

# APPLY-TO-ATTEND COURSES



Our Apply-to-Attend courses aren't scheduled. We run them when we have sufficient interest – on a mutually agreed-upon date.

Register your interest via our website, or by contacting [ciska@derividoc.com](mailto:ciska@derividoc.com), and we will be in touch to schedule an online offering.

Alternatively, below are our scheduled online public courses. See our separate brochure or [www.derividoc.com](http://www.derividoc.com) for full course descriptions and more details.

| Summary of Online Courses                                      | Dates in 2022                                          | Duration        |
|----------------------------------------------------------------|--------------------------------------------------------|-----------------|
| Understanding the 2016 Variation Margin CSA                    | 01-02-03 February<br>10-11-12 May<br>01-02-03 November | 9-11am each day |
| Benchmark Reform, SA Margin Rules and Other Regulatory Updates | 15-16-17-18 Feb                                        | 9-11am each day |
| The ISDA® Agreement                                            | 01-02-03-04 March<br>11-12-13-14 October               | 9-11am each day |
| Collateral and the CSA Master Agreements                       | 05-06-07-08 April                                      | 9-11am each day |
| Understanding Initial Margin and the Legal Documents           | 07-08-09-10 June                                       | 9-11am each day |
| The Financial Markets Act                                      | 05-06-07-08 July                                       | 9-11am each day |
| The 2011 Global Master Repurchase Agreement                    | 13-14-15 September                                     | 9-11am each day |
| The 2010 Global Master Securities Lending Agreement            | 27-28-29 September                                     | 9-11am each day |

## 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 (online, 9-11am over 4 days)      **Cost:** R9 000 per person (excluding VAT)

**Register your interest at:** <https://www.derividoc.com/regulatory-overview-fma-df-emir>

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

# APPLY-TO-ATTEND COURSES



## The ISDA® Agreement for Credit Personnel

**Audience:** This course is tailor-made for credit personnel who need to understand the credit terms in the ISDA® when initiating a new ISDA® negotiation.

- What is an ISDA®, what products does it cover, the key benefits that an ISDA® provides for
- Different types of derivatives: OTC, exchange traded and 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 deep dive into the credit-related clauses in the ISDA® Schedule
- How to set relevant credit provisions in the ISDA® Schedule, 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
- How the Agency structure works from a credit point of view
- Includes a practical workshop which gives delegates the opportunity to work through an example of an ISDA® Schedule and the types of credit clauses that should be considered.

**Outcomes:** Delegates will gain a solid, in-depth knowledge of the credit terms in an ISDA® Agreement. They will have a firm understanding of how to assess and set credit-related clauses in the ISDA®.

**Duration:** 6 hours (online, 9-11am over 3 days)

**Cost:** R7 350 per person (excluding VAT)

**Register your interest at:** <https://www.derividoc.com/isda-for-credit>

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## Project Finance Linked Hedging

**Audience:** This course is aimed at those working within, or intending to move into, project development or project finance - including legal advisers, transactors and principals - whether from the financier, project company or sponsor side.

The course will be divided into five short modules:

### **1. An introduction to the principles of project finance (2 hours)**

This module will provide an understanding of the basic principles underlying a typical project finance transaction including: defining project finance, introducing the relevant counterparties, differentiating it (as a concept) to corporate finance, risk allocation and mitigation, the limited recourse concept, financing methods, construction and operation phases in a project finance transaction, PPP's (as a concept), as well as providing a brief run-down of the documents typically involved in a project finance transaction.

### **2. Instruments used to hedge project risks (0.5 hours)**

This module will cover the instruments typically used to hedge project risks (including fluctuations in interest rates, currency and commodity prices) and will explain how these fit in to the overall project financing structure.

### **3. The Facility Agreement / Common Terms Agreement (1 hour)**

This module will identify and explain the clauses relevant to the hedge, including positive and negative undertakings, account controls, cash flows and waterfalls as well as the hedging policy/strategy. This module will also explore the security position of the hedge provider and its rights as a finance party under the finance documents.

### **4. The Intercreditor Agreement (1 hour)**

This module will address the rights of the finance parties under the Intercreditor Agreement, including the rights of the hedge providers in contrast to the other finance parties (including independent rights of termination/close out, restrictions, rights on a default and rights on enforcement etc.).

### **5. The Schedule to the ISDA® Master Agreement (1.5 hours)**

This module will explore the provisions of a typical Schedule to the ISDA® Master Agreement in a project finance transaction and explore the interplay between the Schedule to the ISDA® Master Agreement and the other finance documents. It will talk to clauses which can be disapplied in the ISDA®, bespoke clauses required for additional termination events and additional events of default, reliance on the finance documents as well as general rights of termination and enforcement.

**Duration:** 8 hours (online, 9-11am over 4 days)

**Cost:** R9 000 per person (excluding VAT)

**Register your interest at:** <https://www.derividoc.com/project-finance-linked-hedging>

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# APPLY-TO-ATTEND COURSES



## Credit Derivatives and the 2014 Definitions

**Audience:** This course is useful for legal teams (prior knowledge of the ISDA® is required), credit teams involved in setting terms for the credit derivatives confirmations, confirmations teams who are involved in working with the confirmations for the credit derivatives transactions and the trading teams who transact in credit derivatives transactions.

- What is a credit derivative transaction (and what are Credit Default Swaps, Total Return Swaps and Credit Linked Notes)?
- Key areas of change in the 2014 Credit Derivative Definitions
- The main definitions will be covered including: Reference Entity, Succession Event, Obligations, Deliverable Obligations, Obligation Category and Obligation Characteristics
- New definitions included in the 2014 definitions including those relating to Sovereigns and to Financial Reference Entities
- Credit Events: what they are, and how are they triggered? The new Credit Event in the 2014 definitions of Governmental Intervention
- The SNS Reaal case study and how the 2014 definitions addressed the issues identified in this case
- The auction process and physical settlement process
- How the credit derivatives industry is being standardised (in particular, electronic systems and the Physical Settlements Matrix)
- The ISDA® suite of documents relating to credit derivatives: Master Confirmation Agreements, the Standard Terms and the Physical Settlements Matrix

**Outcomes:** Delegates will gain a sound understanding of the key credit derivatives definitions, how they work in the context of a confirmation and how the auction and settlement process works when closing out credit derivatives transactions.

**Duration:** 6 hours (online, 9-11 am over 3 days)

Delegates are required to have a copy of the 2014 Credit Derivatives Definitions for reference.

**Cost:** R7 350 per person (excluding VAT)

**Register your interest at:** <https://www.derividoc.com/credit-derivatives-and-2014-defns>

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## Close Outs under the ISDA®: a Lehman Brothers Case Study

**Audience:** This course is useful for people in legal, credit and risk; collateral and compliance; and possibly the front and middle office staff.

- An overview of what caused the financial crisis: the sub-prime mortgage market and the securitisation food chain
- An in-depth look at what one should do if there is an event of default under an ISDA®
- The impact of defaults on equity derivatives transactions and credit default swaps
- Key court rulings on Lehman's cases will be discussed and how the court interpreted the ISDA®, and what lessons were learnt: How the Conditions precedent clause was interpreted; the enforceability of cross affiliate set-off and mutuality requirements for set-off

**Outcomes:** This course will provide delegates with an in-depth knowledge of what steps to take when closing out transactions under an ISDA®. The Lehman collapse will be analysed in terms of what triggered it and how derivatives played a part in the collapse. Various court cases will be discussed to give the delegates a good understanding of how courts interpret various key clauses in the ISDA® agreement. This is important in understanding the various precedents, which courts set as a result of litigating on the ISDA®.

**Duration:** 4 hours (online, 9-11 am over 2 days)

**Cost:** R6 000 per person (excluding VAT)

**Register your interest at:** <https://www.derividoc.com/close-outs-lehman-bros-case-study>

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# APPLY-TO-ATTEND COURSES



## An Introduction to Central Clearing

**Audience:** This course introduces you to the operational and legal aspects of central clearing. It suits people in the legal and compliance teams, the operational teams (middle office), front office, as well as the collateral teams who need to understand the way in which central clearing will impact the way OTC derivatives are traded.

- What is central clearing?
- What products will it apply to?
- How a CCP protects against counterparty default
- Benefits and risks of a CCP
- The structure of a CCP and multilateral netting
- Initial Margin and Variation Margin for cleared transactions
- CCP resolution and the default waterfall
- Client clearing (agency and principal models)
- Protection and segregation of margin and the different models of segregation (omnibus, segregated and LSOC)
- Collateral management for clearing
- Clearing requirements under Dodd Frank, EMIR and the FMA
- Risks, benefits and challenges of central clearing
- Clearing and netting and ISDA® opinions
- Porting of trades through a clearing house

**Outcomes:** Delegates will gain detailed insight into how central clearing works from a legal and operational point of view and how it will impact the way in which OTC derivatives are traded.

**Duration:** 8 hours (online, 9-11am over 4 days)

**Cost:** R9 000 per person (excluding VAT)

**Register your interest at:** <https://www.derividoc.com/introduction-to-central-clearing>

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## The Legal Agreements Required for Clearing

**Audience:** This course suits people in the legal and compliance teams as well as the collateral teams who need to understand the documentation required to allow central clearing. The course will focus on the legal agreements that will be required to document the various clearing relationships: between two clearing members, between a client and a clearing member (client clearing), and between a client of a client and a clearing member (indirect client clearing).

- Background to clearing
- Clearing requirements under EMIR, Dodd Frank and Financial Markets Act regulations
- The three different clearing structures will be discussed in detail:
  1. clearing between two clearing members
  2. clearing between a clearing member and a client (client clearing) – covering both agency and principal models
  3. clearing with a client of a client's clearing member (indirect clearing)
- The documentation required for each of the three structures
- An explanation of the netting sets and what can be netted
- An overview of the standard documentation used for a clearing relationship
- Clause-by-clause through the ISDA®/FIA Cleared Derivatives Execution Agreement
- Clause-by-clause through the ISDA®/FIA Client Cleared OTC Derivatives Addendum
- Default events in the different documents used for clearing
- Collateral provisions in the clearing documents
- Segregation models and how collateral is held
- The Addendum Annex
- Protecting collateral and the models (Security model, Triparty Custody and Contractual model)
- Confirmations for clearing
- The ISDA® clearing opinions

**Outcomes:** Delegates will gain detailed insight into the various central clearing documents.

**Duration:** 8 hours (online, 9-11am over 4 days)

**Cost:** R9 000 per person (excluding VAT)

**Register your interest at:** <https://www.derividoc.com/legal-agmnts-required-for-clearing>

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# APPLY-TO-ATTEND COURSES



## Master Agreements Workshop

**How?** Register your interest online in our 3-day workshop (or part thereof) at:  
<https://www.derividoc.com/master-agreements-workshop>

**For whom?** Employees who are new to the topic can come along for a high level overview of the master agreements, as a 'taster' of what to expect and what to look out for. Also, those who are familiar with these arrangements can come back for a refresher – a 'back to basics' overview of the agreements.

### Session 1: Master Agreements Overview

#### a) The ISDA® Master Agreement

- What is an ISDA®, what products does it cover, the key benefits that an ISDA® provides for
- The role of derivatives in hedging risk
- The structure of the ISDA® and the netting benefits (settlement netting, close-out netting and set-off)
- Long Form Confirmations
- Cross default

#### b) The Global Master Repurchase Agreement

- What is a repo: classic; buy-/sell-back and securities lending transaction
- Why use repo?
- Background to the legal documentation
- Benefits of using a GMRA
- Legal aspects of a repo

#### c) The Global Master Securities Lending Agreement

- What is securities lending?
- Why enter into securities lending transactions?
- Risks involved in securities lending
- History and structure of the GMSLA
- Main differences between repo and securities lending

**8 hours (online, 9-11am over 4 days) @R9 000 per person (excluding VAT)**

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## Master Agreements Workshop cont.

### Session 2: Collateral Agreements Overview

#### a) The Credit Support Annex

- 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 and return amounts
- Over-collateralisation risk

#### b) The Variation Margin 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

#### c) Margin Maintenance under the GMRA and GMSLA

- Different methods of reducing exposure under the GMRA (re-pricing, adjustment, margin call)
- Collateral calls under the GMSLA (valuation percentage)

**8 hours (online, 9-11am over 4 days) @R9 000 per person (excluding VAT)**

### Session 3: Regulatory Overview

- Counterparty classifications under Dodd Frank, EMIR & the Financial Markets Act
- Reporting requirements under Dodd Frank, EMIR & the Financial Markets Act
- Central clearing requirements under Dodd Frank, EMIR & the Financial Markets Act
- Main Protocols published by ISDA® for regulatory compliance (EMIR Portfolio and Dispute Resolution, Cross Border Swaps Representation Letter, Bank Resolution and Recovery Directive).

**4 hours (online, 9-11am over 2 days) @R6 000 per person (excluding VAT)**

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