

Purpose: The Trade Life Cycle Events Matrix for Non-Cleared Margin was initially established through a series of discussions held within the ISDA WGMR Margin and Collateral Processing and Portfolio Integrity Workstreams (the "Working Groups") in 2016. The Working Groups were comprised of a wide array of market participants from buy and sell side institutions. The below matrix provides an overview of the views expressed by market participants in the Working Groups as to whether or not certain identified trade events would bring a legacy non cleared swap transaction into scope for the new margin rules and is not meant to be binding in any way. As with all market information and guidance that ISDA disseminates, parties are free to choose alternative means of addressing an event. Please see the legal disclaimers below for further details.

Initially Developed June 2016;
Prepared for publication May 2019
with no substantive changes made.
Last update made February 2022.

ISDA Trade Life Cycle Events Matrix for Non Cleared Margin

Category	Trade Event	Detail	* Bring into scope for Un-cleared margin? Yes or No	Notes	Do Working Groups' Views Align With Clearing Y/N
Amendments and Cancellations	Amendment (i.e. Correction)	Amending details that were originally input incorrectly.	No		Y
	Economically Immaterial Amendment		No (no change in pricing)		Y
	Economically Material Amendment		Yes (change in pricing)		N
	Cancellation	Trade booked in error and subsequently cancelled.	No		Y
Trade events	New Trade which is In-scope Product (post-compliance date)		Yes		N/A
	New Trade which is Out-of-scope Product (post-compliance date)		No		N/A
	New Trade which is Out-of-scope Product in one jurisdiction and In-scope Product for another jurisdiction (post-compliance date)		Yes, for the entity subject to the regulatory regime where the product is in-	The CSA specifies applicable regimes per the two counterparties.	N/A
	Increase	A bilaterally executed agreement to increase the notional on the transaction.	Yes	Generally, firms seem to feel the entire trade comes into scope.	N
	Full Termination	Full Unwind	No		Y
	Partial Termination	Partial Unwind	No	The partial unwind would not bring the remaining portion of the trade into scope. (Similar as under clearing mandate logic.)	Y
	Allocation	Original Unallocated "Block" Trade allocated to principal parties post go live.	No	Yes for allocations of trades entered into post-effective date.	N/A
	Re-Allocation	Change internal business unit (such as sub-fund/ portfolio/book) to which a trade is allocated by a party, but no change to the transaction terms between the parties, including no change to the legal entities that are party to the trade.	No		Y

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	Cleared Positions	Original Bilateral Trade (the "alpha" trade), post-compliance.	No		N/A
		Cleared Position ("beta" and "gamma" trades)	No		N/A
	Full Novation	Remaining party	Yes	No, if the remaining party and the step-in party are eligible for an inter-affiliate exemption.	Y
Trade events		Step in	Yes	No, if the remaining party and the step-in party are eligible for an inter-affiliate exemption.	Y
		Step out	No		Y
	Partial Novation	Remaining party	Yes	No, if the remaining party and the step-in party are eligible for an inter-affiliate exemption.	Y
		Step in	Yes	No, if the remaining party and the step-in party are eligible for an inter-affiliate exemption.	Y
		Step out	No		Y
	Swaption Exercise	Exercise of a Swaption/Resulting Swap from the exercise of a	No		
	Compression Event	Original Trade - Terminated	No		Y
		Original Trade - Amendment	No		Y
		New resultant trade	Yes	No, if all trades within an industry-wide run compression were legacy trades.	Yes - Any contract in a clearing obligation product which is entered into or novated between in-scope counterparties after the clearing obligation is in force must be cleared. This is regardless of whether the contract results from a compression exercise or similar.
Cash Settlement	The actual cash settlement of fees, payments, etc.	No		Y	

Category	Trade Event	Detail	* Bring into scope for Uncleared margin? Yes or No	Notes	Do Working Groups' Views Align With Clearing Y/N
Intrinsic changes	Amortizing Notionals	Changes to the notional during the course of a trade.	No	If pursuant to the original contract terms.	Y
	Dividend Resets		No	If pursuant to the original contract terms.	N/A
	Equity Resets		No	If pursuant to the original contract terms.	N/A
	Rate Resets	Changes to the floating rate of a trade	No	If pursuant to the original contract terms.	Y
Other	Successor Events	The reference entity specified in the transaction is succeeded by another entity.	No	If pursuant to the original contract terms.	N/A
Other	Credit Events	Default on a transaction e.g., bankruptcy/restructuring/ obligation default.	No	If pursuant to the original contract terms.	Y
Other	Corporate Actions	Including:	No, assuming related to the underlying equity.	If pursuant to the original contract terms.	N/A
		Bonus Issue/Capitalisation issue		If pursuant to the original contract terms.	N/A
		Special Dividend		If pursuant to the original contract terms.	N/A
		Spin-Off		If pursuant to the original contract terms.	N/A
		Stock Split/Change in nominal value		If pursuant to the original contract terms.	N/A
		Reverse Stock split/Change in nominal value		If pursuant to the original contract terms.	N/A
Other	Conversions	Parties mutually agreeing and consenting to a conversion post-compliance date which results in a material amendment. Would not include a conversion documented pre-compliance date as an event due to take place in the future (i.e. post-compliance date). Example would be swap on an ADR that is converted to swap on the underlying stock as agreed by both parties, or a stock is dual listed and is converted from a GBP line to a HK line as agreed by	Yes	No, if option to convert is negotiated pre-compliance date. Yes, if post-compliance date, you amend swap originally referencing ADR to instead reference the underlying stock.	N/A

Category	Trade Event	Detail	* Bring into scope for Un-cleared margin? Yes or No	Notes	Do Working Groups' Views Align With Clearing Y/N
Other	Publicly Traded / Listed Swap Index	Swap is removed/changed in the index by the administrator of the index (i.e. not at the discretion of the dealer or counterparty). Example would be quarterly roll for index CDS. Would not include rebalancing of the index.	No		N/A
Other	Customized Basket Index Swap	Constituents of the basket are changed at the discretion of the dealer or counterparty. Example would be rebalancing the basket by closing a swap on an old ticker and booking that swap on a new ticker.	Yes		N/A
Other	Reference Entity Succession Event		No	If pursuant to original contract terms (i.e., no change in pricing).	N/A
Portfolio Swap	Addition of Reference Underlyer to Long Portfolio or Short Portfolio	Creation of a new swap contract on Security XYZ.	Yes	No, if initial agreement allowed addition or removal. If making changes that result in notional neutral additions and removals or additions which might increase the notional but remain within the maximum notional originally agreed for the portfolio swap, then that should not bring the transaction into scope of the margin requirements as long as the decisions are made unilaterally in accordance with the original terms of the portfolio swap.	N/A
Portfolio Swap	Removal of Reference Underlyer from Long Portfolio or Short Portfolio	Partial or full termination of existing swap contract on Security XYZ.	No	If making changes that result in notional neutral additions and removals or additions which might increase the notional but remain within the maximum notional originally agreed for the portfolio swap, then that should not bring the transaction into scope of the margin requirements as long as the decisions are made unilaterally in accordance with the original terms of the portfolio swap.	N/A

Category	Trade Event	Detail	* Bring into scope for Uncleared margin? Yes or No	Notes	Do Working Groups' Views Align With Clearing Y/N
Portfolio Swap	Increase in Notional Amount for Existing Reference Underlyer	Increasing long or short exposure to Security XYZ.	Yes	If making changes that result in notional neutral additions and removals or additions which might increase the notional but remain within the maximum notional originally agreed for the portfolio swap, then that should not bring the transaction into scope of the margin requirements as long as the decisions are made unilaterally in accordance with the original <u>terms of the portfolio swap</u> .	N/A
Portfolio Swap	Decrease in Notional Amount for Existing Reference Underlyer	Decreasing long or short exposure to Security XYZ in a portfolio swap wrapper.	No	If making changes that result in notional neutral additions and removals or additions which might increase the notional but remain within the maximum notional originally agreed for the portfolio swap, then that should not bring the transaction into scope of the margin requirements as long as the decisions are made unilaterally in accordance with the original terms of the portfolio swap.	N/A

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