.m. Toronto time	> Swaptions: 11:00 a.m. Toronto time > OET/MET: 4:00 p.m. Toronto time	CORRA	Reference Banks	CAD / USD
	CORRA Transactions <sup>8</sup>	Physical Settlement	Collateralized Cash Price														Reference Banks	

## Early Termination Cash Settlement – Mid-market Valuation (2)

- See **Version 1.0** of Exhibit II-F to 2021 Definitions (Confirmation template for “**Additional Provisions for a Confirmation of a Transaction to which Optional Early Termination applies**”) for ISDA’s sample confirmation. Note the below is taken from Version 1.0 of the Exhibit II-F and the next page Version 2.0. **Note there are no differences:**

[3b.

[Mid-market Valuation (Indicative Quotations):<sup>24</sup>

[MMV Applicable CSA:] <sup>25</sup>	[No CSA]/[Existing CSA]/[Reference VM CSA]
[Cash Collateral Currency:]	[ ] <sup>26</sup>
[Cash Collateral Interest Rate:]	[ ] <sup>27</sup>
[Agreed Discount Rate:]	[ ] <sup>28</sup>

<sup>24</sup> Include this and the following applicable fields if Cash Settlement is applicable and Mid-market Valuation (Indicative Quotations) is the specified Cash Settlement Method.

<sup>25</sup> This field does not need to be included if the “MMV Applicable CSA” is Reference VM CSA as per the default position set out in Section 18.2.1(iv)(b)(III) (*Mid-market Valuation (Indicative Quotations)*). However, parties may prefer to include the field for transparency in that case.

<sup>26</sup> Include if Reference VM CSA applies, there are two Cash Settlement Currencies, and parties are not relying on the default Single Cash Settlement Currency for the currency of the Eligible Collateral (VM) or Eligible Credit Support (VM) as set out in Section 18.2.1(iv)(b)(III)(1) (*Mid-market Valuation (Indicative Quotations)*).

<sup>27</sup> Include if Reference VM CSA applies and the parties are not relying on the default position of the Discount Rate in the Settlement Matrix as the Interest Rate (VM), or the Settlement Matrix does not provide a default Discount Rate for the relevant currency and the parties do not want to rely on the default position of selection of the Discount Rate by the Calculation Agent. The Settlement Matrix will not provide a default Discount Rate for all currencies.

<sup>28</sup> Include if “No CSA” applies and the parties are not relying on the default position for the Discount Rate in the Settlement Matrix, or the Settlement Matrix does not provide a default Discount Rate for the relevant currency and the parties do not want to rely on the default position of selection of the Discount Rate by the Calculation Agent.



# Early Termination Cash Settlement – Mid-market Valuation (2a)

- **Version 2.0** of Exhibit II-F to 2021 Definitions (Confirmation template for “**Additional Provisions for a Confirmation of a Transaction to which Optional Early Termination applies**”) for ISDA’s sample confirmation:

[3b.

[Mid-market Valuation (Indicative Quotations):<sup>31624</sup>

[MMV Applicable CSA:]<sup>31625</sup>

[No CSA]/[Existing CSA]/[Reference VM CSA]

[Cash Collateral Currency:]

[<sup>31626</sup>

[Cash Collateral Interest Rate:]

[<sup>31627</sup>

[Agreed Discount Rate:]]

[<sup>31628</sup>

[Mid-market Valuation (Indicative Quotations) – Alternate Method:<sup>31629</sup>

[MMV Applicable CSA:]<sup>31630</sup>

[No CSA]/[Existing CSA]/[Reference VM CSA]

<sup>31624</sup> Include this and the following applicable fields if Cash Settlement is applicable and Mid-market Valuation (Indicative Quotations) is the specified Cash Settlement Method.

<sup>31625</sup> This field does not need to be included if the “MMV Applicable CSA” is Reference VM CSA as per the default position set out in Section 18.2.1(iv)(b)(III) (*Mid-market Valuation (Indicative Quotations)*). However, parties may prefer to include the field for transparency in that case.

<sup>31626</sup> Include if Reference VM CSA applies, there are two Cash Settlement Currencies, and parties are not relying on the default Single Cash Settlement Currency for the currency of the Eligible Collateral (VM) or Eligible Credit Support (VM) as set out in Section 18.2.1(iv)(b)(III)(1) (*Mid-market Valuation (Indicative Quotations)*).

<sup>31627</sup> Include if Reference VM CSA applies and the parties are not relying on the default position of the Discount Rate in the Settlement Matrix as the Interest Rate (VM), or the Settlement Matrix does not provide a default Discount Rate for the relevant currency and the parties do not want to rely on the default position of selection of the Discount Rate by the Calculation Agent. The Settlement Matrix will not provide a default Discount Rate for all currencies.

<sup>31628</sup> Include if “No CSA” applies and the parties are not relying on the default position for the Discount Rate in the Settlement Matrix, or the Settlement Matrix does not provide a default Discount Rate for the relevant currency and the parties do not want to rely on the default position of selection of the Discount Rate by the Calculation Agent.



# Early Termination Cash Settlement – Mid-market Valuation (3)

Cash Method: Mid-market Valuation (Indicative Quotations)

Break Style: Optional - Mutual

Calc Agent: As Specified in Master Agreement

Cash Method: Mid-market Valuation (Indicative Quotations)

Settlement Rate Source: Reference Banks

Reference Banks: Agreed on exercise

MMV Applicable CSA: Existing CSA

Cash Collateral Currency:

Cash Collateral Interest Rate:

Agreed Discount Rate:

MMV Applicable CSA:	Existing CSA	No CSA	Reference VM CSA
Cash Collateral Currency:	—	—	[ Note 2 ]
Cash Collateral Interest Rate:	—	—	[ Note 2 ]
Agreed Discount Rate:	—	[ Note 1 ]	—

- > When “MMW Applicable CSA” is set to “**Existing CSA**” we propose to set the Cash Collateral Currency, Cash Collateral Interest Rate and Agreed Discount Rate fields to blank/null values and read-only. Their implied values would be derived from the “Existing CSA”.
- > When “MMW Applicable CSA” is set to “**No CSA**” we propose to set the Cash Collateral Currency and Cash Collateral Interest Rate fields to blank/null values and read-only as by definition the transaction is considered not collateralized
  - [Note 1] The Agreed Discount Rate can be specified when “No CSA” is applicable. If no election is made in the Confirmation the Discount Rate specified in the ISDA Settlement Matrix for the relevant currency, or if not specified, determined by the Calculation Agent
- > [Note 2] When “MMW Applicable CSA” is set to “**Reference VM CSA**” we propose to allow the Cash Collateral Currency and Collateral Interest Rate to be specified (although the 2021 Definitions provide default positions if values are not specified in the Confirmation)
  - The Agreed Discount Rate should not be specified when “Reference VM CSA” is applicable and would be set to blank/null and read-only under this scenario.

## Early Termination Cash Settlement – Mid-market Valuation (4)

- When any MMV method is selected the following new fields will be available on the Break(2) tab subject to the rules described on the previous slide:

Field Name	Optional/Mandatory	Field Type	Field Values
MMV Applicable CSA	Mandatory	List	<ul style="list-style-type: none"> <li>No CSA</li> <li>Existing CSA</li> <li>Reference VM CSA</li> </ul>
Cash Collateral Currency	Optional	List	<ul style="list-style-type: none"> <li>CCY</li> </ul>
Cash Collateral Interest Rate	Optional	List	<ul style="list-style-type: none"> <li>Discount Rates from 2021 ISDA Settlement Matrix (see “Discount Rate” column) and FpML benchmark-rate coding scheme</li> </ul>
Agreed Discount Rate	Optional	List	<ul style="list-style-type: none"> <li>Discount Rates from 2021 ISDA Settlement Matrix (see “Discount Rate” column) and FpML benchmark-rate coding scheme</li> </ul>

Break Style:	Optional - Mutual
Calc Agent:	As Specified in Master Agreement
Cash Method:	Mid-market Valuation (Indicative Quotations)
Settlement Rate Source:	Reference Banks
Reference Banks:	Agreed on exercise
MMV Applicable CSA:	Existing CSA
Cash Collateral Currency:	
Cash Collateral Interest Rate:	
Agreed Discount Rate:	

## Early Termination Cash Settlement – Mid-market Valuation (5)

- The below illustrates the 2021 Definitions Optional Early Termination (**OET**) default in the MarkitWire GUI, Deal Ticket and SWML/FpML message for a USD transaction
  - For OET it's “**Mid-market Valuation (Indicative Quotations)**” with “**Existing CSA**” as the “MMV Applicable CSA”

### GUI:

Break Style:	Optional - Mutual
Calc Agent:	As Specified in Master Agreement
Cash Method:	Mid-market Valuation (Indicative Quotations)
Settlement Rate Source:	Reference Banks
Reference Banks:	Agreed on exercise
MMV Applicable CSA:	Existing CSA
Cash Collateral Currency:	
Cash Collateral Interest Rate:	
Agreed Discount Rate:	

### Deal Ticket:

#### EARLY TERMINATION PROVISION:

Early Termination Type:	Optional Early Termination
Cash Settlement Method:	Mid-market Valuation (Indicative Quotations)
Cash Settlement Currency:	USD
Settlement Rate:	Reference Banks
Cash Settlement Reference Banks:	To be agreed on the Exercise Date
MMV Applicable CSA:	Existing CSA

### SWML/FpML:

```

<midMarketValuation>
  <indicativeQuotations>
    <cashSettlementCurrency>USD</cashSettlementCurrency>
    <applicableCsa>ExistingCSA</applicableCsa>
  </indicativeQuotations>
</midMarketValuation>
</cashSettlement>
</optionalEarlyTermination>
</earlyTerminationProvision>

```

# Early Termination Cash Settlement – Mid-market Valuation (6)

- The below illustrates the 2021 Definitions Mandatory Early Termination (**MET**) default in the MarkitWire GUI, Deal Ticket and SWML/FpML message for a USD transaction
  - For MET it's “**Mid-market Valuation (Indicative Quotations)**” with “**Reference VM CSA**” as the “MMV Applicable CSA”

## GUI:

Break Style:	Mandatory
Calc Agent:	As Specified in Master Agreement
Cash Method:	Mid-market Valuation (Indicative Quotations)
Settlement Rate Source:	Reference Banks
Reference Banks:	Agreed on exercise
MMV Applicable CSA:	Reference VM CSA
Cash Collateral Currency:	
Cash Collateral Interest Rate:	
Agreed Discount Rate:	

- Note in this example transaction no explicit values for **Cash Collateral Interest Currency** or **Cash Collateral Interest Rate** were specified in the confirmation. See “[Note 2]” on earlier slide for further details

## Deal Ticket:

EARLY TERMINATION PROVISION:	
Early Termination Type:	Mandatory Early Termination
Cash Settlement Method:	Mid-market Valuation (Indicative Quotations)
Cash Settlement Currency:	USD
Settlement Rate:	Reference Banks
Cash Settlement Reference Banks:	To be agreed on the Cash Settlement Valuation Date
MMV Applicable CSA:	Reference VM CSA

## SWML/FpML:

```

<midMarketValuation>
  <indicativeQuotations>
    <cashSettlementCurrency>USD</cashSettlementCurrency>
    <applicableCsa>ReferenceVMCSA</applicableCsa>
  </indicativeQuotations>
</midMarketValuation>
</cashSettlement>
</mandatoryEarlyTermination>
</earlyTerminationProvision>

```

# Early Termination Cash Settlement – Replacement Value

- There are 2 “Replacement Value” methods introduced in the 2021 Definitions:
  - > **Replacement Value (Firm Quotations)**
  - > **Replacement Value (Calculation Agent Determination)**

## Early Termination Cash Settlement – Replacement Value (2)

- See **Version 1.0** of Exhibit II-F to 2021 Definitions (Confirmation template for “**Additional Provisions for a Confirmation of a Transaction to which Optional Early Termination applies**”) for ISDA’s sample confirmation. Note the below is taken from Version 1.0 of the Exhibit II-F and the next page Version 2.0. **Note there are no differences:**

[Replacement Value (Firm Quotations)]<sup>39</sup>

[Protected Party:]<sup>40</sup>

[Specify]/[Both parties]

[Cash Collateral Currency:]

[ ]<sup>41</sup>

Prescribed Documentation Adjustment:]

[Applicable]/[Not applicable]

[Replacement Value (Calculation Agent Determination)]<sup>42</sup>

[Protected Party:]<sup>43</sup>

[Specify]/[Both parties]

[Cash Collateral Currency:]

[ ]<sup>44</sup>

<sup>39</sup> Include this and the following applicable fields if Cash Settlement is applicable and Replacement Value (Firm Quotations) is the specified Cash Settlement Method.

<sup>40</sup> Include unless relying on the default position in Section 18.4.17 (*Protected Party*).

<sup>41</sup> Only include if (a) the parties do not have an ISDA Master Agreement governing the relevant Transaction and (b) the parties are not relying on the default position for the currency of the Eligible Collateral (VM) or Eligible Credit Support (VM) under the deemed ISDA VM CSA as set out in Section 18.2.4(iv)(b) (*Replacement Value (Firm Quotations)*).

<sup>42</sup> Include this and the following applicable fields if Cash Settlement is applicable and Replacement Value (Calculation Agent Determination) is the specified Cash Settlement Method.

<sup>43</sup> Include unless relying on the default position in Section 18.4.17 (*Protected Party*).

<sup>44</sup> Only include if the parties are not relying on the default position for the currency of the Eligible Collateral (VM) or Eligible Credit Support (VM) under the deemed ISDA VM CSA as set out in Section 18.2.5(i) (*Replacement Value (Calculation Agent Determination)*).

## Early Termination Cash Settlement – Replacement Value (2a)

- Version 2.0 of Exhibit II-F to 2021 Definitions (Confirmation template for “**Additional Provisions for a Confirmation of a Transaction to which Optional Early Termination applies**”) for ISDA’s sample confirmation:

[Replacement Value (Firm Quotations)]<sup>231-230</sup>

[Protected Party:]<sup>232-40</sup>

[Specify]/[Both parties]

[Cash Collateral Currency:]

[ ]<sup>233-41</sup>

Prescribed Documentation Adjustment:]

[Applicable]/[Not applicable]

[Replacement Value (Calculation Agent Determination)]<sup>234-42</sup>

[Protected Party:]<sup>235-43</sup>

[Specify]/[Both parties]

[Cash Collateral Currency:]]

[ ]<sup>44</sup>

<sup>231-39</sup> Include this and the following applicable fields if Cash Settlement is applicable and Replacement Value (Firm Quotations) is the specified Cash Settlement Method.

<sup>232-40</sup> Include unless relying on the default position in Section 18.4.17 (*Protected Party*).

<sup>233-41</sup> Only include if (a) the parties do not have ~~an ISDA~~ a Relevant Master Agreement governing the relevant Transaction and (b) the parties are not relying on the default position for the currency of the Eligible Collateral (VM) or Eligible Credit Support (VM) under the deemed ISDA VM CSA as set out in Section 18.2.4(iv)(b) (*Replacement Value (Firm Quotations)*).

<sup>234-42</sup> Include this and the following applicable fields if Cash Settlement is applicable and Replacement Value (Calculation Agent Determination) is the specified Cash Settlement Method.

<sup>235-43</sup> Include unless relying on the default position in Section 18.4.17 (*Protected Party*).

<sup>44</sup> Only include if the parties are not relying on the default position for the currency of the Eligible Collateral (VM) or Eligible Credit Support (VM) under the deemed ISDA VM CSA as set out in Section 18.2.5(i) (*Replacement Value (Calculation Agent Determination)*).

## Early Termination Cash Settlement – Replacement Value (3)

- Replacement Value (Firm Quotations)

	[Replacement Value (Firm Quotations)] <sup>39</sup>	[Specify] [Both parties]
	[Protected Party:] <sup>40</sup>	[ ] <sup>41</sup>
	[Cash Collateral Currency:]	[Applicable]/[Not applicable]
	Prescribed Documentation Adjustment:	

Break Style:	Optional - Mutual
Calc Agent:	As Specified in Master Agreement
Cash Method:	Replacement Value (Firm Quotations)
Settlement Rate Source:	Reference Banks
Reference Banks:	Agreed on exercise
Protected Party:	Non-Exercising Party
Cash Collateral Currency:	
Prescribed Documentation Adjustment:	Not Applicable

- Protected Party will default to “Non-Exercising Party” if a Replacement Value method is selected for an OET and to “Both” in all other cases (including for a MET) per the position laid out in Section 18.4.17 of the 2021 Definitions (see this language on the next slide).
- Prescribed Documentation Adjustment will be read-only and always set to a value of “Not Applicable”. This is on the basis that parties would not have any means to otherwise exchange or agree what these adjustments to the Prescribed Documentation would be during the Confirmation of a transaction on MarkitWire if Prescribed Document Adjustment were to be applicable.



## Early Termination Cash Settlement - Replacement Value (4)

- Replacement Value (Calculation Agent Determination) [Replacement Value (Calculation Agent Determination)<sup>42</sup>  
[Protected Party:]<sup>43</sup> [Specify] [Both parties]  
[Cash Collateral Currency:]] [ ]<sup>44</sup>

Break Style:	Optional - Mutual
Calc Agent:	As Specified in Master Agreement
Cash Method:	Replacement Value (Calculation Agent Determination)
Settlement Rate Source:	Reference Banks
Reference Banks:	Agreed on exercise
Protected Party:	Non-Exercising Party
Cash Collateral Currency:	

- Protected Party will default to “Non-Exercising Party” if a Replacement Value method is selected for an OET and to “Both” in all other cases (including for a MET) per the position laid out in Section 18.4.17 of the 2021 Definitions.

### 18.4.17 Protected Party.

“Protected Party” means the party specified as such in the Confirmation, or, if neither party is specified:

- for the purpose of an Optional Early Termination Right, the Non-exercising Party; and
- for any other valuation using Replacement Value (Firm Quotations) or Replacement Value (Calculation Agent Determination), including for the purpose of a Mandatory Early Termination Date, both parties.

## Early Termination Cash Settlement - Replacement Value (5)

- When “Replacement Value (Firm Quotations)” method is selected the following new fields will be available on the Break(2) tab:

Field Name	Optional or mandatory	Field Type	Field values
<b>Protected Party</b>	Mandatory	List	<ul style="list-style-type: none"> <li>Non-Exercising Party</li> <li>Both</li> <li>My Entity</li> <li>Other Entity</li> </ul>
<b>Cash Collateral Currency</b>	Optional	List	<ul style="list-style-type: none"> <li>CCY</li> </ul>
<b>Prescribed Documentation Adjustment</b>	Mandatory	List	<ul style="list-style-type: none"> <li>Not Applicable (this field value is not editable in MarkitWire and will always specify “Not Applicable”)</li> </ul>

- Note when “Replacement Value (Calculation Agent Determination)” method is selected the Prescribed Documentation Adjustment field will not be available as its not applicable.

## Early Termination Cash Settlement – Collateralized Cash Price

- **Collateralized Cash Price** is also available as an early termination cash settlement method for relevant products on MarkitWire per the ISDA sample confirmation template
- See Exhibit II-F to 2021 Definitions (Confirmation template for “**Additional Provisions for a Confirmation of a Transaction to which Optional Early Termination applies**”) for ISDA’s sample confirmation:

[Collateralized Cash Price<sup>45</sup>

[Agreed Discount Rate:]

[Settlement Rate:]

Quotation Rate:]

[Specify]

[ICE Swap Rate]/[Other price source *[plus details]*]/[Reference Banks]<sup>46</sup>

[bid/mid/ask]<sup>47</sup>

<sup>45</sup> Include this and the following applicable fields if Cash Settlement is applicable and Collateralized Cash Price is the specified Cash Settlement Method.

<sup>46</sup> Where the Settlement Matrix applies to the relevant Transaction and provides an applicable election, parties need not include this field unless they wish to vary that election.

<sup>47</sup> Quotation Rate is relevant to the determination of the Settlement Rate when “Reference Banks” applies. Include unless relying on the default position of ‘mid’ in Section 17.2.2 (*Quotation Rate*).

## Early Termination Cash Settlement – Collateralized Cash Price (2)

- When “Collateralized Cash Price” method is selected under 2021 ISDA the following new field will be available on the Break(2) tab:

Field Name	Optional/mandatory	Field Type	Field values
<b>Agreed Discount Rate</b>	Optional	List	<ul style="list-style-type: none"> <li>Discount Rates from 2021 ISDA Settlement Matrix (see “Discount Rate” column) and FpML benchmark-rate coding scheme</li> </ul>

Break Style:	Optional - Mutual
Calc Agent:	As Specified in Master Agreement
Cash Method:	Collateralized Cash Price
Quotation Rate:	Mid
Settlement Rate Source:	Reference Banks
Reference Banks:	Agreed on exercise
Agreed Discount Rate:	

# Swaption Cash Settlement

## • Swaption Cash Settlement Methods

- > The following two Swaption Cash Settlement Methods will be the only available choices under 2021 ISDA Definitions on MarkitWire for the October 4 implementation date.
  - **Collateralized Cash Price**
  - **Par Yield Curve – Unadjusted**
- > This is consistent with the published Version 1.0 “2021 ISDA Interest Rate Derivatives Definitions Settlement Matrix for Settlement, Early Termination and Swaptions” where “Par Yield Curve – Unadjusted” is the election for legacy GBP LIBOR Swaptions and “Collateralized Cash Price” is the election for all other combinations of currency and transaction types.

Settlement:	Cash	<input type="checkbox"/> Cleared Physical Settlement
Valuation Time:	11am	Brussels
Valuation Date:	0	Days
Payment Date:	2	Days
Cash Method:	Collateralized Cash Price	
Cash Settle Ccy:	Collateralized Cash Price	
	Par Yield Curve - Unadjusted	
Quotation Rate:	Mid	
Settle Rate Source:	ICESWAP Rate	
Reference Banks:	Agreed on exercise	

### Settlement Terms:

Settlement:	Cash Settlement
Cash Settlement Valuation Time:	11:00 am New York time
Cash Settlement Valuation Date:	Exercise Date
Cash Settlement Payment Date:	2 London, New York Business Days following the Exercise Date
Cash Settlement Method:	Collateralized Cash Price
Settlement Rate:	ICESWAP (ICE Swap) Rate
Quotation Rate:	Mid
Mutually Agreed Clearing House:	LCHLGB22REF
Agreed Discount Rate:	SOFR

## Swaption Cash Settlement (2)

- See Exhibit II-E to 2021 Definitions (Confirmation template for “**Additional Provisions for a Confirmation of a Transaction that is a Swaption or Swaption Straddle**”) for ISDA’s sample confirmation. Note the below is taken from Version 1.0 :

[Collateralized Cash Price<sup>43</sup>

[Mutually Agreed Clearinghouse:]

[Specify]

[Agreed Discount Rate:]

[Specify]

[Settlement Rate:]

[ICE Swap Rate]/[Other price source *[plus details]*]/[Reference Banks]<sup>44</sup>

[Quotation Rate:]]

[bid/mid/ask]<sup>45</sup>

[Par Yield Curve – Unadjusted<sup>46</sup>

[Settlement Rate:]

[ICE Swap Rate]/[Other price source *[plus details]*]/[Reference Banks]<sup>47</sup>

[Quotation Rate:]]

[bid/mid/ask]<sup>48</sup>

<sup>43</sup> Include this and the following applicable fields if Cash Settlement is applicable and Collateralized Cash Price is the specified Cash Settlement Method.

<sup>44</sup> Where the Settlement Matrix applies to the relevant Transaction and provides an applicable election, parties need not include this field unless they wish to vary that election.

<sup>45</sup> Quotation Rate is relevant to the determination of the Settlement Rate when “Reference Banks” applies. Include unless relying on the default position of ‘mid’ in Section 17.2.2 (*Quotation Rate*).

<sup>46</sup> Include this and the following applicable fields if Cash Settlement is applicable and Par Yield Curve - Unadjusted is the specified Cash Settlement Method.

<sup>47</sup> Where the Settlement Matrix applies to the relevant Transaction and provides an applicable election, parties need not include this field unless they wish to vary that election.

<sup>48</sup> Quotation Rate is relevant to the determination of the Settlement Rate when “Reference Banks” applies. Include unless relying on the default position of ‘mid’ in Section 17.2.2 (*Quotation Rate*).

# Annex

# Additional ISDA Resources and Educational Materials

- Resources available on the ISDA Website:
  - > **Main 2021 ISDA Interest Rate Derivatives Definitions resource page.** Contains legal working group recordings, implementation working group recordings and links to other resources and educational materials.  
<https://www.isda.org/2021/05/01/2021-isda-interest-rate-derivatives-definitions/>
  - > **Key Changes in the 2021 Definitions:** <https://www.isda.org/a/BNEgE/Key-Changes-in-the-2021-ISDA-Interest-Rate-Derivatives-Definitions-June-2021.pdf>
  - > **Mapping Tables for FROs under the 2006 Definitions and FROs under the 2021 Definitions:**  
<https://www.isda.org/a/JMMgE/2006-FRO-Mapping-to-2021-FROs-Version-1.docx>
  - > **Video:** Introduction to the 2021 ISDA Interest Rate Derivatives Definitions (May 10, 2021)  
<https://www.isda.org/2021/05/10/video-introduction-to-the-2021-isda-interest-rate-derivatives-definitions/>
  - > **Factsheet:** Introduction to the 2021 ISDA Interest Rate Derivatives Definitions (April 19, 2021)  
<https://www.isda.org/2021/04/19/introduction-to-the-2021-isda-interest-rate-derivatives-definitions/>
  - > **Video:** Implementation of the 2021 ISDA Interest Rate Derivatives Definitions (April 26, 2021)  
<https://www.isda.org/2021/04/26/implementation-of-the-2021-isda-interest-rate-derivatives-definitions/>
  - > **Plan:** 2021 ISDA Definitions Implementation Plan (April 13, 2021): <https://www.isda.org/a/6pFTE/Implementation-Plan-13042021.pdf>
- Sign up to the **2021 ISDA Definitions Implementation Subgroup** on the <https://www.isda.org/committees/> page. It's listed under **Market Infrastructure and Technology | Working Group**
  - > Recordings of recent ISDA Implementation Working Group calls are now available at <https://www.isda.org/2021/05/01/2021-isda-interest-rate-derivatives-definitions/>.



# Trade Manager (MTM) Platform Changes

# 2021 ISDA on the Trade Manager (MTM) platform

- **MTM Release 21.4**
  - > UAT: July 21<sup>st</sup>, 2021
  - > Production: August 2<sup>nd</sup>, 2021
- MTM User Interface has been updated to display Master Agreement and Contractual Definitions fields
  - > On all interest rate trades from MarkitWire counterparties
  - > Across all lifecycle events
  - > Across all workflows (Bilateral, Client Clearing, SEF/MTF, Bunched Order and CCP Sync)
- CSV Trade File Submitters will be able to submit documentation definition fields using new column headers
  - > Master Document Type (ISDA, AFB/BBF, DERIV, CMOF, etc.)
  - > Definitions Type (ISDA2021, ISDA2006, ISDA2000)
- MQ API FpML submitters will be able use the existing <documentation> tag to supply ISDA Definition details
  - > Master Agreement: **..documentation/masterAgreement/masterAgreementType**
  - > Contractual Definitions: **..documentation/contractualDefinitions**

# 2021 ISDA on the Trade Manager (MTM) platform (2)

- **MTM Release 21.4** (UAT: July 21<sup>st</sup>, 2021, Production: August 2<sup>nd</sup>, 2021)

[Back To Trade Blotter](#)

Chat
Actions ...

Trade ID: CC\_IRS\_072321-1

Deal ID: CC\_IRS\_072321-1 | Broker: M.BANK | Status: Confirmed

Main
Other Economics
Custom Fields
Allocations
Reg Reporting
Internal Data
Audit

My Trade		Cpty Trade
Counterparty	<input checked="" type="checkbox"/> MarkitWire Demo Bank	MarkitWire Demo Bank
We	<input type="checkbox"/> MWMF-FUND1	MWMF_FUND1
Transaction Type	<input checked="" type="checkbox"/> New	New
Product	<input checked="" type="checkbox"/> Rates Interest Ra...	Rates Interest Ra...

FIXED LEG

Notional	<input checked="" type="checkbox"/> USD 12,000,000.00	USD 12,000,000.00
Direction	<input checked="" type="checkbox"/> Recv Fixed	Pay Fixed
Fixed Rate (%)	<input checked="" type="checkbox"/> 5.000000	5.000000
Day Count Fraction	<input checked="" type="checkbox"/> ACT/360	ACT/360
Payment Freq	<input checked="" type="checkbox"/> 1y	1Y
Calc Period Freq	<input checked="" type="checkbox"/> 1y	1Y
Roll Convention	<input checked="" type="checkbox"/> 27	27

FEE 1

Amount 1	<input checked="" type="checkbox"/> USD 0.00	USD 0.00
Payment Date 1	<input type="checkbox"/>	
Direction 1	<input type="checkbox"/>	

FEE 2

Amount 2	<input checked="" type="checkbox"/> USD 0.00	USD 0.00
Payment Date 2	<input type="checkbox"/>	
Direction 2	<input type="checkbox"/>	

DOCUMENTATION

Master Agreement Type	<input type="checkbox"/> ISDA	ISDA
Contractual Definitions	<input type="checkbox"/> ISDA2006	ISDA2006

My Trade		Cpty Trade
Deal ID	<input type="checkbox"/> CC_IRS_072321-1	986217
Trade ID	<input type="checkbox"/> CC_IRS_072321-1	986217_1
Trade Date	<input checked="" type="checkbox"/> 23-Jul-2021	23-Jul-2021
Effective Date	<input checked="" type="checkbox"/> 27-Jul-2021	27-Jul-2021
Maturity Date	<input checked="" type="checkbox"/> 27-Jul-2022	27-Jul-2022

FLOATING LEG

Index	<input checked="" type="checkbox"/> USD-LIBOR-BBA	USD-LIBOR-BBA
Reset Freq	<input checked="" type="checkbox"/> 3M	3M
Day Count Fraction	<input checked="" type="checkbox"/> ACT/360	ACT/360
Payment Freq	<input checked="" type="checkbox"/> 3M	3M
Calc Period Freq	<input checked="" type="checkbox"/> 3M	3M
Roll Convention	<input checked="" type="checkbox"/> 27	27

IA

Direction	<input type="checkbox"/> Pay	
-----------	------------------------------	--

Trade Divided	<input type="checkbox"/> No	No
Priced To Clear CCP	<input type="checkbox"/>	
EB's Prime Broker	<input type="checkbox"/>	
Originating Event	<input type="checkbox"/>	

Cancellable Option

	<input type="checkbox"/>	No
--	--------------------------	----

## 2021 ISDA on the Trade Manager (MTM) platform (3)

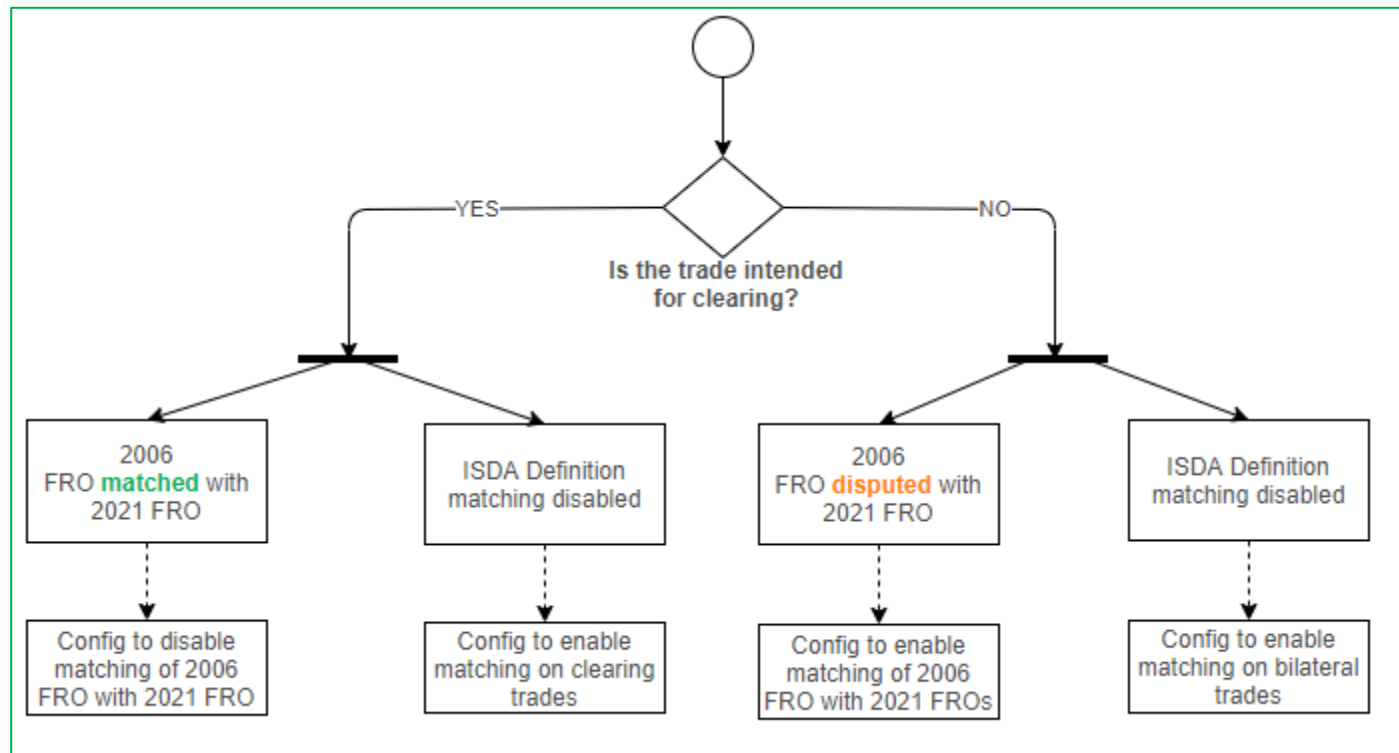
- **MTM Release 21.5**
  - > UAT: September 8<sup>th</sup>, 2021
  - > Production: September 24<sup>th</sup>, 2021
- Matching on 2006 and 2021 FRO Names
  - > MTM will maintain a list of all MarkitWire eligible 2006 FROs and their 2021 equivalent FRO names
  - > Cleared Trades\*
    - 2006 FRO will by default be *matched* with equivalent 2021 FRO on counterparty allege and vice versa
      - Clients will have a config. option to update FRO matching so that 2006 FRO does not match with 2021 FRO
    - Master Agreement and Contractual Definitions will by default not be matching fields
      - Clients will have a config. option to match on Master Agreement and Contractual Definitions
  - > Bilateral Trades (New and Bilateral Amendments Only)
    - 2006 FRO will by default *dispute* with equivalent 2021 FRO on counterparty allege and vice versa
      - Clients will have a config. option to match 2006 FRO with 2021 FROs to mirror clearing behavior above
    - Master Agreement and Contractual Definitions will by default not be matching fields.
      - Clients will have a config. option to match on Master Agreement and Contractual Definitions
  - > Unwinds will always match 2006 FRO with an equivalent 2021 FRO name.

\* - Client Clearing, SEF/MTF, Bunched Order, Post Clearing CCP Sync

## 2021 ISDA on the Trade Manager (MTM) platform (4)

- **Release 21.5 (Contd.)** UAT: September 8<sup>th</sup>, 2021, Production: September 24<sup>th</sup>, 2021

### Matching on 2006 and 2021 FRO Names



## 2021 ISDA on the Trade Manager (MTM) platform (5)


- **MTM Release 21.5**
  - > UAT: September 8<sup>th</sup>, 2021
  - > Production: September 24<sup>th</sup>, 2021
- Default Change on Dealer Submitted Contractual Definition
  - > As per the latest proposal, MarkitWire default for Contractual Definitions will remain ISDA 2006
  - > If client is not matching on Contractual Definition, MTM will show a default mismatch warning if dealer changes the Contractual Definition from ISDA 2006 to ISDA 2021
  - > We have made accommodations to reduce the impact of this default mismatch and increase STP
    - Cleared Trades\*
      - Default mismatch on Contractual Definitions will be suppressed for all clients
      - Clients will have an option to enable default mismatch warning
    - Bilateral Trades
      - Default mismatch on Contractual Definitions will not be suppressed
      - Clients will have an option to disable default mismatch warning

\* - Client Clearing, SEF/MTF, Bunched Order, Post Clearing CCP Sync

# 2021 ISDA on the Trade Manager (MTM) platform (6)

- Release 21.5 (Contd.) UAT: September 8<sup>th</sup>, 2021, Production: September 24<sup>th</sup>, 2021

## Bilateral Trades: Default Mismatch Warning on Contractual Definition


\*\*\* DEMO ENVIRONMENT \*\*\*

[Dashboard](#)
[Trade Blotter](#)
[Reports](#)
[Address Book](#)
[Search](#)
[Admin](#)

[Back To Trade Blotter](#)

### Trade ID: RJ\_SWO\_2021

Deal ID: RJ\_SWO\_2021 | Broker: M.BANK | Status: Disputed

[Main](#)
[Other Economics](#)
[Allocations](#)
[Reg Reporting](#)
[Internal Data](#)
[Audit](#)

My Trade

Counterparty	<input checked="" type="checkbox"/>	MarkitWire Demo Bank	MarkitWire Demo Bank
We	<input type="checkbox"/>	MWMF-FUND1	MWMF_FUND1
Transaction Type	<input checked="" type="checkbox"/>	New	New
Product	<input checked="" type="checkbox"/>	Swaptions	Swaptions

Cpty Trade

Deal ID	
Trade ID	
Trade Date	
Effective Date	
Maturity Date	

SWAPTION

Notional	<input checked="" type="checkbox"/>	GBP 12,000,000.00	GBP 12,000,000.00
Buy / Sell	<input checked="" type="checkbox"/>	Sell	Buy
Straddle	<input checked="" type="checkbox"/>		No

PREMIUM/FEEs

Amount	<input checked="" type="checkbox"/>	GBP 1,440.00	GBP 1,440.00
Payment Date	<input checked="" type="checkbox"/>	15-Sep-2021	15-Sep-2021
Direction	<input checked="" type="checkbox"/>	Receive	Pay

FEE2

Amount	<input checked="" type="checkbox"/>	GBP 0.00	GBP 0.00
Payment Date	<input type="checkbox"/>		
Direction	<input type="checkbox"/>		

DOCUMENTATION

Client is not submitting and matching on ISDA Definition fields

Master Agreement Type	<input type="checkbox"/>	ISDA
Contractual Definitions	<input type="checkbox"/>	ISDA2021

SWAPTION

Expiration Date	
Settlement Type	
Cash Settlement M	
Settle Rate Source	
Option Style	
Calculation Agent	
Mutually Agreed Cl	
Agreed Discount R	
IA	
Amount	
Direction	

Trade Divided

Priced To Clear CCP	<input type="checkbox"/>
EB's Prime Broker	<input type="checkbox"/>

[Show Abbreviated Details](#)

### MarkitWire Swaption Deal Ticket

MarkitWire Trade ID:	991244 Ver 1	Contract State:	N
Trade Version Timestamp:	14-Sep-2021 2:50:16 PM (GMT -4.0 hrs)		
Original Trade Date:	14-Sep-2021		

**Summary:**  
Markit Wire Mega Fund 1 (Markit Wire Mega Fund EU Trader2) SELLS to Markit Wire Bank  
GBP 12,000,000 1.200000% European Receiver Option expiring 14-Sep-2022 (Cash Settlement)  
Underlying Swap effective 14-Sep-2022 through 14-Sep-2027

### SWAPTION TERMS:

Seller:	Markit Wire Mega Fund 1 (Markit Wire Mega
Buyer:	Markit Wire Bank
Option Style:	European
Option Type:	Receiver Option
Premium:	GBP 1,440
Premium Payment Date:	15-Sep-2021
Premium Pay Date Adjustment:	Following
Premium Pay Date Business Days:	London
Calculation Agent:	Markit Wire Bank(Buyer)

**Procedure for Exercise:**

Expiration Date:	14-Sep-2022
Expiration Date Adjustment:	Following
Expiration Date Business Days:	London
Earliest Exercise Time:	9:00 AM London time
Expiration Time:	11:00 AM London time
Automatic Exercise:	Applicable
Threshold:	0.00000%
Written Exercise Confirmation:	No

**Settlement Terms:**

Settlement:	Cash Settlement
Cash Settlement Valuation Time:	14:00 AM London time

### MarkitWire Template Modifications List

Field Name	Default Value	Submitted Value
Contractual Definitions	ISDA2006	ISDA2021

# 2021 ISDA on the Trade Manager (MTM) platform (7)

- MTM Release 21.5 (Contd.)

## Matching on 2006 and 2021 FRO Names

Main <span>2</span> Other Economics Custom Fields Allocations <b>Clearing</b> Reg Reporting Internal Data Audit			
		<i>My Trade</i>	<i>Cpty Trade</i>
Clearing Broker	<input type="checkbox"/>	AAA TEST	Not Revealed
Executing Broker	<input checked="" type="checkbox"/>	MarkitWire Demo Bank	MarkitWire Demo Bank
We	<input type="checkbox"/>	HY Account	MWMF_FUND1
Transaction Type	<input checked="" type="checkbox"/>	New	New
Product	<input checked="" type="checkbox"/>	Rates Interest Ra...	Rates Interest Ra...
FIXED LEG			
Notional	<input checked="" type="checkbox"/>	USD 10,000,000.00	USD 10,000,000.00
Direction	<input checked="" type="checkbox"/>	Recv Fixed	Pay Fixed
Fixed Rate (%)	<input checked="" type="checkbox"/>	3.000000	3.000000
		<i>My Trade</i>	<i>Cpty Trade</i>
Deal ID	<input type="checkbox"/>	TEST_711055	61546021
Trade ID	<input type="checkbox"/>	TEST_711055	61546021_1
Trade Date	<input checked="" type="checkbox"/>	01-Jul-2021	01-Jul-2021
Effective Date	<input checked="" type="checkbox"/>	06-Jul-2021	06-Jul-2021
Maturity Date	<input checked="" type="checkbox"/>	06-Jul-2023	06-Jul-2023
FLOATING LEG			
		<b>2021 FRO</b>	<b>2006 FRO</b>
Index	<input checked="" type="checkbox"/>	USD-SOFR-OIS Compound	USD-SOFR-COMPOUND
Reset Freq	<input checked="" type="checkbox"/>	3M	3M
Day Count Fraction	<input checked="" type="checkbox"/>	ACT/360	ACT/360

Main <span>2</span> Other Economics Custom Fields Allocations <b>Clearing</b> Reg Reporting Internal Data Audit			
		<i>My Trade</i>	<i>Cpty Trade</i>
Clearing Broker	<input type="checkbox"/>	AAA TEST	Not Revealed
Executing Broker	<input checked="" type="checkbox"/>	MarkitWire Demo Bank	MarkitWire Demo Bank
We	<input type="checkbox"/>	HY Account	MWMF_FUND1
Transaction Type	<input checked="" type="checkbox"/>	New	New
Product	<input checked="" type="checkbox"/>	Rates Interest Ra...	Rates Interest Ra...
FIXED LEG			
Notional	<input checked="" type="checkbox"/>	USD 10,000,000.00	USD 10,000,000.00
Direction	<input checked="" type="checkbox"/>	Recv Fixed	Pay Fixed
Fixed Rate (%)	<input checked="" type="checkbox"/>	3.000000	3.000000
		<i>My Trade</i>	<i>Cpty Trade</i>
Deal ID	<input type="checkbox"/>	TEST_711055	61546021
Trade ID	<input type="checkbox"/>	TEST_711055	61546021_1
Trade Date	<input checked="" type="checkbox"/>	01-Jul-2021	01-Jul-2021
Effective Date	<input checked="" type="checkbox"/>	06-Jul-2021	06-Jul-2021
Maturity Date	<input checked="" type="checkbox"/>	06-Jul-2023	06-Jul-2023
FLOATING LEG			
		<b>2006 FRO</b>	<b>2021 FRO</b>
Index	<input checked="" type="checkbox"/>	USD-LIBOR-BBA	USD-LIBOR
Reset Freq	<input checked="" type="checkbox"/>	3M	3M
Day Count Fraction	<input checked="" type="checkbox"/>	ACT/360	ACT/360



# 2021 ISDA on the Trade Manager (MTM) platform (8)

- MTM Release 21.5 (Contd.)

## Bilateral Trades: Mismatch on 2006 and 2021 FRO Names

Main 2 Other Economics 2 Custom Fields Allocations Reg Reporting Internal Data Audit			
My Trade		Cpty Trade	
Counterparty	✓	MarkitWire Demo Bank	MarkitWire Demo Bank
We	—	MWMF-FUND1	MWMF_FUND1
Transaction Type	✓	New	New
Product	✓	Basis Swap	Basis Swap
1ST LEG			
Notional	✓	USD 12,000,000.00	USD 12,000,000.00
Direction	✓	Recv	Pay
Index	!	USD-LIBOR-BBA	USD-LIBOR
Reset Freq	✓	3m	3M
Day Count Fraction	✓	ACT/360	ACT/360
My Trade		Cpty Trade	
Deal ID	—	CC.BSWP.Newconfig	986070
Trade ID	—	CC.BSWP.Newconfig	986070_1
Trade Date	✓	19-Jul-2021	19-Jul-2021
Effective Date	✓	21-Jul-2021	21-Jul-2021
Maturity Date	✓	21-Jul-2022	21-Jul-2022
2ND LEG			
Direction	✓	Pay	Recv
Index	!	USD-SOFR-COMPOUND	USD-SOFR-OIS Compound
Reset Freq	—	3m	1D
Day Count Fraction	✓	ACT/360	ACT/360

## 2021 ISDA on the Trade Manager (MTM) platform (9)

- **MTM Release 21.5 (Contd.)**
  - > UAT: September 8th, 2021
  - > Production: September 24<sup>th</sup>, 2021
- Support for new 2021 FRO names via CSV and C-API (MQ API FpML) submissions
- Support for new cash settlement methods available under 2021 ISDA Definitions
- Changes to Swaption clearing physical settlement method under 2021 ISDA Definitions
- FpML 4-3 used by C-API will be updated to include 2021 ISDA related changes to swaption settlement and early termination clauses (OETs and METs)
- MarkitWire Deal Ticket view in MTM will be updated to reflect 2021 ISDA Definitions

# Other key changes in the 2021 Definitions and their impact on MarkitWire transactions

## Other key changes in the 2021 Definitions and their impact on MarkitWire transactions

- This section has been added to identify whether changes introduced in the 2021 Definitions will impact how a transaction is represented in MarkitWire or the SWML/FpMLmessaging.
- The layout of the section is intended to mirror section headings in ISDA's Key Changes document for ease of cross-referencing:
  - > **ISDA: Key Changes in the 2021 Definitions:** <https://www.isda.org/a/BNEgE/Key-Changes-in-the-2021-ISDA-Interest-Rate-Derivatives-Definitions-June-2021.pdf>

# Other key changes in the 2021 Definitions and their impact on MarkitWire transactions

- **Days, Dates and Periods**

- > Publication Calendar Day (Section 2.1.4 in the 2021 Definitions)

- There have been occurrences in the past where the publication calendar of the relevant benchmark does not align with any ISDA Business or Banking Day definition. To address this, the concept of Publication Calendar Day has been included in the 2021 Definitions. This can be referenced in FROs (e.g. for Fixing Day definition) when the publication calendar of the relevant benchmark does not align with the calendar of the relevant financial center or any bespoke Business Day Definition included in the 2021 Definitions. Examples of its use can be seen on the 2021 Defs FRO Matrix for the ICE Swap Rate-based (e.g. USD-LIBOR ICE Swap Rate-11:00) and ILS-TELBOR FRO definitions under the Fixing Day column.
    - The FpML WG is considering how distinct Publication Calendar Days should be represented in any FpML coding scheme, for example whether new code values should be added into the FpML business center coding scheme. Based on the outcome of this FpML work we will consider any impact on MarkitWire transactions.

- Abu Dhabi Days (Section 2.1.9 in the 2021 Definitions)

- > Two bespoke calendar day definitions – Abu Dhabi Settlement Day and Abu Dhabi Business Day have been included in the 2021 Definitions to allow recognition for the fact that Saturdays are good days for making payments in UAE Dirham, but not being good fixing days under the EIBOR benchmark.
  - > **Session #4 Update** - The FpML WG has recommended using the existing FpML code of AEAD to represent Abu Dhabi Settlement Day and a new businessCenterScheme value of AEAB was published August 1 to represent Abu Dhabi Business Day under the 2021 Definitions. See <https://www.fpml.org/spec/coding-scheme/> - Section 5.16 - businessCenterScheme. As MarkitWire only uses AEAD today under 2006 Definitions in the context of an additional business center for Payment and Period End Dates this remains consistent with that codes interpretation as Abu Dhabi Settlement Day under the 2021 Definitions.

# Other key changes in the 2021 Definitions and their impact on MarkitWire transactions (2)

- **Days, Dates and Periods (Cont.)**
- No Adjustment Business Day Convention (Section 2.3.5 in the 2021 Definitions)
  - > No additional impact. MarkitWire and FpML representations have always explicitly allowed for a Business Day Convention of 'NONE' to be specified to indicate Period End Dates are 'unadjusted'.
- Period End Dates and the Actual/Actual (ICMA) Business Day Convention (Section 4.6.1 (iii) and Section 3.1.12 in the 2021 Definitions)
  - > No additional impact. MarkitWire and FpML representations already support a Day Count Fraction code of ACT/ACT.ICMA. MarkitWire does not plan to add any additional inter-field validation when this Day Count Fraction is selected.
- IMM Dates (Section 3.1.14 in the 2021 Definitions)
  - > No additional impact. MarkitWire and FpML representations already support the different types of "IMM Settlement Dates", "IMM AUD", "IMM CAD" and "IMM NZD". In FpML these are represented by <rollConvention> element enumerated values of "IMM", "IMMAUD", "IMMCAD" and "IMMNZD".
- End of Month Convention (Section 3.1.15 in the 2021 Definitions)
  - > No additional impact. MarkitWire and FpML representations already support the EOM Convention. In FpML this is represented by <rollConvention> element enumerated value of "EOM".

# Other key changes in the 2021 Definitions and their impact on MarkitWire transactions (3)

- **Calculations of Fixed and Floating Amounts**

- Day Count Fractions (Section 4.6 in the 2021 Definitions)

- > A Calculation/252 Day Count Fraction has been included in the 2021 Definitions primarily to support BRL transactions. This corresponds to the existing MarkitWire and FpML Day Count Fraction code of BUS/252 and the FpML WG has agreed no additional new code value will be created. There will therefore be no additional impact.

- Compounding Methods (Section 4.9 in the 2021 Definitions)

- > MarkitWire will continue to support the Straight Compounding, Flat Compounding and Spread Exclusive Compounding elections included in the 2006 Definitions.
- > As stated elsewhere in the MarkitWire Rates WG Roadmap the new compounding and averaging provisions introduced in Supplement 75 to the 2006 ISDA Definitions (and carried forward into the 2021 Definitions) will not be supported on MarkitWire as part of the changes necessary to meet the initial October 4 implementation date
- > MarkitWire today supports the RFRs via the OIS self-compounding ISDA Floating Rate Option definitions only, e.g. USD-SOFR-COMPOUND. It is not possible under ISDA documentation to apply the new compounding and averaging provisions to a Floating Amount calculation which is calculated with reference to one of the self-compounding OIS FROs. ISDA have further clarified this in their recently published FAQ (see Question 9)  
[https://www.isda.org/a/WIEgE/A44552375-v5.0-ISDA\\_FAQs-on-Compounding-Averaging-Supplement.pdf](https://www.isda.org/a/WIEgE/A44552375-v5.0-ISDA_FAQs-on-Compounding-Averaging-Supplement.pdf)

- Negative Interest Rates (Section 5.5 and Section 6.8 in the 2021 Definitions)

- > No additional impact. MarkitWire does not plan to support elections for different negative interest rate methods on a Confirmation for the October 4 implementation date. Rates transactions on MarkitWire will continue to apply the default Floating Negative Interest Rate Method per the 2006 and 2021 Definitions default which remains unchanged.

# MarkitWire Floating Rate Option Mapping Table



# MarkitWire Floating Rate Option Mapping Table - Introduction

- There have been no changes to the mappings since Session #4 (August 17).
- Earlier changes and clarifying notes about the mapping table:
  - > Added clarifying note that MarkitWire published its own **BRL-CDI** Rate Option for use under 2006 Definitions. There was no ISDA-published BRL-CDI 2006 FRO. Therefore BRL-CDI won't be listed in the ISDA-published FRO mapping table.
  - > Added clarifying note that MarkitWire published its own **CLP-TNA** Rate Option for use under 2006 Definitions. There was no ISDA-published CLP-TNA 2006 FRO. Therefore **CLP-ICP** (2021 FRO equivalent) won't be listed in the ISDA-published FRO mapping table.
  - > **USD-TBILL-H.15** is now shown as not being defined under the 2021 Definitions and no longer mapping to **USD-TBILL Secondary Market-Bond Equivalent Yield**. This aligns with the ISDA published mapping tables.
  - > **USD-TBILL Secondary Market-Bond Equivalent Yield** is shown as a newly introduced 2021 FRO. Note MarkitWire does not support its equivalent 2006 FRO **USD-TBILL-Secondary Market**
  - > Moved **USD-BSBY** and **THB-THOR-COMPOUND** into the main table. These are new 2006 FROs introduced in the MarkitWire 18.1.1 Release.
  - > Corrected the mapping for 2021 FRO **INR-MIBOR-OIS Compound**. The 2006 FRO **INR-FBIL-MIBOR-OIS-COMPOUND** should map to this rather than **INR-MIBOR-OIS-COMPOUND** as previously indicated. The underlying benchmark is the overnight Mumbai Interbank Outright Rate (known as MIBOR).
  - > As 2006 FRO **USD-ISDA-Swap Rate** has a fixing time of 11am New York we are showing this mapping to the 11am fixing 2021 FRO **USD-LIBOR ICE Swap Rate-11:00**. Note there is a 2006 FRO **USD-ISDA-Swap Rate-3:00** with a fixing time of 3pm New York which MarkitWire doesn't support.

# MarkitWire – Floating Rate Option Mapping Table Introduction

- Changes made in the following mapping table since Session #2 (July 13)
  - > Added clarifying note that MarkitWire published its own **BRL-CDI** Rate Option for use under 2006 Definitions. There was no ISDA-published BRL-CDI 2006 FRO. Therefore BRL-CDI won't be listed in the ISDA-published FRO mapping table.
  - > Added clarifying note that MarkitWire published its own **CLP-TNA** Rate Option for use under 2006 Definitions. There was no ISDA-published CLP-TNA 2006 FRO. Therefore **CLP-ICP** (2021 FRO equivalent) won't be listed in the ISDA-published FRO mapping table.
  - > **USD-TBILL-H.15** is now shown as not being defined under the 2021 Definitions and no longer mapping to **USD-TBILL Secondary Market-Bond Equivalent Yield**. This aligns with the ISDA published mapping tables.
  - > **USD-TBILL Secondary Market-Bond Equivalent Yield** is shown as a newly introduced 2021 FRO. Note MarkitWire does not support its equivalent 2006 FRO **USD-TBILL-Secondary Market**
- Changes made in the following mapping table since Session #1 (June 22)
  - > Moved **USD-BSBY** and **THB-THOR-COMPOUND** into the main table. These are new 2006 FROs being introduced in the MarkitWire 18.1.1 Release.
  - > Removed 2021 FRO mapping for 2000 FRO **JPY-TIBOR-DTIBOR01**. This FRO was not present in the 2006 Definitions and is not therefore applicable for 2021 Definitions.
  - > Corrected the mapping for 2021 FRO **INR-MIBOR-OIS Compound**. The 2006 FRO **INR-FBIL-MIBOR-OIS-COMPOUND** should map to this rather than **INR-MIBOR-OIS-COMPOUND** as previously indicated. The underlying benchmark is the overnight Mumbai Interbank Outright Rate (known as MIBOR).
  - > As 2006 FRO **USD-ISDA-Swap Rate** has a fixing time of 11am New York we are showing this mapping to the 11am fixing 2021 FRO **USD-LIBOR ICE Swap Rate-11:00**. Note there is a 2006 FRO **USD-ISDA-Swap Rate-3:00** with a fixing time of 3pm New York which MarkitWire doesn't support.

# MarkitWire Floating Rate Option Mapping Table (1)

FRO on MarkitWire under 2000/2006 Definitions	New Format of the FRO under 2021 Definitions	Commentary
AUD-AONIA-OIS-COMPOUND	AUD-AONIA-OIS Compound	
AUD-BBR-BBSW	AUD-BBSW	
AUD-BBR-BBSY (BID)	AUD-BBSY Bid	
BRL-CDI	BRL-CDI	Note MarkitWire published its own BRL-CDI Rate Option definition for use under the 2006 Defs. There was no ISDA-published BRL-CDI FRO
CAD-BA-CDOR	CAD-CDOR	
CAD-CORRA-OIS-COMPOUND	CAD-CORRA-OIS Compound	
CHF-LIBOR-BBA	CHF-LIBOR	
CHF-SARON-OIS-COMPOUND	CHF-SARON-OIS Compound	
CHF-TOIS-OIS-COMPOUND		No longer active
CLP-TNA	CLP-ICP	Note MarkitWire published its own CLP-TNA Rate Option definition for use under the 2006 Defs. There was no ISDA-published CLP-TNA FRO
CNH-HIBOR-TMA	CNH-HIBOR	
CNY-CNREPOFIX=CFXS-Reuters	CNY-Fixing Repo Rate	
CNY-DEPO-PBOC	CNY-Deposit Rate	
CNY-SHIBOR-Reuters	CNY-SHIBOR	
COP-IBR-OIS-COMPOUND	COP-IBR-OIS Compound	
CZK-PRIBOR-PRBO	CZK-PRIBOR	
DKK-CIBOR2-DKNA13	DKK-CIBOR2	
DKK-DKKOIS-OIS-COMPOUND	DKK-Tom Next-OIS Compound	
EUR-EONIA-OIS-COMPOUND	EUR-EONIA-OIS Compound	
EUR-EURIBOR-Reuters	EUR-EURIBOR	
EUR-EURIBOR-Telerate		Not present in 2006 Defs and not applicable for 2021 Defs

## MarkitWire Floating Rate Option Mapping Table (2)

FRO on MarkitWire under 2000/2006 Definitions	New Format of the FRO under 2021 Definitions	Commentary
EUR-EuroSTR-COMPOUND	EUR-EuroSTR-OIS Compound	
EUR-LIBOR-BBA	EUR-LIBOR	
GBP-LIBOR-BBA	GBP-LIBOR	
GBP-SONIA-COMPOUND	GBP-SONIA-OIS Compound	
GBP-WMBA-RONIA-COMPOUND	GBP-RONIA-OIS Compound	
GBP-WMBA-SONIA-COMPOUND		No longer active
HKD-HIBOR-HIBOR=		No longer active
HKD-HIBOR-HKAB	HKD-HIBOR	
HKD-HIBOR-ISDC		Not present in 2006 Defs and not applicable for 2021 Defs
HKD-HONIX-OIS-COMPOUND	HKD-HONIA-OIS Compound	
HUF-BUBOR-Reuters	HUF-BUBOR	
IDR-JIBOR-Reuters	IDR-JIBOR	
IDR-SOR-Reuters		No longer active
IDR-SOR-Telerate		Not present in 2006 Defs and not applicable for 2021 Defs
ILS-TELBOR01-Reuters	ILS-TELBOR	
INR-FBIL-MIBOR-OIS-COMPOUND	INR-MIBOR-OIS Compound	
INR-MIBOR-OIS-COMPOUND		Not defined under 2021 Defs
INR-MIFOR	INR-MIFOR	
INR-MITOR-OIS-COMPOUND		No longer active
ISK-REIBOR-Reuters	ISK-REIBOR	
JPY-LIBOR-BBA	JPY-LIBOR	
JPY-TIBOR-17097	JPY-TIBOR	

## MarkitWire Floating Rate Option Mapping Table (3)

FRO on MarkitWire under 2000/2006 Definitions	New Format of the FRO under 2021 Definitions	Commentary
JPY-TIBOR-17097	JPY-TIBOR	
JPY-TIBOR-DTIBOR01		Not present in 2006 Defs and not applicable for 2021 Defs
JPY-TIBOR-TIBM (10 Banks)		No longer active
JPY-TIBOR-TIBM (5 Banks)		No longer active
JPY-TIBOR-ZTIBOR	JPY-Euroyen TIBOR	
JPY-TONA-OIS-COMPOUND	JPY-TONA-OIS Compound	
KRW-CD-3220	KRW-CD 91D	
KRW-CD-KSDA-Bloomberg	KRW-CD 91D	
MXN-TIIE-Banxico	MXN-TIIE	
MYR-KLIBOR-BNM	MYR-KLIBOR	
NOK-NIBOR-NIBR		No longer active
NOK-NIBOR-OIBOR	NOK-NIBOR	
NZD-BBR-FRA	NZD-BKBM FRA	
NZD-BBR-Telerate		Not present in 2006 Defs and not applicable for 2021 Defs
NZD-NZIONA-OIS-COMPOUND	NZD-NZIONA-OIS Compound	
PHP-PHIREF-Reuters	PHP-PHIREF	
PLN-POLONIA-OIS-COMPOUND	PLN-POLONIA-OIS Compound	
PLN-WIBOR-WIBO	PLN-WIBOR	
PLZ-WIBOR-WIBO		Not present in 2006 Defs and not applicable for 2021 Defs
REPOFUNDS RATE-FRANCE-OIS-COMPOUND		Not defined under 2021 Defs
REPOFUNDS RATE-GERMANY-OIS-COMPOUND		Not defined under 2021 Defs
REPOFUNDS RATE-ITALY-OIS-COMPOUND		Not defined under 2021 Defs

## MarkitWire Floating Rate Option Mapping Table (4)

FRO on MarkitWire under 2000/2006 Definitions	New Format of the FRO under 2021 Definitions	Commentary
RUB-MOSPRIME-NFEA	RUB-MosPrime	
SEK-SIOR-OIS-COMPOUND	SEK-STIBOR-OIS Compound	
SEK-STIBOR-SIDE	SEK-STIBOR	
SGD-SIBOR-Reuters	SGD-SIBOR	
SGD-SIBOR-Telerate		Not present in 2006 Defs and not applicable for 2021 Defs
SGD-SONAR-OIS-COMPOUND		No longer active. Renamed to SGD-SONAR-OIS-VWAP-COMPOUND.
SGD-SONAR-OIS-VWAP-COMPOUND		No longer active. Renamed to SGD-SORA-COMPOUND.
SGD-SORA-COMPOUND	SGD-SORA-OIS Compound	
SGD-SOR-Reuters		No longer active.
SGD-SOR-Telerate		Not present in 2006 Defs and not applicable for 2021 Defs
SGD-SOR-VWAP	SGD-SOR	
THB-SOR-Telerate		Not present in 2006 Defs and not applicable for 2021 Defs
THB-THBFIX-Reuters	THB-THBFIX	
THB-THOR-COMPOUND	THB-THOR-OIS Compound	New index added in MarkitWire 18.1.1 Release
TRY-TLREF-OIS-COMPOUND	TRY-TLREF-OIS Compound	
TRY-TRYIBOR-Reuters	TRY-TRLIBOR	
TWD-Reuters-6165		Discontinued
TWD-TAIBIR01	TWD-TAIBIR01	
TWD-TAIBIR02	TWD-TAIBIR02	
TWD-TAIBOR-Bloomberg	TWD-TAIBOR	
TWD-TAIBOR-Reuters	TWD-TAIBOR	

## MarkitWire Floating Rate Option Mapping Table (5)

FRO on MarkitWire under 2000/2006 Definitions	New Format of the FRO under 2021 Definitions	Commentary
TWD-Telerate-6165		Not present in 2006 Defs and not applicable for 2021 Defs
TWD-TWCPBA		Discontinued
USD-BSBY	USD-BSBY	New index added in MarkitWire 18.1.1 Release
USD-CMS-Reuters		No longer active
USD-CMS-Telerate		Not present in 2006 Defs and not applicable for 2021 Defs
USD-CMT-T7051	USD-CMT	
USD-CP-H.15	USD-CP-Money Market Yield	
USD-DTCC GCF Repo Index-Treasury-Bloomberg-COMPOUND		MarkitWire will discontinue under 2021 Defs
USD-Federal Funds-H.15	USD-Federal Funds	
USD-Federal Funds-H.15-OIS-COMPOUND	USD-Federal Funds-OIS Compound	
USD-LIBOR-BBA	USD-LIBOR	
USD-Prime-H.15	USD-Prime	
USD-SIFMA Municipal Swap Index	USD-Municipal Swap Index	
USD-SOFR-COMPOUND	USD-SOFR-OIS Compound	
USD-TBILL-H.15		Not defined under 2021 Defs
	USD-TBILL Secondary Market-Bond Equivalent Yield	MarkitWire does not support the corresponding 2006 Defs FRO USD-TBILL-Secondary Market
ZAR-JIBAR-SAFEX	ZAR-JIBAR	

## MarkitWire Floating Rate Option Mapping Table (6)

FRO on MarkitWire under 2000/2006 Definitions	New Format of the FRO under 2021	Commentary
<b>CMS Spread Option FROs</b>		
USD-ISDA-Swap Rate	USD-LIBOR ICE Swap Rate-11:00	
EUR-ISDA-EURIBOR Swap Rate-11:00	EUR-EURIBOR ICE Swap Rate-11:00	
GBP-ISDA-Swap Rate	GBP-LIBOR ICE Swap Rate	
GBP-SONIA-Swap Rate	GBP-SONIA ICE Swap Rate	
JPY-ISDA-Swap Rate-10:00		No longer active
JPY-TSR-Reuters-10:00	JPY-LIBOR TSR-10:00	
JPY-TSR-Reuters-15:00	JPY-LIBOR TSR-15:00	
<b>Stub Floating Rate Index</b>		
AUD-RBA Cash Rate	AUD-AONIA	
NZD-RBNZ OCR	NZD-NZIONA	



# MarkitWire Floating Rate Option Mapping Table (7)

Inflation Indexes	
AUD-CPI	
CAD-CPI	
DEK-CPI	
EUR-AI-CPI	
EUR-AI-R-CPI	
EUR-EXT-CPI	
JPY-CPI-EXF	Inflation Indices will continue being supported under 2021 definitions. There is no name change under 2021 Defs as the Index Descriptions are published in Annex A to the 2008 ISDA Inflation Derivatives Definitions.
SEK-CPI	
UK-HICP	
UK-RPI	
USA-CPI-U	
ZAR-CPI	

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## IHS Markit Customer Care

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