



Contract Negotiation



CHALLENGE

The International Swaps and Derivatives Association (ISDA) Master Agreement is a standardized contract to protect parties entering into OTC derivatives transactions. When a new entity of an existing client wishes to initiate trading, the Master Agreement must be updated before trading can begin.

To learn more about ISDA Document Updates and Vox FP's solution through its Opal software offering, contact us at info@voxfp.com.

THE CONVENTIONAL APPROACH

Historically, banks have had to manually update Master Agreements. This includes tracking down the most recent version of the existing Master Agreement, updating the agreement to include the new fund, issuing the updated document for client review and managing back and forth edits with the client. After contract execution, banks have had to manually update internal systems and then inform the trading desks that they can trade the new entity.

It's an inefficient process that introduces a number of problems: version control issues, editing errors, the use of outdated or inconsistent legal language, and the inability for management or the trading desk to see the progress of updates.

A MODERN APPROACH: OPAL

Opal is an advanced suite of web-based tools to automate the creation and management of documents across the enterprise. When updating ISDA documentation, Opal maintains the "golden source" copy of the current agreement and allows employees across the enterprise to easily edit, manage, and track ISDA Master Agreements through an easy-to-use application.

TOP THREE BENEFITS

1. Opal significantly reduces operational risk when amending ISDA documentation
2. Opal promotes a faster turnaround time for editing and executing ISDA documentation
3. Opal introduces the ability for management and trading desk employees to track the status of activities in real-time

HOW IT WORKS

Using Opal to amend ISDA Master Agreements, banks can easily:

- Insert standard language, either for specific clauses from a Clause Library, or for standard sections of a document e.g. a new fund addition, to ensure consistent and accurate language across the document.
- Create a seamless workflow between the bank and client, sharing standard Microsoft Word documents to track back-and-forth edits and before execution.
- Share the contract's structured data with other systems across the enterprise e.g. to allow them to read, directly from the contract, which funds are permitted to trade.

Looking to streamline and expedite your ISDA documentation updates? Contact us at info@voxfp.com for more info.