What is ISDA Create - IM?

May 2018

Background

- ISDA is launching ISDA Create. ISDA Create is an online solution that will, among other things, allow firms to produce, deliver, negotiate and execute documents and capture, process and store data from such documents completely within the solution, thereby providing users with a complete digital record of such documents/data.

- ISDA Create – IM is ISDA's first offering under ISDA Create.

- ISDA and Linklaters (with its in-house tech team, nakhoda) are collaborating to develop **ISDA Create – IM**.

- A wide universe of buy-and sell-side firms will come into scope of initial margin (IM) regulations in 2019/20, creating a need to efficiently negotiate IM documentation with large numbers of counterparties.

- ISDA is drafting new IM documentation for these IM phases (four and five).

- Linklaters is ISDA's global counsel in connection with the industry consultation and drafting of the IM documentation.

- The new IM documentation and the existing phase-one IM documentation will be supported on ISDA Create – IM.

- ISDA expects to have future offerings under ISDA Create– for example, to complete the Schedule to the ISDA Master Agreement

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Benefits of ISDA Create - IM

- The platform will:
    - Make the negotiation process more efficient and less time consuming from start to finish;
    - Provide powerful commercial, risk management and resource management functions, data and analytics; and
    - Remove the need for any post-execution transfer of data from negotiated documentation into internal systems and the chance for error during such a data transfer.

- It will allow firms to automate the creation and delivery of IM documentation, and negotiate and execute IM documentation with multiple counterparties simultaneously. This is all conducted online, while providing flexibility to take one or more of these steps offline if required.

- The system allows standard elections to be made, but also allows firms to customize on a party-by-party basis. There are no restrictions on what parties may agree on a bilateral basis on the platform.

- The system automatically reconciles both standard elections and bespoke provisions exchanged, and flags the differences in an efficient and easy-to-read way.

- ISDA has also invited custodians in the IM space to put their documentation on ISDA Create – IM and intends to put eligible collateral schedules and custodian documentation on the platform.

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Benefits of ISDA Create - IM

- The platform will allow parties to embed their standard workflow by allowing approvals of deviations from preferred elections to be requested and recorded through the platform, providing an audit trail.

- The platform will provide a means for parties to communicate internally and externally in relation to an ongoing transaction.

- The data on the platform is stored digitally, and can be pulled into a firm's internal systems for storage and/or further use.

- Firms will be able to harness and analyze management information and commercial/legal data generated and stored on the platform in a meaningful way.

- The platform is being built with the ability to evolve over time as the needs of the market change.

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Other Information

- The development of ISDA Create - IM will run in parallel with the drafting of IM documentation for phases four and five of the IM rollout. The target timescale for completion of the new IM documentation is Q3 2018.

- **ISDA Create - IM will be launched in early 2019, with a beta version available from September 2018.**

- The onboarding process for initial platform users will commence several months before the launch of ISDA Create - IM.

- An Architecture Advisory Group comprising both buy-side and sell-side market participants has been established to consult with ISDA and Linklaters on the development of ISDA Create - IM and will meet regularly in the lead up to the launch.

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Contact Details

- For queries regarding ISDA Create - IM or to arrange a demonstration of the platform, please contact:
  - ISDA Legal Department, isdalegal@isda.org or isdacreate@isda.org

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