

**GMRA/GMSLA Workshop
13-15 September, 2010**

Agenda

Day One

GMRA sessions

09.30 The nature of repo: operational and basic legal characteristics

Richard Comotto, ICMA Centre

- Defining a repo
- The main uses of repo: funding long positions, covering short positions
- Market and documentary terminology
- Collateral management issues:
 - valuation and revaluation
 - initial margin/haircut
 - margin maintenance, margin thresholds, minimum transfer amounts
 - rights of substitution
 - custody (delivery, HIC, tri-party)
 - fails
- Functional characteristics of repo

11.00 Break

11:15 The nature of repo: operational and basic legal characteristics

Richard Comotto, ICMA Centre

- Operational and legal risks in repo
- Credit risk in repo
- Liquidity risk in repo
- Distinguishing repurchase agreements and buy/sell-backs
- Main types of repurchase agreement
 - fixed-rate
 - floating-rate
 - open
 - forward-start
 - synthetic

12:00 Overview of the repo markets

Richard Comotto, ICMA Centre

- Size and composition of the European repo market
- GC and specials markets
- Specials and securities lending
- Electronic trading
- CCP

12.30 Lunch

13:30 The nature of securities lending & borrowing: operational and basic legal characteristics

Richard Comotto, ICMA Centre

- Basic transaction structures and definition
- Market terminology
- Basic legal characteristics
- Economic (risk/return) characteristics
- Standard risk management features (collateral, counterparty, margin, recall, pre-delivery of collateral, confirmation, indemnification, documentation, close-out and set-off)
- Custody and settlement (bilateral and triparty arrangements)
- Operational features (corporate actions, voting rights, substitution, payments, fails)
- Fee structures
- Securities lending versus repo

15:15 Overview of the securities lending markets

Richard Comotto, ICMA Centre

- End-users (beneficial owners, hedge funds and proprietary traders)
- Intermediaries (ICSDs, custodians, fund managers, third-party agents, principal lenders, direct lenders, prime brokers)

15:45 Break

16:00 General legal issues

Richard Comotto, ICMA Centre

- Re-characterisation risk
- The enforceability of set-off in insolvency
- Governing law and conflict of law rules
- EU Settlement Finality Directive
- EU Financial Collateral Directive
- Hague Convention

17.30 Close of day

Day Two

09:00 Global Master Repurchase Agreement 2000: overview Freshfields Bruckhaus Deringer LLP

- Architecture
- Country and product annexes
- Changes from GMRA 1995
- Legal opinions
- Comparison with GMSLA
- Comparison with ISDA
- Clauses to reinforce netting

10.00 Global Master Repurchase Agreement 2000: key procedures Freshfields Bruckhaus Deringer LLP

- Collateral valuation methods and price sources for margining
- Initial margin/Margin Ratio
- Re-pricing and adjustment alternatives to margining
- Forward-start repos

10.30 Break

10:45 Global Master Repurchase Agreement 2000: key procedures (continued) Freshfields Bruckhaus Deringer LLP

- Events of default and default notices
- How close-out and set-off works
- Collateral valuation and exposure calculation methods
- Price sources in default calculations
- Suspended securities
- Income payments
- Rates of interest
- Fails, the mini close-out, mini close-out versus buy-in rules
- Rights of substitution
- Tax events
- Representations

12.00 Lunch

13:00 GMSLA 2010: overview Freshfields Bruckhaus Deringer LLP

- Architecture
- Changes from previous GMSLA
- Legal opinions
- Comparison with GMRA 2000

14:00 GMSLA 2010: clause-by-clause review

Freshfields Bruckhaus Deringer LLP

- Use of market terminology
- Addenda, Annexes and Confirmations
- Amendments to the Agreement
- Base currency and new currencies
- Loaned securities delivery requirements
- Collateral delivery requirements and equivalence
- Collateral schedule

14:30 Break

14:45 GMSLA 2010: clause-by-clause review

Freshfields Bruckhaus Deringer LLP

- Substitution of collateral
- Failure to deliver, indemnities and buy-ins (and comparison with GMRA mini close-out procedure)
- Lender's right of recall, borrower's right of return
- Margin
- Collateral valuation methods and price sources for valuation
- Collateral adjustment procedures and delivery netting
- Income payments and manufactured payments on loaned securities and collateral
- Voting rights
- Corporate actions
- Rates on and payment of loaned securities and cash collateral
- Events of default and default procedures (including calculation of Default Market Value, timings, other costs and set-off)
- Measures to reinforce netting (single agreement, assignment, Designated Offices)
- Dealing with withholding, stamp and sales taxes, and other tax events
- Representations
- Agency Annex
- Addendum for Pooled Principal Agency Loans

17.00 Close of day

Day Three

09:00 Review of Key Annexes

Richard Comotto

- Buy/Sell-Back Annex
- Equity Annex
- Agency Annex

10:00 Other securities lending agreements

Speaker to be confirmed

- OSLA
- MEFISLA
- GESLA

11:00 Break

11:15 Documentary issues and case studies

Reiko Masada, Citigroup

- Negotiation
- Default scenario
- Mini close-out scenario

12:15 Lunch

13:00 Documentary issues and case studies

- Negotiation
- Default scenario
- Fails scenario

14:00 Future of the GMRA

Lisa Cleary, ICMA

14:30 The future of the GMSLA

ISLA representative

15:00 Close of course