The Science of Finance

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ISDA Amend

Buy-Side Toolkit \ July 2012

— The ISDA Dodd-Frank protocol provides an industry standard roadmap for updating swap documentation to comply with D-F rulemakings

— ISDA Amend will allow swap participants to amend multiple ISDA master agreements using a single online tool

— A joint ISDA Markit outreach program will provide guidance, education, and training to the industry regarding the D-F rulemakings, including the Business Conduct rules

Amending your swap documentation is just a few clicks away

Background	Dodd-Frank rulemakings impose new obligations on swap dealers in a range of areas.
Requirement	Swap dealers must sign amendments to their ISDA documentation with impacted swap counterparties to become compliant with Dodd-Frank rules.
Summary	Rather than bilaterally agreeing to a set of amendments (the combination of which will be specific to the client), participants will adhere to an ISDA protocol, agreeing to contractual amendments published by ISDA and elected on the system. Markit will provide an online questionnaire that not only automates the matching of amendments to bilateral agreements but also maps that questionnaire back to other account data and documentation.
ISDA Markit Partnership	ISDA and Markit have developed a documentation-compliance tool to support market participants amend documentation covering over-the-counter derivatives. The move is intended to help counterparties comply with the Dodd-Frank Act, and will be used for amendments to documentation necessitated by other global regulatory changes.

ISDA mandate

— The ISDA D-F Protocol consists of multiple schedules which support original master agreements between Swap Dealers and their counterparties

— The ISDA Amend online questionnaire which accompanies the Protocol allows counterparties to revise their master agreements by applying the schedules once

General Questions	All participants answer Q1-5			
Entity specific questions	**ERISA** Answer Q7-9, 13	**Swap Dealer** Answer Q10-12	**Other (e.g. hedge fund)** Answer Q7-9	**Special Entity** Answer Q7-9, 14-18
	↓	↓	↓	↓
Amend ISDA master by accepting all or some of these schedules	**Schedules** **1, 2, 5, 6**	**Schedules** **1-6**	**Schedules** **1, 2, 3**	**Schedules** **1, 2, 4**

ISDA Amend Questionnaire

PCA PRINCIPAL TYPE	REFERENCE NAME	
ERISA Special Entity ▾	Enter	Save Q

PCA Principal Type: ERISA Special Entity ☑

Commodity Pool ❓ ☐

Financial Entity ❓ | Select

SPECIAL ENTITY TYPE ❓

i.	Federal Agency	🔘	iv.	Governmental Pla	
ii.	Municipal Agency	☐	v.	Endowment	
iii.	ERISA Special Entity	☐	vi.	Employee Benefit	

ELIGIBLE CONTRACT PARTICIPANT ❓

i.	Swap Dealer	❗ ☑	xiii.	Broker or Dealer is not a person	☐	
ii.	SBSD	☐	xiv.	Broker or Dealer is a person	☐	
iii.	MSP	☐	xv.	AP of registered broker	☐	
iv.	SB-MSP	☐	xvi.	Investment Bank Holding Co.	☐	
v.	Financial Institution	☐	xvii.	FCM is not a person	☐	
vi.	Insurance Company	☐	xviii.	FCM is a person	☐	
vii.	Investment Company	☐	xix.	Floor Broker or Floor Trader	☐	
viii.	Commodity Pool	☐	xx.	Eligible Individual	☐	
ix.	Large Entity	☐	xxi.	Hedging Individual ECP	☐	
x.	Hedge Entity ECP	☐	xxii.	Other Eligible Person	☐	

ERISA SPECIAL ENTITY ELECTION ❓

Agree to Schedule 5	☑	Agree to Schedule 6	

Fiduciary details are required if electing Schedule 5 or 6

Fiduciary Name | Enter

Address Line 1 | Enter

Address Line 2 | Enter

Answer questionnaire

Example of content layout

The questionnaire is divided into three sections:

— Definitions

— Reference data information

— Principal Type selection, representations and schedules

ISDA Amend

Select:
1. PCA Principle Type
2. Eligible Contract Participant
3. Conflict Flag will notify clients but will not avert selection
4. Special Entity Type
5. Schedules

— Buy-side participants must be prepared to provide information to comply with Dodd-Frank rulemakings *OR* risk a halt to trading

— First steps include categorising accounts by PCA Principal type and preparing answers to Part 2 of the questionnaire for each account

— More rules to come

— Participants should be mindful that beyond the focus of near-term requirements, more rules are on the way that will require preparation, including:

Margin for uncleared swaps

Swap documentation

Portfolio reconciliation, compression and dispute resolution

— Operational cost reduction

— Provides an easy to use technology-based solution

— Stores complete audit trail and reporting capabilities

— Leverages a secure and mature existing MDE infrastructure

— Extensible platform for wider utility moving forward

— No fee for buy-side users

Timeline of activity

July 17th	July 23rd	July 24th	July 24th–25th	Multiple Dates	August 6th	September 10th	October 15th
Target date to supply buy side names for distribution campaign	Bulk upload spreadsheet available for ISDA Amend questionnaire Part II Markit launches click-through ISDA Amend user sign-up	CFTC designating DTCC-SWIFT LEIs provider	ISDA Dodd Frank Event	E-mail Outreach	Markit Launches ISDA Amend questionnaire Part II ISDA August 2012 DF Protocol opens for adherence	Markit Launches ISDA Amend questionnaire Part III	Dodd-Frank business conduct rules compliance deadline

Contact us

Sign up to the ISDA Amend tool today using our simple click through process:

http://www.markit.com/en/products/distribution/document-exchange/registration.page

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The ISDA-Markit Dodd-Frank Implementation page is on isda.org. In order to facilitate implementation of Dodd-Frank rulemakings, ISDA launched a page on their website to cover all presentations, documentation, audio playback related to this protocol.

Link: http://www2.isda.org/dodd-frank-documentation-initiative/

External Business Conduct Standards: Impact on Buy-Side and End-User Organizations

Webinar slide deck from June 27, 2012.

— ISDA Dodd-Frank Documentation Initiative and August 2012 DF Protocol

Common questions and a brief summary to assist in your consideration of the ISDA August 2012 Dodd-Frank (DF) Protocol

— ISDA August 2012 DF Supplement (DRAFT)

Cadwalader, Wickersham & Taft LLP DF Protocol - ISDA August 2012 Dodd-Frank Supplement

— ISDA August 2012 DF Protocol Questionnaire (DRAFT)

Cadwalader, Wickersham & Taft LLP DF Protocol - ISDA August 2012 Dodd-Frank Protocol Questionnaire.

— ISDA August 2012 DF Protocol (DRAFT)

Cadwalader, Wickersham & Taft LLP DF Protocol - ISDA August 2012 Dodd-Frank Protocol.

— Dodd-Frank Documentation Compliance for Dealers

Webinar slide deck from June 14, 2012.

Thank you.

markit

mines data
pools intelligence
surfaces information
enables transparency
builds platforms
provides access
scales volume
extends networks
& transforms business.

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