**2026 ISDA Canada Conference**
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**Opening Remarks**
**Katherine Tew Darras**
**ISDA General Counsel**

Good morning and welcome to the 2026 ISDA Canada Conference. Thank you for joining us today and thanks to our sponsor, Osler, Hoskin & Harcourt, for supporting the event.

It's great to be back in Toronto at a fascinating time for derivatives markets. Technological innovations like AI and tokenization look set to reshape the structure of our markets, bringing huge changes to trading and risk management practices.

At the same time, there is a concerted effort among regulators here in Canada, the US and elsewhere to iron out creases in existing derivatives regulations, removing unnecessary duplication and costs, and supporting economic growth.

At ISDA, we see a common thread running through both these developments: efficiency. New technologies can streamline processes and unlock new opportunities. Smarter regulation can eliminate duplication and reduce unnecessary costs. Together, they have the potential to make derivatives markets safer, more efficient and more resilient.

Today, I want to touch on some of the ways we're helping to deliver that outcome, from modernizing market standards and infrastructure to supporting implementation of key regulatory changes and developing new digital solutions.

I'll start with the FX definitions.

Let's cast our minds back to 1998, almost three decades ago. Google had just been founded. The *Titanic* movie dominated cinema screens. Canada's Shania Twain took the music world by storm. On top of all that, the last set of standard definitions for FX derivatives transactions were published.

FX derivatives were and are a critical tool, used by banks, corporations, pension funds, asset managers, government agencies and others to hedge the risks associated with shifts in currency markets.

But this market has changed a lot over the past 28 years. It's six times bigger by daily turnover. It has adapted to new market practices, regulation and technology. And it has faced events that weren't anticipated by the authors of those old definitions.

That's why we need a modern set of definitions that maintains the efficiency of the FX derivatives market and meets the needs of the 21st century.

The 2026 FX Definitions, published jointly by ISDA and EMTA in March, keep the many parts of the 1998 definitions that worked well, but include revisions to disruption events and fallbacks for deliverable transactions. They also incorporate EMTA template terms and market practices for non-deliverable FX transactions, contain provisions for calendar adjustment events, and align calculation agent standards with those in the 2021 ISDA Interest Rate Derivatives Definitions.

Importantly, the definitions consolidate the various supplements and provisions published since 1998 into an integrated document, which is available in digital form on the ISDA MyLibrary platform. Each time a future update is required, a revised version of the definitions will be published in full, making it much easier and more efficient to navigate and search for key provisions online.

We recognize it will take some time to adapt to these changes. That's why we're targeting November 2027 for implementation, giving firms plenty of opportunity to make the necessary changes to their systems and processes.

ISDA will support market participants through this process. We've published an implementation roadmap, along with a brochure highlighting the key areas where updates have been made. Other supporting materials will be published in the FX Definitions Update InfoHub on the ISDA website in the coming months, so please look out for those.

Another key legal development this year is the continued evolution of the CDS Determinations Committees. Having a single, industry-wide decision on whether a credit event has occurred is critical to enable the clearing of CDS transactions, so having a DC process that is strong, robust and transparent is essential.

Last year, the DCs voted to form a governance committee under a charter developed by ISDA's Credit Steering Committee. This will be responsible for overseeing the operation of the DCs and making changes to the DC rules where necessary. More recently, ISDA and the governance committee appointed a new DC administrator – S&P Global – which will act as DC secretary, build a replacement DC website and develop and run all infrastructure required to administer the DC process.

Elsewhere, ISDA is helping market participants prepare for the implementation of new regulations. The phased introduction of clearing for US Treasuries, which begins on December 31, will be a major change in the world's most important market. Given the central role of US Treasuries in repo and collateral management, this is something that will affect practically all derivatives market practitioners, not just those within the borders of the US. Implementation must be flawless from day one.

Market participants should by now be up to speed with the different clearing models that are on offer at the three approved clearing houses. That means understanding the obligations for clearing members and clients, and the arrangements for collateral segregation, accounting and netting. ISDA has published a comparison of the different clearing models, which can be used as a reference point to support implementation.

Documentation must also be tailored to support these different clearing models, rulebooks and client segregation solutions. ISDA has worked with SIFMA to develop appropriate client documentation for 'done-with' and 'done-away' transactions, both of which are now complete. ISDA is also commissioning opinions in key jurisdictions outside the US to confirm the enforceability of netting for client cleared repos – a key requirement for banks as they scale their clearing operations globally.

Meanwhile, we've been pressing US regulators to improve legal certainty and reduce operational frictions for non-US entities that will fall in-scope of the rules, as well as advocating for recognition of risk offsets in a portfolio when calculating capital under the standardized approach for counterparty credit risk. This latter step is critical to making Treasury clearing work properly, as it will unlock greater capital efficiency and ease the burden on bank balance sheets.

If you want a closer look at these issues, and what they mean for Canadian firms, then don't worry – our panel on North American regulatory developments later this morning has got you covered.

I'll finish by touching on ISDA's work on tokenization and AI.

It's clear that tokenization offers the potential to bring significant efficiencies to operational processes, particularly collateral management.

By creating a digital representation of an asset that can then be transferred, settled and recorded instantaneously, tokenization could reduce the costs and errors associated with existing manual systems. It also allows for a wider universe of assets to be easily handled as collateral, reducing pressure on liquidity during times of heightened market stress.

Money market funds are a good example. This is a multi-trillion-dollar market with low volatility and small regulatory haircuts but, from an operational perspective, they are all but impossible to transfer as collateral. Tokenized money market funds could solve that operational hurdle and ISDA is working to hammer out the necessary legal and documentation processes to allow them to reach their full potential.

For example, we recently published a report with Global Digital Finance that examines the viability of using tokenized money market funds as collateral for derivatives within existing US legal, regulatory and operational frameworks. And we'll soon publish a paper that examines whether ISDA's existing collateral documentation can effectively support the use of tokenized money market funds as collateral for derivatives transactions.

Finally, AI. At this point, it's difficult to fully appreciate all the changes AI will bring to our industry – whether it be resource requirements, system developments and security needs. But one thing looks certain – it will bring significant efficiencies to how the derivatives markets function.

For our part, we're working to integrate AI into our Digital Regulatory Reporting solution. The ISDA DRR improves the accuracy and consistency of transaction reporting by using the open-source Common Domain Model to convert rules into code.

So far, we've delivered the ISDA DRR to support nine sets of reporting rules around the world, but we're now taking this initiative a step further by using AI to build a traceability tool that links every DRR coding decision back to the original regulatory text, the ISDA working group decision and the rationale behind it. This valuable tool will give users a single, authoritative record of DRR decision-making. We're also developing an AI-driven translator agent to interpret new or updated reporting requirements and support the conversion into code, further reducing the time, effort and cost of keeping pace with evolving rules.

Meanwhile, we've deepened engagement to facilitate and assist regulatory development and publication of rules in code. For example, South Africa's trade repository, Strate, will publish national reporting rules using the ISDA DRR. In Canada, the Ontario Securities Commission and ISDA are also working together on a pilot to code the technical manual updates published in mid-August in the DRR.

The DRR is just one of a whole suite of ISDA digital solutions designed to increase efficiency and reduce costs. Another is the ISDA Notices Hub, a secure online platform that enables the near-instantaneous delivery and receipt of termination notices anywhere in the world, reducing the risks and costs associated with delays.

So far, the ISDA 2025 Notices Hub Protocol, which provides the legal basis for the use of the platform, has garnered 196 adherents, including global dealers, asset managers, pension and insurance companies, supranationals, corporates, central banks and government bodies, demonstrating the breadth of interest for this platform.

These are great examples of how ISDA is using technology to increase market efficiency and support deep, liquid and resilient derivatives markets.

With that, let me once again thank you all for being here today, and thank Osler, Hoskin & Harcourt for sponsoring the event.