



ISDA Launches Canadian Module for ISDA Resolution Stay Jurisdictional Modular Protocol

NEW YORK, July 28, 2022 – The International Swaps and Derivatives Association, Inc. (ISDA) today announced the launch of a Canadian module to the ISDA Resolution Stay Jurisdictional Modular Protocol (JMP). The new module will allow market participants to comply with Canadian regulations that require contractual stays to be included in certain financial contracts not governed by Canadian law.

The launch of the ISDA Canadian Jurisdictional Module follows the publication of similar modules for France, Germany, Hong Kong, Italy, Japan, Switzerland and the UK. ISDA also published the [BRRD II Omnibus Module](#) in September 2021, which enables firms to incorporate certain changes to the EU Bank Recovery and Resolution Directive into financial contracts governed by third-country laws.

The [JMP was launched in May 2016](#) and was developed in response to regulators introducing requirements for certain banks in their jurisdiction to obtain consent from their counterparties for statutory stays on early termination rights to apply to financial contracts between those parties, irrespective of the governing law of the contract.

The requirement to include language in contracts expressly recognizing resolution stay powers is set out in the Canada Deposit Insurance Corporation Eligible Financial Contracts By-law (SOR/2022-55) and is intended to address the risk that these powers may not be effective when applied to contracts governed by a third-country law or when at least one party is not a Canadian resident or entity.

The rules take effect from October 1, 2023 if at least one of the parties is a federal member institution, an affiliate of a federal member institution or an institution that has been identified by the Financial Stability Board as a global systematically important bank or affiliate. Otherwise, the rules take effect on October 1, 2024.

Please visit the [Protocol Management section](#) of the ISDA website to read the protocol, updates to the list of adhering firms and frequently-asked-questions document. The Canadian module to the JMP can be used by any counterparty to a financial contract and is open to ISDA members and non-members.

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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 990 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. Follow us on [Twitter](#), [LinkedIn](#), [Facebook](#) and [YouTube](#).

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