

ISDA Create Extends Online Negotiation to New Documents

NEW YORK, June 18, 2020 – The International Swaps and Derivatives Association, Inc. (ISDA) and Linklaters have announced they will make three new documentation modules available on ISDA Create during 2020. This expansion will allow users to agree additional documents online, bringing further automation and efficiency to the negotiation of derivatives agreements.

ISDA Create is an online solution built by Linklaters' internal technology start-up Nakhoda that automates the process of producing and agreeing documentation and enables the capture of valuable structured legal data. The three new documentation modules being added in 2020 will join the existing [ISDA Create – IM](#) module, which allows users to put in place the documentation necessary to meet regulatory initial margin requirements.

Documents covered by the new modules include:

- Generic amendment agreements to ISDA published documents. These forms, which are adapted from the March 2003 ISDA published form, allow users to complete any amendment to one or more ISDA published documents. There are many potential use cases for these amendment agreements, including by asset managers, which regularly alter the terms of their umbrella agreements. The new module will enable them to add or remove clients or make customized client-specific amendments completely online. Documenting these amendments via ISDA Create will provide firms with a complete and accurate data set of the terms agreed in the amendment, as well as a transparent audit trail of changes. The generic amendment agreements will be available from July 2020.
- The recently published EONIA Bilateral Template Amendment Agreement, which enables parties to update references to EONIA in their documentation given the expected permanent cessation of that rate in January 2022. Other interest rate reform documents will be added to this module as they become available. These will include the suite of template provisions that will accompany the forthcoming interbank offered rates fallbacks protocol, as well as agreements to allow participants to replace the effective federal funds rate with SOFR in their bilateral credit support annexes. The EONIA Bilateral Template Amendment Agreement will be available from July 2020.
- The schedules to the 1992 ISDA Master Agreement (Multicurrency – Cross Border), the ISDA 2002 Master Agreement, and the 2002 forms of the Master Agreement under French and Irish law. The 1992 ISDA Master Agreement (Multicurrency – Cross Border) and the ISDA 2002 Master Agreement will be available in the fourth quarter of 2020, with the ISDA 2002 Master Agreement under French and Irish law following soon after.

In addition, as part of the Master Agreement functionality, ISDA Create will incorporate the forthcoming ISDA Clause Library, a new drafting tool intended to introduce greater standardization in how firms negotiate and agree clauses within their ISDA documentation. As the Clause Library is updated over time to reflect changes to market and legal practices, these changes will be added to ISDA Create.

“The office closures and extensive remote working introduced as part of the response to the coronavirus pandemic have underlined the challenges associated with drafting and agreeing physical documents. With the launch of these new modules on ISDA Create, users will be able to negotiate more of their derivatives documentation online, making the process much more efficient,” said Katherine Tew Darras, General Counsel at ISDA.

“Since the launch of ISDA Create in January 2019, more than 60 buy- and sell-side firms have joined the platform. In addition, more than 200 market participants are currently testing ISDA Create. Those users have been asking us to extend the benefits of online negotiation to other ‘business as usual’ ISDA documentation, including the schedule to the ISDA Master Agreement. These new modules are in response to that feedback, and we’ll look to add additional documentation and functionality to the platform over time to continue to meet market demand for innovative and efficient ways to negotiate,” said Doug Donahue, Partner at Linklaters.

ISDA Create is available to ISDA members and non-members. Watch an [introductory video on ISDA Create here](#). For more information, contact isdacreate@isda.org.

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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 900 member institutions from 74 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](#), [LinkedIn](#), [Facebook](#) and [YouTube](#).

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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. In order to offer our clients the highest quality advice, our lawyers across three divisions, Corporate, Dispute Resolution and Finance, specialize in industry sectors as well as practice areas.

About Nakhoda

Nakhoda is Linklaters' internal tech start-up, which brings together a cross-functional group of lawyers, designers and software engineers working closely together to build technology and automation solutions for its clients globally.