



## DERIVATIVES DOCUMENTATION LIMITED

### **1992 ISDA® MASTER AGREEMENT: HOW IT WORKS AND ITS CREDIT IMPLICATIONS**

#### **One day training course**

#### **Course Description**

There has been increased focus on counterparty credit risk following the global financial crisis. Now is a good time to gain an understanding of the 1992 ISDA® Master Agreement, how it works; its credit and legal implications and its robust close-out netting mechanism.

This one day course provides a clause by clause review of the 1992 ISDA® Master Agreement and its Schedule and covers the above issues. The practical negotiation exercise at the end of the day allows delegates to apply and consolidate the knowledge they have gained during the course.

#### **Learning Objectives**

Participants will take away with them the following:

- An in-depth understanding of the main text and Schedule of the 1992 ISDA® Master Agreement.
- Knowledge of the common amendments negotiated in the Schedule.
- Awareness of the common credit issues relating to this Agreement.
- An understanding of the key differences between the 1992 and 2002 versions of the ISDA® Master Agreement.

#### **Who Should Attend**

- Legal Counsel
- Derivatives Documentation Negotiators
- Credit Risk Managers
- Collateral Managers
- Treasury Managers

#### **Programme points**

**Delegates need to bring their own copies of the 1992 ISDA® Master Agreement.**



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### Course Outline:

1. Introduction.
2. ISDA® documentation architecture.
  - Definitions
  - Confirmations
  - Master Agreements
3. Types of Transactions covered by the ISDA® Master Agreement.
4. Basic Structure of the ISDA® Master Agreement and its Schedule.
5. An in depth review of all Sections of the ISDA® Master Agreement and its Schedule.
6. Matters for credit approval.
  - Specified Entity
  - Specified Transaction
  - Specified Indebtedness
  - Cross Default/cross acceleration
  - Threshold Amount
  - Requests for the unilateral disapplication of Credit Event Upon Merger
  - Additional Termination Events
  - Transfers
  - Section 10(a) and political risk
7. What happens if a deal is done and the Master Agreement is not signed.
8. Main differences between the 1992 ISDA® Master Agreement and the 2002 ISDA® Master Agreement.
9. An examination of the Institution's own ISDA® Master Agreement Schedule if required.
10. Practical exercise.

**Training is charged at an agreed daily rate plus Value Added Tax.**

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