



DERIVATIVES DOCUMENTATION LIMITED

ISDA® Master Agreement and Credit Support Documentation for risk officers

One day training course

Course description

Counterparty credit risk has been one of the main focuses following the global financial crisis. Knowing your counterparty and applying the appropriate credit terms in OTC derivatives documentation is key.

This course provides a practical comprehensive overview of all credit issues in the ISDA Master Agreement and ISDA collateral documentation and their implications.

Learning objectives

Participants will take away with them the following:

- A basic understanding of the 2002 ISDA® Master Agreement and its Schedule.
- Knowledge of common amendments negotiated in the Schedule.
- Awareness of common credit issues related to this documentation.
- An understanding of the key differences between the 1992 and 2002 versions of the ISDA® Master Agreement.
- Knowledge of the importance of taking collateral and the main market documentation used.

Who should attend

- Credit officers
- Risk managers
- Corporate Lenders
- Senior management

Programme points

Delegates need to bring their own copies of the 2002 ISDA® Master Agreement and 1995 ISDA® Credit Support Annex under English Law.

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

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Course outline:

Morning: The 2002 ISDA® Master Agreement: How it works and its credit implications

1. Introduction.
2. ISDA Documentation Structure.
 - Definitions
 - Confirmations
 - Master Agreements
3. Need to know highlights of the 2002 ISDA Master Agreement.
4. 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
5. How to use the ISDA Master Agreement to enhance credit protection.
6. What happens if a deal is done and the Master Agreement is not signed?
7. Main differences between the 1992 ISDA Master Agreement and the 2002 ISDA Master Agreement.
8. Question and answer session.

Afternoon: Collateral and the ISDA® Credit Support Annex under English Law

1. Credit input in collateral arrangements.
 - Eligible Credit Support
 - The need for initial margin
 - Thresholds.
 - Minimum Transfer Amounts.
 - Haircuts
 - Use of Ratings
 - Bilateral or unilateral CSA
2. The ISDA Credit Support Annex (English law).
 - Need to know analysis of provisions.
 - Commonly made amendments with examples.
3. Question and answer session.