



# Advanced OTC Documentation

Building on the Introductory Guide to OTC Documentation workshop, this program examines in detail the concepts of netting, key clauses and negotiated issues in the 2002 ISDA® Master Agreement. Essential topics discussed include:

- » key differences between the 1992 and the 2002 ISDA® Master Agreement
- » the process and main clauses in negotiations
- » the use and types of credit support documentation
- » tax representation and termination events, such as the new Force Majeure

Short lectures, case studies and deal types are combined to ensure participants gain sound working knowledge of ISDA® OTC documentation. The workshop is suitable for anyone directly involved in the operational, legal or compliance aspects of financial markets trading.

This practical one-day workshop identifies key issues in the ISDA® Master Agreement and the negotiation process. Relevant legal terms will be explained and more advanced documentation issues will be examined, including:

- » tax representations
- » cross default clauses
- » close-out amount – the new method of calculating termination payments in the 2002 ISDA® Master Agreement
- » break clauses
- » early termination events
- » multi-branch parties
- » Force Majeure Event – the new termination event in the 2002 ISDA® Master Agreement
- » automatic early termination
- » set off provisions
- » credit support
- » netting dealing with non-corporates
- » events counterparties

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The workshop provides an opportunity for discussion of the practical differences between the 1992 and 2002 ISDA® Master Agreements and implementation issues and options for OTC market participants.

Short lectures will be combined with case studies and deal types. Workbooks supplied will provide participants with access to all relevant documentation.

## UPON COMPLETION OF THIS WORKSHOP, PARTICIPANTS WILL BE ABLE TO:

- » explain the concept of netting (payment and close-out) in the ISDA® Master Agreement
- » outline and review key clauses and negotiated issues in the ISDA® Master Agreement
- » define the key differences between the 1992 and 2002 ISDA® Master Agreements
- » describe 'Know Your Counterparty' issues and explain their importance
- » explain how and why credit support documentation is used and the core concepts in the ISDA® Credit Support Annex
- » discuss how and why the Investment Managers Supplement is used and its core concepts
- » report on the operational issues experienced when dealing with derivatives

This course will be of particular value and relevance to:

- » analysts
- » compliance managers
- » corporate treasurers
- » dealers
- » fund managers
- » ISDA® negotiators
- » legal counsel
- » operations staff
- » risk managers
- » settlements staff
- » traders
- » treasury operations personnel

## ASSUMED/DESIRED KNOWLEDGE

Participants will have an overall understanding of derivatives products to the level covered by the Introductory OTC Documentation Workshop.

## COURSE OUTLINE

### 1. The importance of documentation

- » risk management: different types of risks
- » one type of risk: legal risk for derivatives
- » background to ISDA® Master Agreement

### 2. Detailed analysis of 2002 ISDA Master Agreement

- » types of master agreements
- » discuss 2002 ISDA® Master Agreement terms
- » the new close-out amount termination payment calculation methodology
- » the new Force Majeure Event Termination Event
- » other major changes between the 1992 and 2002 ISDA® Master Agreements
- » review of significant clauses such as Gross-up, Tax Representations, other Representations, Undertakings, Events of Default and Termination Events
- » schedule to the 2002 ISDA® Master Agreement
- » products covered by the 2002 ISDA® Master Agreement
- » linking multiple master agreements: close-out netting

### 3. The process of negotiation

- » key clauses in negotiations
- » examples of additional clauses used

### 4. Key issues

- » non-corporate entities
- » repurchase agreements
- » electronic confirmations

### 5. Confirmation

- » failure to confirm — case study
- » procedures

### 6. Credit Support Annex

- » different types of Credit Support documentation, why they are used and what they do
- » review of English law - governed Credit Support Annex
- » issues with other types of credit support documentation
- » key clauses and negotiated issues

### 7. Investment Manager Supplement

- » why they are used and what they do
- » review of Investment Manager Supplement
- » key clauses and negotiated issues

### 8. Operational issues

- » issues and risks that need to be addressed
- » how to address them
- » systems

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## REGISTRATION FORM

### PERSONAL DETAILS

Dr  Mr  Ms

Name \_\_\_\_\_ Surname \_\_\_\_\_

Position \_\_\_\_\_

Company Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

Country \_\_\_\_\_

Telephone \_\_\_\_\_ Mobile \_\_\_\_\_

Fax \_\_\_\_\_ Email \_\_\_\_\_

Are you an AFMA Member Yes / No

### WORKSHOP DATES & LOCATIONS

Please refer to [www.afma.com.au](http://www.afma.com.au) for latest workshop dates & times.

Preferred date: \_\_\_\_\_

### FEE PER COURSE

Member \$1,298.00 inc GST

Non-member \$1,617.00 inc GST

Introductory and Advanced Guide to OTC Documentation Package

Member \$1,940.40 inc GST

Non-member \$2,415.60 inc GST

This document becomes a Tax Invoice for GST purposes upon completion and payment. Please photocopy and retain for your records.

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