

2021 ISDA Definitions



ISDA 2021 Definitions- Background



ISDA has published the schedule for the publication and implementation of the 2021 ISDA Interest Rate Derivatives Definitions. The publication version of 2021 ISDA definitions is now final with the adoption date on **04 October 2021**. The actual publication on the ISDA User Platform is scheduled for 11 June. OTC Clear is working closely with ISDA and Markitwire on updating the OTC Clear Clearing Rules and Procedures to adopt the new definitions for trades cleared at the CCP.

1. ISDA, Markitwire and other major clearing houses will implement the 2021 Definitions on the adoption date 04 October 2021.
2. The 2021 Definitions will consolidate the 70+ supplements into 1 single document.
3. The 2006 Definitions will cease to be updated from the adoption date of the 2021 Definitions (04 October 2021).
4. OTC Clear has completed a review on the publication version of the 2021 Definitions main book and matrices and is working with our legal team to update the OTC Clear rules and procedures.

ISDA 2021 Definitions- Changes and MarkitWire Updates

1. Entire sections of the 2021 Definitions have been revamped and do not follow the same section numbering of the 2006 Definitions.
2. New Floating Rate Option (FRO) labels have been introduced to replace previous FROs. For example, HKD-HIBOR-HKAB will be updated to HKD-HIBOR. The FRO labels used in the 2 ISDA Definitions are essentially the same.
3. Unlike the 2006 Definitions, ISDA will amend the 2021 Definitions by publishing new version of the Definitions instead of supplements.
4. MarkitWire will align with the target adoption date of 04 October 2021 under the new definitions in Production.
5. Support for the first elements of 2021 Definitions available from 19 May for UAT for Euro-STR with further functional releases prior to the adoption date.



ISDA 2021 Definitions- OTC Clear's Proposal

1. OTC Clear proposes to align with other major CCPs and MarkitWire in terms of the 04th October 2021 adoption date.
2. Support for clearing of trades referencing both the 2006 and 2021 ISDA Definitions. Floating Rate Option names remain economically the same.
3. The Clearing Rules and Procedures will be updated to apply the ISDA 2021 Definitions for all trades from 04 October 2021.
4. For the avoidance of doubt, OTCC will continue to accept for clearing those trades which reference the ISDA 2006 Definitions but will apply the 2021 Definitions to all cleared contracts.
5. As the reports do not distinguish the Floating Rate Options in terms of the different ISDA Definitions, OTC Clear does not propose any changes to the existing OASIS reports.

Please complete the survey stating your firm's views on OTC Clear's proposal

