



## ISDA Extends Saudi Arabia Netting Opinions

**NEW YORK, November 3, 2025** – The International Swaps and Derivatives Association, Inc. (ISDA) has extended its netting opinions for Saudi Arabia to cover regulations published by the Capital Market Authority (CMA) earlier this year that recognize the enforceability of close-out netting.

The CMA regulations were [published in July](#), and follow similar rules [published by the Saudi Central Bank](#) (SAMA) in February. The CMA regulations apply if at least one party is a capital market institution supervised by the CMA, which includes dealers and investment managers. Both the CMA and SAMA rules are closely based on [ISDA's 2018 Model Netting Act](#).

ISDA published [netting opinions under the SAMA regulations in June](#). Those netting opinions – one under the ISDA Master Agreement and one for Islamic derivatives under the ISDA/International Islamic Financial Market Tahawwut Master Agreement – have now been extended to cover the CMA rules. Riyadh-based law firm STAT was commissioned by ISDA to draft the netting opinions.

ISDA is also developing collateral opinions under both regulations, which will be published before the end of the year.

“Thanks to this important step by CMA, ISDA’s netting opinions now make clear that netting is enforceable for trades with any Saudi financial counterparty, whether an investment manager supervised by the CMA or a bank regulated by SAMA. This is a big step in the further development of Saudi Arabia’s financial markets, and we would like to thank the CMA for its constructive engagement with ISDA and the industry throughout the development and consultation process,” said Scott O’Malia, ISDA’s Chief Executive.

ISDA has consistently advocated for enforceable close-out netting as a critical foundation of safe and efficient derivatives markets and has published [netting opinions for 90 jurisdictions](#) around the world. By allowing counterparties to reduce their obligations to a single net payment due from one party to another, netting significantly reduces credit risk. As of the end of 2024, the global gross market value of derivatives contracts stood at \$17.6 trillion, whereas the gross credit exposure, which adjusts gross market values for legally enforceable bilateral netting agreements, amounted to \$3.0 trillion, according to [data from the Bank for International Settlements](#).

The ISDA netting opinions are available [here](#).

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**About ISDA**

Since 1985, ISDA has worked to make the global derivatives markets safer and more efficient. Today, ISDA has over 1,000 member institutions from 78 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](http://www.isda.org). Follow us on [LinkedIn](#) and [YouTube](#).