

2020 PUBLIC COURSES



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The ISDA® Agreement (6 CPD points)

Audience: This course is well suited to in-house legal advisers; business, credit and collateral personnel.

- What is an ISDA®, what products does it cover, the key benefits that an ISDA® provides for
- Different types of derivatives: OTC, exchange traded & cleared
- The role of derivatives in hedging risk
- Key differences between the 1992 ISDA® and the 2002 ISDA®
- The structure of the ISDA® and the netting benefits (settlement netting, close-out netting and set-off)
- A clause-by-clause analysis of the ISDA® schedule and the credit and legal terms, elective provisions and the defined terms
- How to effectively negotiate the ISDA® schedule, pointing out the effect of certain negotiated provisions using practical examples
- The main Events of Default and how they trigger
- Additional Termination Events: how to address credit risk through Termination Events
- The process to follow after an Event of Default has been triggered
- The Agency provisions and the regulatory provisions (FATCA, EMIR)
- Includes a practical workshop which gives delegates an opportunity to work through an example of an ISDA® schedule and the types of clauses that are negotiated

This course was approved in 2019 by the FPI as a CPD programme. Do let us know if you require these points in 2020!

Outcomes: Delegates will gain a very solid, in-depth knowledge of the legal and credit terms in an ISDA® Agreement. They will have a firm understanding of the types of negotiated clauses that are seen in an ISDA® schedule, and will also be aware of the types of additional clauses that one can include in an ISDA® schedule to address various credit concerns.

Duration: 8 hours

Cost: R8 500 per person (excluding VAT)

Delegates are required to bring a copy of the 2002 ISDA® Master Agreement.

Register online for this course at: <https://www.derividoc.com/the-isdagreement>

THIS COURSE IS ALSO OFFERED ON AN IN-HOUSE BASIS FOR A MIN OF 5 PEOPLE.

Collateral and the CSA Master Agreements

Audience: This course is well suited to in-house legal advisers; business, credit and collateral personnel.

- What is collateral and why is it so important?
- The operational and credit aspects of the collateral agreements: how to calculate exposure; what collateral is required; thresholds; minimum transfer amounts; independent amounts; delivery amounts, return amounts and valuation percentages
- Over-collateralisation risk
- An overview of the 1995 English law CSA, 1994 NY law CSA, the English Law Deed and the Standard CSA, and how all these documents work in a South African context
- Consider out-and-out cession and cession *in securitatem debiti* under SA common law, and the Financial Markets Act and the tax implications
- Collateral management as a key focus of the regulatory requirements
- Variation Margin versus Initial Margin
- Regulatory requirements under EMIR, Dodd Frank and the FMA for margining cleared and uncleared derivatives
- Options re how to document your regulatory VM relationship
- The ISDA® Self-Disclosure letter
- Differences between the legacy CSAs and the regulatory VM CSA
- A brief overview of the IM CSA
- Includes a practical workshop giving delegates an opportunity to work through an example of a CSA schedule

Outcomes: This is an introductory course to those who want to understand the operational aspects of collateral management and the legal framework for credit support documents. Delegates attending this course will gain a firm understanding of the Credit Support Annexures and the various negotiated sections in the CSA schedules, particularly the credit terms and thresholds. Delegates will gain a sound understanding of the New York law CSA, the English law CSA and the English Law Deed and when to use these agreements in a South African context. The legal intricacies of collateral arrangements under SA law will be covered in detail. A brief overview of the new regulatory requirements around collateral will be discussed including collateral in the cleared and uncleared environment, as well as a brief introduction to the new legal documents (VM and IM CSAs).

Duration: 8 hours

Cost: R8 500 per person (excluding VAT)

Delegates are required to bring a copy of the CSA Master Agreements.

Register online for this course at: <https://www.derividoc.com/collateral-and-csa-master-agmnts>

THIS COURSE IS ALSO OFFERED ON AN IN-HOUSE BASIS FOR A MIN OF 5 PEOPLE.

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Understanding the 2016 Variation Margin CSA

Audience: This course benefits legal personnel involved in negotiating the terms of the 2016 VM CSAs, and collateral management personnel who need to understand the agreement so that they can implement the operational aspects of the VM CSA. This course is a perfect add-on to the 'Collateral and the CSA Master Agreements' course as it provides legal and operational detail on the new requirements and provisions of the 2016 VM CSA.

- The regulatory requirements for Variation Margin for uncleared derivatives under EMIR, Dodd Frank and the Financial Markets Act
- Which entities and products are in-scope for the margin rules
- How to document the new VM rules: amend, amend and re-state, and new 2016 VM CSA
- Clause-by-clause analysis of the schedule to the 2016 English law VM CSA and how to understand and negotiate it
- The meaning of Covered Transactions and which transactions the new VM CSA should cover
- The various options of how to pay interest
- The impact of having multiple CSAs, setting-off against other CSAs, netting collateral calls across multiple CSAs
- Eligible collateral and valuation percentages
- What is Legally Ineligible Credit Support?
- Minimum Transfer Amounts and how they are apportioned across multiple CSAs
- A brief overview of the New York law VM CSA
- Discussion on the application of these new 2016 VM CSAs in a South African context
- Includes a practical workshop where delegates get to see the elective provisions in the VM CSA play out in a practical example

Outcomes: Delegates will gain an in-depth understanding of the workings of the new VM CSA as well as detailed explanations on how each of the elective and variable clauses work in the schedule. This means that delegates will have a firm grasp and understanding of the terms of the VM CSA to reflect their firms' collateral management processes.

Duration: 6 hours

Cost: R6 800 per person (excluding VAT)



Register online for this course at: <https://www.derividoc.com/understanding-the-2016-vm-csa>

THIS COURSE IS ALSO OFFERED ON AN IN-HOUSE BASIS FOR A MIN OF 5 PEOPLE.

Understanding Initial Margin and the Legal Documents

Audience: This course benefits legal personnel involved in negotiating the terms of the IM CSD (Initial Margin Credit Support Document), and collateral management personnel who need to understand the agreement so that they can implement the operational aspects of the IM CSD.

- Key differences between Variation Margin and Initial Margin
- What are the Initial Margin requirements under EMIR, Dodd Frank and the FMA?
- IM implementation phases
- Collateral flows between two IM counterparties
- AANA Thresholds and how they are calculated
- How to calculate IM
- Overview of the SIMM and Grid methods of calculating IM
- How to implement an IM compliant process
- Types of custodian and the triparty v. third party service offering
- The documentation required for an IM relationship (bank custodian v. CSD custodian)
- Clause-by-clause through the Initial Margin Credit Support Deed (English law) and the elective provisions
- Margin Approach options
- The Regime table
- Clause-by-clause through the Collateral Transfer Agreement
- Clause-by-clause through the Security Agreement
- Overview of the Custody Agreement
- Key provisions of the Account Control Agreement
- When does the Secured Party have access to the collateral?
- When does the Pledgor have access to the collateral?
- An insight into Initial Margin optimisation strategies

Outcomes: Delegates will gain an in-depth understanding of the workings of the new IM CSD as well as other documents which form part of the IM documentation suite. Delegates will gain insight into the IM requirements from a legal and operational perspective.

Duration: 8 hours

Cost: R8 500 per person (excluding VAT)



Register online for this course at: <https://www.derividoc.com/understanding-im-and-the-legal-docs>

THIS COURSE IS ALSO OFFERED ON AN IN-HOUSE BASIS FOR A MIN OF 5 PEOPLE.

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The Financial Markets Act and its Impact on the OTC Derivatives Market

Audience: This course suits people in the legal and compliance teams as well as the operational teams (middle office) and front office who need to understand the new regulatory environment and how it will impact OTC derivatives and how they will be traded.

- The global and South African regulatory landscape pre-2008 and where it has moved to post-2008
- Recommendations to the SA market to strengthen the current regulations (G20 & IOSCO)
- What are the aims of the FMA: what does it address, who does it apply to, and how will it be implemented?
- An overview of the other regulations impacting OTC derivatives in SA: Financial Sector Regulation (FSR) Act; Financial Markets Act regulations; Board Notices and Joint Standards published under the FMA
- Subordinate legislation
- Establishing Twin Peaks under the FSR Act
- Changes to the definitions of the Securities Services Act in the Financial Markets Act
- Authorising OTC Derivative Providers
- Central Securities Depository (Participants and Authorised Users)
- Uncertificated securities, registration and ownership of securities
- Pledge and Out and Out Cession of securities
- The tax treatment relating to the transfer of assets
- Trade repositories and the reporting rules
- Central clearing houses and an overview of central clearing requirements
- Margin requirements and collateral under the FMA
- Other regulatory impacts on the way in which OTC derivatives will be done: Basle III, FATCA, the Volcker Rule, MiFID II
- Issues with the new global regulatory landscape

Outcomes: Delegates will gain detailed insight into how the Financial Markets Act will impact the way in which OTC derivatives are traded, and how securities are dealt with. Delegates will also be made aware of the contentious issues in the new legislation, and the subordinate legislation will also be highlighted. Some comparisons will be drawn to the Dodd Frank and EMIR regulations.

Duration: 8 hours

Cost: R8 500 per person (excluding VAT)

Delegates are required to bring a copy of the Financial Markets Act.

Register online for this course at: <https://www.derividoc.com/the-financial-markets-act>

THIS COURSE IS ALSO OFFERED ON AN IN-HOUSE BASIS FOR A MIN OF 5 PEOPLE.

OTC Regulations: An Overview of the Financial Markets Act, Dodd Frank and EMIR

Audience: This course suits people in the legal and compliance teams as well as the operational teams (middle office) and front office who need to understand the new regulatory environment and how it will impact OTC derivatives and how they will be traded with their EU and US counterparts.

- Why reducing systemic risk is important and how that can be achieved
- An overview of the key components of the FMA, Dodd Frank and EMIR regulations
- Counterparty classification and definitions under the FMA, Dodd Frank and EMIR:
 - FMA – what an ODP, Counterparty and Client are
 - EMIR – Counterparty classification (FC, NFC+, NFC-), and requirements under EMIR for FC, NFC+ and NFC-
 - Dodd Frank – what a ‘US Person’ is; what elements of Dodd Frank will apply (specifically to SA Counterparties); what a Swap Dealer, Foreign Branch, Conduit Affiliate and Guaranteed Affiliate under Dodd Frank are
- Transaction level requirements and entity level requirements
- What does substituted compliance mean and how does it operate under the FMA, EMIR and Dodd Frank?
- What are the extraterritorial aspects of each of the regulatory regimes? What is a Third Country Entity?
- End-User Exceptions
- Trade reporting: what it is, and what is required under the FMA, EMIR and Dodd Frank?
- Collateral and Margin Rules: what is VM and IM and what does each regulatory regime require from a collateral perspective? Who is in-scope and who / what is exempt?
- Central Clearing: an introduction to the concept and what each regulatory regime prescribes
- The ISDA® protocols for regulatory compliance – when to use these and which are relevant for an SA Counterparty:
 - The Cross-border Swaps Representation Letter
 - EMIR NFC Representation Protocol, and the Portfolio Reconciliation Dispute Resolution and Disclosure Protocol
 - The EMIR Counterparty Classification Tool on ISDA® Amend
 - Summary of the various D-F Protocols and their relevance to SA Counterparties
 - The FATCA Protocol
 - The Universal Stay Protocol (including US Resolution Stay and the EU BRRD)
- Issues and challenges with the new global regulatory environment

Outcomes: Delegates will gain a solid understanding of what regulatory changes will impact on the processes and documentation of OTC derivatives going forward. This is particularly useful as it gives delegates a South African focus on the global regulatory regimes and how these international regulations impact an SA counterpart.

Duration: 8 hours

Cost: R8 500 per person (excluding VAT)

Register online for this course at: <https://www.derividoc.com/regulatory-overview-fma-df-emir>

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Benchmark Reform, SA Margin Rules and Other Regulatory Updates

Audience: This course is relevant for those legal and business personnel who require a quick update on the main OTC derivative regulatory changes from 2017 to present, or for those who have already attended the 'Financial Markets Act and its Impact on the OTC Derivatives Market' course and/or 'OTC Regulations: An overview of the Financial Markets Act, Dodd Frank and EMIR' course, and just require an update on these regulatory regimes since 2017.

- The June 2020 code of conduct on the margining of uncleared derivatives under the FMA
- Update to the reporting requirements under the FMA (April 2018 Board Notice)
- Other updates to the FMA since 2017: the Financial Sector Regulation Act 2017; the Financial Markets Act regulations; authorising ODPs and the code of conduct for ODPs
- The Financial Matters Amendment Act
- Benchmark reform; risk-free rates; LIBOR
- ISDA® initiatives to support benchmark reform: supplement to the 2006 ISDA® definitions and the Benchmark Protocol
- MiFID II: a brief overview
- Securities Financing Transaction Regulation under EMIR: transparency and reporting provisions
- Bank Resolution and Recovery Directive (BRRD): how it will operate and how it will impact SA Counterparties
- The US Resolution Stay Protocols: what the regulation provides for and who is impacted; main terms of the US Stay Protocol and how to adhere

Outcomes: Delegates will gain an update to the most recent developments in local and international regulation in the OTC derivatives market.

Duration: 6 hours

Cost: R6 800 per person (excluding VAT)



Register online for this course at: <https://www.derividoc.com/regulatory-update-2017-to-present>

THIS COURSE IS ALSO OFFERED ON AN IN-HOUSE BASIS FOR A MIN OF 5 PEOPLE.

The 2011 Global Master Repurchase Agreement (6 CPD points – APPROVED!)

Audience: This course benefits the legal teams involved in negotiating this agreement, the credit teams involved in assessing credit risk on these transactions as well as the trading teams who trade repo. Collateral personnel may also be interested in this course in terms of how the margining process works.



- What is a repo: classic repo; buy-/sell-back and securities lending transaction
- Tri-party repo
- An overview of the different repo products
- Why use repo?
- Background to the legal documentation
- Benefits of using a GMRA
- Legal aspects of a repo
- Risks and rewards: credit risks involved
- New or different definitions used in the 2011 GMRA
- Margin and margin maintenance
- Collateral and haircuts: margin ratio and margin percentage calculations (and how they relate to Transaction Exposure)
- Re-pricing
- Adjustment
- Income payments
- Substitution of collateral
- Default mechanisms in the GMRA
- Buy-in, mini close-out and set-off
- The Annex and elective provisions; the Buy/Sell Back Annex
- The use of the GMRA in South Africa
- Re-characterisation risks
- Tax implications

Outcomes: Delegates will gain a solid understanding of the 2011 GMRA, the margining process as well as how this agreement works in the context of SA law. Negotiation points of the agreement will also be discussed to give the delegates a good understanding of how to effectively negotiate the agreement.

Duration: 6 hours

Cost: R6 800 per person (excluding VAT)

Register online for this course at: <https://www.derividoc.com/2011-global-master-repurchase-agmt>

THIS COURSE IS ALSO OFFERED ON AN IN-HOUSE BASIS FOR A MIN OF 5 PEOPLE.

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The 2010 Global Master Securities Lending Agreement

Audience: This course is suitable for legal teams involved in negotiating the GMSLA, credit teams involved in assessing the credit risks, collateral teams involved in the posting and receiving of collateral, as well as trading teams who enter into securities lending transactions.

- What is securities lending?
- Why enter into securities lending transactions?
- Risks involved in securities lending
- History and structure of the GMSLA
- Main changes in the new 2010 GMSLA (amended definitions and concepts)
- Collateral and margin
- Market Value
- Substitutions
- Manufactured Payments
- Voting rights and corporate actions
- Default mechanisms and Default Market Value
- Using the GMSLA in South Africa
- The terms of the 2016 SASLA Annex
- Tax implications and STT exemptions
- Re-characterisation risks
- Foreign and local regulatory impacts on the securities lending market

Outcomes: Delegates will gain a detailed understanding of the legal and operational workings of the 2010 GMSLA, and the key differences between the 2010 and 2000 versions of the agreement. In particular this agreement and the collateral process is discussed in the context of the South African market and how this agreement works for South African counterparts.

Duration: 6 hours

Cost: R6 800 per person (excluding VAT)

Register online for this course at: <https://www.derividoc.com/2010-global-master-sec-lend-agmnt>

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Apply to Attend Courses

DeriviDoc also offers the following courses, not scheduled, which run when 5 or more delegates register – on a mutually agreed-upon date. Register your interest on our website, and we will contact you when we have the minimum number of delegates to schedule a public offering (at the Da Vinci Hotel in Sandton).

Alternatively, these courses are also offered on an in-house basis for a minimum of 5 people.

- ✓ **An Introduction to Central Clearing**
- ✓ **The Legal Agreements Required for Clearing**
- ✓ **Project Finance Linked Hedging**
- ✓ **Credit Derivatives and the 2014 Definitions**
- ✓ **The ISDA® Agreement for Credit Personnel**
- ✓ **Close Outs under the ISDA®: a Lehman Brothers Case Study**
- ✓ **Master Agreements Workshop (or part thereof)**
 - **Day 1: Master Agreements Overview**
 - **Day 2: Collateral Agreements Overview**
 - **Day 3: Regulatory Overview**

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Summary of Courses	Dates (remaining in 2020)	Venue	Duration
Collateral and the CSAs	28 September, 29 September, 30 September & 01 October	Online – via MS Teams or Zoom	2-hour morning sessions each day
Regulatory Update 2017 to Present	05 October & 06 October	Online – via MS Teams or Zoom	2-hour morning sessions each day
The Financial Markets Act	20 October, 21 October, 22 October, 23 October	Online – via MS Teams or Zoom	2-hour morning sessions each day
The ISDA® Agreement	02 November, 03 November, 04 November, 05 November	Online – via MS Teams or Zoom	2-hour morning sessions each day