

ISDA Create to Add New Custody Function for Initial Margin

NEW YORK, September 4, 2019 – The International Swaps and Derivatives Association, Inc. (ISDA) and Linklaters have announced the addition of a new custody function on ISDA Create’s initial margin (IM) offering, which will enable users to complete all documentation required for regulatory IM on a single platform. BNY Mellon will be the first custodian to go live on the platform.

ISDA Create is an online solution that automates the process of producing and agreeing documentation and enables the capture of valuable structured legal data. The first module, ISDA Create – IM, [launched in January 2019](#), and the service will extend to cover other areas and documentation types in the future.

As part of the new functionality, users will initially be able to access bilateral custody agreements and tripartite account control agreements (ACAs) in digital form on ISDA Create. ACAs govern the terms of collateral segregation and management between a custodian and two trading counterparties, while bilateral custody agreements govern a pledging client’s unencumbered assets with a custodian. The ability to negotiate bilateral custody documents is already available on ISDA Create. The negotiation of tripartite ACAs will become available later this month.

“Since launch, ISDA Create users have had the opportunity to negotiate ISDA IM documents online with multiple counterparties simultaneously and they will now have the ability to do the same for their custody agreements too. This is just the start, and we’re looking to introduce other ISDA and non-ISDA documentation to ISDA Create,” said Katherine Tew Darras, ISDA’s General Counsel.

“We’re delighted to welcome BNY Mellon onto the ISDA Create platform as our first custodian. This will significantly reduce the burden on those firms that are in-scope for regulatory IM requirements, and creates a one-stop shop for their IM documents. We’d like to thank BNY Mellon for working with ISDA Create to bring this service to market,” said Doug Donahue, Partner at Linklaters.

“We are always looking for ways to simplify the non-cleared margin workflow for clients and enable them to service the entire collateral lifecycle with the minimum number of touch points. ISDA Create does precisely that, providing an efficient, all-in-one automated documentation solution for clients that we are very happy to support,” said Jonathan Spigel, Global Head of Segregation and Liquidity Services at BNY Mellon.

Since launch, more than 50 firms have joined ISDA Create for live negotiation of IM documentation. Those firms include some of the largest buy- and sell-side market participants in North America, Europe and Asia. In addition, more than 160 firms are actively testing the platform ahead of the phase five and phase six implementation of initial margin requirements in September 2020 and September 2021, respectively.

For more information, contact isdacreate@isda.org.

A [video on ISDA Create – IM](#) is available on the ISDA website.

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About ISDA

Since 1985, ISDA has worked to make the global derivatives markets safer and more efficient. Today, ISDA has more than 900 member institutions from 71 countries. These members comprise a broad range of derivatives market participants, including corporations, investment managers, government and supranational entities, insurance companies, energy and commodities firms, and international and regional banks. In addition to market participants, members also include key components of the derivatives market infrastructure, such as exchanges, intermediaries, clearing houses and repositories, as well as law firms, accounting firms and other service providers. Information about ISDA and its activities is available on the Association's website: www.isda.org. Follow us on Twitter @ISDA.

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About Linklaters

Linklaters is a leading global law firm, supporting and investing in the future of our clients wherever they do business. We combine legal expertise with a collaborative and innovative

approach to help clients navigate constantly evolving markets and regulatory environments, pursuing opportunities and managing risk worldwide.

Our 5,200 people, of which almost half are lawyers, are located across 30 offices in 20 countries. Our lawyers specialize in industry sectors as well as practice areas across three divisions, Corporate, Dispute Resolution and Finance and Projects.

Linklaters Nakhoda is the firm's internal tech start-up, which brings together its legal expertise and cutting-edge technologies to build automation solutions for its clients globally.

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