

ISDA Proceeds with Development of an Industry Notices Hub

NEW YORK, July 1, 2024 – The International Swaps and Derivatives Association, Inc. (ISDA) will proceed with the development of an industry-wide notices hub, following strong support from buy- and sell-side institutions globally. The new online platform will allow instantaneous delivery and receipt of critical termination-related notices and help to ensure address details for physical delivery are up to date, reducing the risk of uncertainty and potential losses for senders and recipients of these notices.

The decision to move ahead with the ISDA Notices Hub follows an [industry outreach initiative](#) that began in April 2024, in which ISDA sought indications of support for the proposed platform from dealers and buy-side institutions. Of those firms that indicated they would use the ISDA Notices Hub in principle, 57% were from the buy side, including asset managers, insurance companies and hedge funds. In addition, two thirds of ISDA’s global primary dealer membership category stated their intent to adopt the platform in principle. Support was received from across the globe, with 39% of positive responses from the US, 47% from Europe and 14% from Asia Pacific.

ISDA will now work with S&P Global Market Intelligence and Linklaters to build the platform, draft the necessary documentation and commission legal opinions in priority jurisdictions to confirm the validity of delivering notices via a central hub. The ISDA Notices Hub will be free for buy-side users and available via S&P Global Market Intelligence’s Counterparty Manager platform, with implementation targeted for 2025.

Under the ISDA Master Agreement, termination-related notices must be delivered by certain prescribed methods including physical delivery, using company address details listed in the agreement. However, delays can occur if a company has moved and the documentation hasn’t been updated with the new details or if delivery to a physical location is not possible due to geopolitical shocks.

Just a small holdup in the delivery of a termination notice – for example, from Friday afternoon to Monday morning – could result in an uncollateralized loss of \$1 million¹. Bigger portfolios and more volatile conditions could increase the risk significantly.

The ISDA Notices Hub would act as a secure central platform for firms to deliver notices, with automatic alerts sent to the receiving entity.

¹ Based on a 99% value-at-risk calculation assuming an outright non-cleared derivatives portfolio with \$10 million of initial margin and moderate volatility

Multiple designated people at each firm would be able to access the hub from anywhere in the world, regardless of the situation at its physical location. The platform would also allow market participants to update their physical address details via a single entry.

“We’re delighted that so many financial institutions recognize the benefit of having a secure digital platform that allows termination notices to be delivered and received in the blink of an eye. As well as increasing certainty for users, the ISDA Notices Hub will eliminate risk exposures and potential losses that can result from delays in terminating derivatives contracts,” said Scott O’Malia, ISDA’s Chief Executive.

For more information on the ISDA Notices Hub, visit the [ISDA Solutions InfoHub](#).

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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 1,000 member institutions from 77 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 [LinkedIn](#) and [YouTube](#).