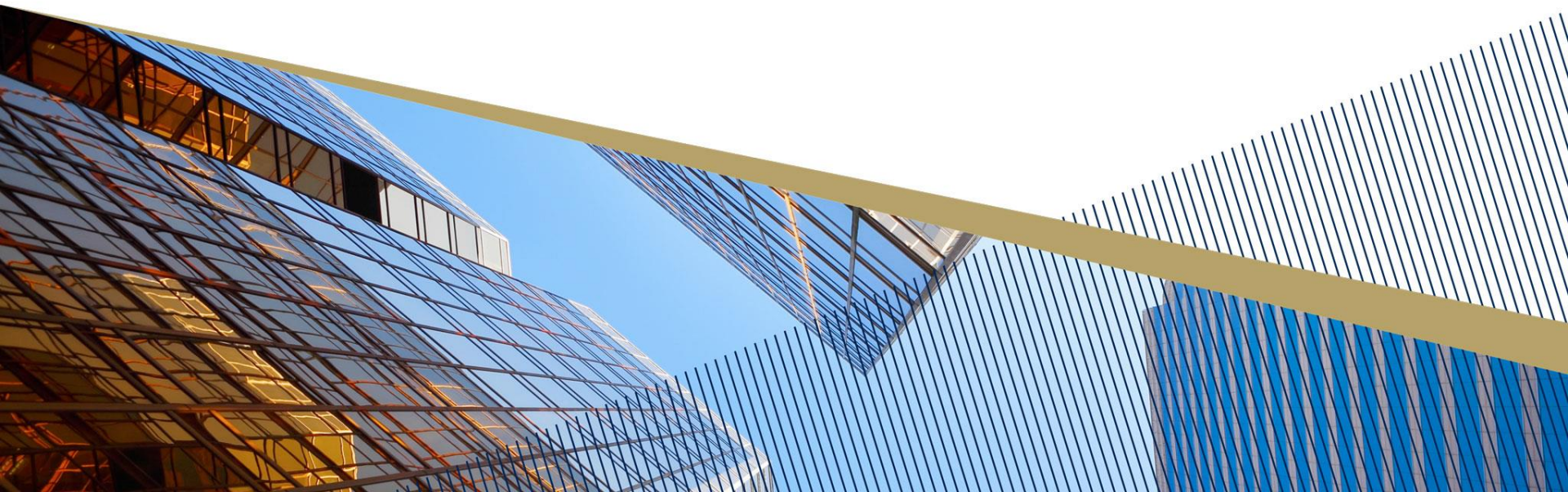


Lisa Cleary Legal update



Legal opinion updates

- In 2016 ICMA obtained opinions on the GMRA 1995, 2000 & 2011 in over 60 jurisdictions.
- Opinions address enforceability of netting provisions and recharacterisation risk.
- Basic counterparty coverage (companies, banks and securities dealers) and extended counterparty coverage (also includes insurance companies, hedge funds and mutual funds).
- Opinions available at: <http://www.icmagroup.org/legal>
- Interim memo to the GMRA legal opinion for Germany
- ICMA has published a GMRA legal opinion for Georgia

- The ICMA GMRA legal opinions will continue to cover the GMRA 1995 in 2017 but ICMA will review the position for the 2018 opinions
- Regulatory desire to see the market using the most up to date version of standard market documentation
 - GMRA 2011 Protocol – multilateral application for adhering parties
 - Improved default provisions:
 - Methodology for calling an event of default
 - Procedure for closing out transactions and determining the amounts payable
 - Introduces a set off provision
 - Introduces a definition of Euro
 - Replaces references to LIBOR
- ICMA continue to encourage adoption of the 2011 GMRA Protocol

- At the request of the ERCC committee ICMA is developing an industry standard GMRA Annex for use with corporate counterparties. The aim is to open the repo market to a wider group of counterparty types, including firms which may not have the capacity to negotiate long form GMRAs. The annex would set out the principal contractual terms between counterparties. Due to the standardised nature of the document, it could theoretically be used for multiple transactions with disclosed participants within the same triparty system. The triparty agents' terms and conditions and service agreements would take effect separately.

- Challenges
 - Accommodating bespoke amendments-
 - House preferences
 - Compliance related
 - Jurisdiction related
 - Opinion coverage for counterparty types
 - Interaction with triparty service providers' service agreements

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