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GLOBAL MASTER REPURCHASE AGREEMENT (2011 VERSION)

DIGITAL ASSETS ANNEX

Supplemental terms and conditions for transactions in Digital Assets

This Annex constitutes an Annex to the Global Master Repurchase Agreement dated _____ between and
(the "Agreement").

1. Scope

- (a) Unless otherwise agreed by the parties, this Annex applies –
- (i) to any Transactions in respect of which the Purchased Securities consist of or include Asset-backed Digital Assets or Platform Transferred Securities;
 - (ii) to the extent that the Margin Securities may consist of or include Asset-backed Digital Assets or Platform Transferred Securities;
 - (iii) to the extent Cash Margin may consist of or include Digital Cash; and/or
 - (iv) to any Transaction for which the Purchase Price is denominated in Digital Cash.
- (b) To the extent that this Annex applies, the Agreement shall be construed as if it had been amended and supplemented as set out in paragraphs 2 to [11/12] of this Annex.

2. Interpretation

- (a) In this Annex -
- (i) "Asset-backed Digital Asset" means a Tokenised Traditional Security or any other Digital Asset which represents ownership of or a contractual claim or right to an Underlying Asset and which is not Digital Cash;
 - (ii) "Digital Asset" means a cryptographically secured digital representation of value or contractual rights which can be transferred, stored and/or traded electronically that uses technology supporting the recording and/or storage of data (which may include distributed ledger

technology) and which is capable of being the object of personal property rights;

- (iii) "Digital Cash" means a central bank digital currency, tokenised deposit, electronic money token or other cryptographically secured, digital representation of value denominated in a single fiat currency, which can be used for the settlement of payment obligations;
 - (iv) "Platform" means a technological platform used for the holding, transfer, payment and/or settlement of an Asset-backed Digital Asset, a Platform Transferred Security and/or Digital Cash;
 - (v) "Platform Transaction" means a Transaction relating to (whether because of the Purchased Securities and/or the assets that can be provided as Cash Margin and/or Margin Securities) an Asset-backed Digital Asset, a Platform Transferred Security or Digital Cash which requires membership of and/or participation in (howsoever described) a Platform in order for the relevant Asset-backed Digital Asset, Platform Transferred Security and/or Digital Cash to be held, transferred, paid or settled;
 - (vi) "Platform Transferred Security" means a traditional physical or traditional dematerialised Security (and is therefore not an Asset-backed Digital Asset or a natively issued digital bond) which is held and/or recorded in a form that means it is capable of being transferred in a cryptographically secure manner using technology supporting the recording and/or storage of data (which may include distributed ledger technology) on a Platform;
 - (vii) "Tokenised Traditional Security" means a Digital Asset which represents ownership of or a contractual claim or right to an Underlying Asset which is a traditional physical or traditional dematerialised Security; and
 - (viii) "Underlying Asset" means the asset to which the holder of an Asset-backed Digital Asset has a claim or right by virtue of holding the Asset-backed Digital Asset.
- (b) In the event of any conflict between the terms of this Annex and the Agreement the terms of this Annex shall prevail.

3. Securities

For the purposes of paragraph 1(a) of the Agreement, the definition of Securities shall include Asset-backed Digital Assets. Platform Transferred Securities are already included within the definition of Securities. For the purposes of paragraphs 3(e) and 4(g), it is noted that the minimum period as is customarily required for the settlement of Equivalent Securities, Margin Securities or Equivalent Margin Securities that are Platform Transferred Securities may differ from the minimum period that would apply for the applicable traditional physical or dematerialised Security when it is not a Platform Transferred Security.

4. Digital Cash

For the avoidance of doubt, any reference to cash or currency, including any reference to a payment or transfer of cash or currency includes Digital Cash to the extent the applicable Digital Cash is applicable under paragraph 1 of this Annex.

5. Market Value

For the purposes of paragraph 2(ee) of the Agreement, an explanatory note shall be added at the end of the definition of "Market Value":

"The parties may agree that the Market Value for any Asset-backed Digital Asset shall be determined by reference to the applicable Underlying Assets. Platform Transferred Securities are not a separate asset from the applicable traditional physical or dematerialised Security and on that basis, unless otherwise agreed, the Market Value for a Platform Transferred Security is not distinct from the Market Value for such a Security when it is not a Platform Transferred Security."

6. Equivalent securities

- (a) For the purposes of paragraph 10 of the Agreement, a non-Defaulting Party may elect to treat the Underlying Asset as equivalent to the relevant Asset-backed Digital Asset for the purposes of calculating the Default Market Value.
- (b) The parties may agree to treat the Underlying Asset of an Asset-backed Digital Asset as equivalent to such Asset-backed Digital Asset for any purpose or purposes.
- (c) Platform Transferred Securities are not a separate asset from the applicable traditional physical or dematerialised Security and on that basis, unless otherwise agreed, the Equivalent Securities or Equivalent Margin Securities (as applicable) for a Platform Transferred Security are not required to be Platform Transferred Securities.

7. Digital Cash Spot Rate

For the avoidance of doubt, the parties agree that the Spot Rate for any Digital Cash shall be determined by reference to the applicable fiat currency in which such Digital Cash is denominated.

8. Terminable on demand

Unless otherwise agreed in writing between the parties, each Platform Transaction to which this Annex applies shall be an on demand Transaction for the purposes of paragraph 3 of the Agreement (without, when applicable, ceasing to be a fixed term Transaction for the purposes of paragraph 3 of this Agreement) if:

- (a) the relevant Platform is suspended or ceases to be operable; or
- (b) any third party that is essential for the intended transfers on the relevant Platform is declared in default or is suspended or expelled or resigns from membership of or participation in the relevant Platform,

(each of (a) and (b) being a "**Platform Event**").

In addition, if a Platform Event occurs in respect of any Asset-backed Digital Asset or Digital Cash that is eligible as Cash Margin or Margin Securities then any such Asset-backed Digital Asset or Digital Cash shall be excluded from any calculations required under paragraph 4 (*Margin Maintenance*) of the Agreement.

The parties may agree to waive a Platform Event in respect of a Platform Transaction in writing, in which case the agreed Platform Transactions will not be on demand Transactions. The parties may also agree any applicable Asset-backed Digital Assets and/or Digital Cash shall be valued for the purposes of paragraph 4 (*Margin Maintenance*) of the Agreement.

Paragraph 8 of this Annex shall take priority to any provision in a master Confirmation or Transaction Confirmation that does not specifically reference this Annex.

9. Platform Event of Default

- (a) If a party is declared in default or is suspended or expelled or resigns from membership of or participation in a Platform upon which a Platform Transaction is in place that relates to an Asset-backed Digital Asset and/or Digital Cash (the "**Platform Defaulting Party**") then the other party may by written notice to the Platform Defaulting Party declare that all Platform Transactions relating to an Asset-backed Digital Asset and/or Digital Cash related to the relevant Platform shall be terminated immediately in accordance with paragraphs 10(b) and 10(c) of the Agreement (as if references to the Repurchase Date were to the date on which notice was given under this provision and disregarding, for this purpose, references to the transfer of Cash Margin and delivery of Equivalent Margin Securities) and any amount payable shall be deemed to be an amount payable under paragraph 10(h) of the Agreement for the purposes of paragraph 10(a) of the Agreement. This paragraph (a) shall not apply to any Transaction which is a Platform Transaction solely because of the Margin Securities or Cash Margin that may be provided in respect of such Transaction if no applicable Margin Securities or Cash Margin has been provided in respect of such Transaction using the applicable Platform at the relevant time.
- (b) If a party is declared in default or is suspended or expelled or resigns from membership of or participation in a Platform upon which a Platform Transaction is in place that (1) relates to a Platform Transferred Security and (2) is not otherwise capable of Termination in accordance with Sub-paragraph (a) above (the "**Platform Breach Party**"), unless the parties have jointly agreed to maintain the relevant Platform Transaction and settle the delivery obligations without Platform Transferred Securities, the other party may by written notice to the Platform Breach Party demand Termination of such Platform Transactions as if they were on demand transactions for the purposes of paragraph 3(e) and with the minimum period customarily required for settlement of the Equivalent Securities determined on the basis that no Equivalent Security is a Platform Transferred Security.

10. Platform Transactions

To the extent that the parties enter into a Platform Transaction they agree that valid transfers on, settlement by or, as applicable, payment on the applicable Platform will satisfy all requirements under the Agreement in relation to the delivery or settlement

of the applicable Asset-backed Digital Asset, Platform Transferred Security and/or payment of any applicable Digital Cash.

11. Intra-day Transactions

The following terms apply to any Intraday Transaction that is subject to the terms of this Annex.

"Intraday Transaction" means a Transaction in which the parties have agreed that the Purchased Securities shall be transferred, and the Purchase Price paid, at a specified time and date and the Repurchase Price paid, and the Equivalent Securities transferred, at a specified later time on the same date.

"Relevant Time" means, in relation to a Platform Transaction and as of any date, the latest time at which all relevant payments and/or deliveries can be settled on such date on the applicable Platform(s) or at any other time as may be agreed in writing by the parties (with the effect that if more than one cut-off time on such date is applicable to a specific Platform Transaction then the Relevant Time is the earliest such cut-off time to occur).

In relation to any Intraday Transaction the below definitions are amended and restated as follows:

- (a) "Purchase Date" means, with respect to any Intraday Transaction, the date and time (expressed in hours and minutes) at which Purchased Securities are to be sold by Seller to Buyer in relation to the applicable Intraday Transaction;
- (b) "Purchase Time" means, with respect to any Intraday Transaction, the time referenced in the Purchase Date;
- (c) "Repurchase Date" means, with respect to any Intraday Transaction, the date (being the same date referenced in the Purchase Date) and time (expressed in hours and minutes) at which Equivalent Securities to the Purchased Securities are to be sold by Buyer to Seller in relation to the applicable Intraday Transaction;
- (d) "Repurchase Time" means, with respect to any Intraday Transaction, the time referenced in the Repurchase Date, or if earlier the time at which the Intraday Transaction terminates; and
- (e) "Price Differential" means, with respect to any Intraday Transaction and unless otherwise agreed by the parties, including pursuant to the rules of any Platform or in connection with any Platform, the aggregate amount obtained by application of the Pricing Rate for such Intraday Transaction to the Purchase Price for such Intraday Transaction on a 600 minute per day, 360 day, 365 day or other basis in accordance with the applicable market convention, unless otherwise agreed between the parties for the Intraday Transaction for the actual minutes during the period commencing on (and including) the Purchase Time for such Transaction and ending on (but excluding) the Repurchase Time (the "Intraday Day Count Fraction").

In relation to any Intraday Transaction the below provisions apply:

1. To the extent that any interest is calculated in relation to an Intraday Transaction it shall be calculated on the basis of the applicable Intraday Day Count Fraction;
2. To the extent any Intraday Transaction is outstanding at the Relevant Time such Transaction shall then cease to be an Intraday Transaction, save that any accrued rights under Paragraph 10 shall continue to apply as if such Transaction was an Intraday Transaction; and
3. Unless otherwise agreed by the parties, the standard settlement time for delivery of the Securities in relation to the Intraday Transaction is instantaneous or near-instantaneous settlement (as applicable).

[12. Amendments to this Annex

[Parties to include any amendments to the above provisions, for example, to limit the scope of Transactions that can be entered into under this Annex to specific digital assets.]

GLOBAL MASTER REPURCHASE AGREEMENT (2011 VERSION)

DIGITAL ASSETS ANNEX

(the "Annex")

Guidance Notes

Introduction

These guidance notes have been prepared to assist users of the Annex. They do not form part of the Annex and whilst they summarise certain key provisions of the Annex they are not intended to summarise all of the provisions of the Annex. Capitalised terms not otherwise defined herein have the same meaning given to them in the Annex.

The Annex has been prepared as part of a joint project between ICMA and ISLA to promote consistency in the legal terms market participants use when they trade certain digital assets under the GMRA 2011 and GMSLA 2010.

Summary of Provisions

Paragraph 1 – Scope

This paragraph sets out the scope of Transactions to which the Annex applies. Parties are able to amend this scope through the use of bespoke elections.

Without amendment, the relevant Transactions will be those which utilise (or permit to be utilised) Asset-backed Digital Assets, Platform Transferred Securities and/or Digital Cash (see *Paragraph 2 – Interpretation* below), including as margin.

In accordance with the mandate from the ICMA and ISLA digital assets project working group (the "**Working Group**") the Annex is not intended to cover other categories of digital asset (including, but not limited to, cryptocurrencies and natively issued digital bonds).

Paragraph 2 – Interpretation

This paragraph contains various defined terms which are used in the Annex. As noted above, the digital assets which this Annex is intended to cover are specifically defined here.

The terminology used for a number of categories of digital asset reflects the mandate that was approved by the Working Group which in turn takes as its point of reference the paper titled "Preparing the Global Master Securities Lending Agreement (GMSLA) for an Evolving Digital Asset Landscape", commissioned by ISLA and published in November 2022.

Two of the key definitions are (1) "Asset-backed Digital Asset" and (2) "Platform Transferred Security". A key distinction between (1) and (2) is that Asset-backed Digital Assets are capable

of being the object of personal property rights, whereas Platform Transferred Securities are not property themselves, instead the relevant party owns the applicable traditional asset that the Platform Transferred Security relates to.

Paragraph 3 – Securities

This paragraph provides that the definition of Securities used in the GMRA 2011 includes Asset-backed Digital Assets and confirms that Platform Transferred Securities are already Securities. The Working Group highlighted that Platform Transferred Securities are often expected to settle faster than traditional assets would settle and therefore this paragraph also notes that the minimum period as is customarily required for the settlement of Platform Transferred Securities may be different.

Paragraph 4 – Digital Cash

This paragraph clarifies and confirms that references to cash or currency in the GMRA 2011 capture Digital Cash.

Paragraph 5 – Market Value

This paragraph provides an explanatory note which confirms that the parties may agree that Market Value of any Asset-backed Digital Asset shall be determined by reference to the value of the Underlying Asset in the case of Asset-backed Digital Asset. This may be relevant where the market for the Underlying Asset is more liquid than that for the Asset-backed Digital Asset.

Paragraph 6 – Equivalent securities

This paragraph sets out which assets are "equivalent" to Asset-backed Digital Assets.

Importantly, a non-Defaulting Party may elect to treat the Underlying Asset as equivalent to the relevant Asset-backed Digital Asset for the purposes of calculating the Default Market Value. There is no obligation on the non-Defaulting Party to do so.

Paragraph 7 – Digital Cash Spot Rate

This paragraph confirms that the Spot Rate in respect of Digital Cash shall be determined by reference to the relevant fiat currency.

Paragraph 8 – Terminable on demand

Paragraph 8 provides that Platform Transactions shall be terminable on demand if an event set out in 8(a) or 8(b) occurs. These events (a "**Platform Event**") are intended to cover circumstances where a Platform becomes inoperable for the parties without fault of either party. In such circumstances any fixed term Transactions will automatically become on demand Transactions. The Working Group wanted this flexibility because firms might have entered into fixed term Transactions in reliance on the applicable Platform and may wish to unwind the trade in these circumstances.

In addition, any margin in the form of Digital Cash or Asset-backed Digital Assets is excluded from margin calculations (and therefore effectively valued at zero). This reflects the difficulty in accessing such assets while a Platform Event is continuing. If the Platform Event ceases to

be continuing then the Digital Cash or Asset-backed Digital Assets would be accounted for in margin calculations once more, which would be expected to result in a return of excess margin.

If a Transaction reaches maturity but one or more parties cannot settle that Transaction then the usual provisions of the Agreement will apply.

This paragraph can be expressly overridden in a master Confirmation or Transaction Confirmation and the parties may waive a Platform Event in writing.

Paragraph 9 – Platform Event of Default

Paragraph 9 is intended to cover fault-based events, i.e. where a party is in default under a relevant Platform, is suspended from a relevant Platform or resigns from a relevant Platform.

Paragraph 9(a) applies to Transactions where the relevant Digital Assets include Digital Cash and/or Asset-backed Digital Assets. The Working Group identified that it may be impossible to transfer such Digital Assets in these circumstances and therefore it is appropriate for the non-Defaulting Party to be entitled to require that the Transactions cash settle in accordance with Paragraphs 10(b) and 10(c) of the GMRA 2011. This paragraph does not apply where the Platform solely relates to margin that could be (but has not yet been) posted.

Paragraph 9(b) applies to Transactions where the only relevant assets are Platform Transferred Securities and paragraph 9(a) does not apply. The Working Group determined that such events should be treated in a similar way to those in Paragraph 8 on the basis that parties should be able to deliver the relevant Securities in the traditional manner. As a result, cash settlement is not always appropriate but Transactions become callable on demand because parties may not wish to maintain such Transactions when the benefits of the relevant Platform are not available.

Paragraph 10 – Platform Transactions

This paragraph clarifies that in relation to Transactions which utilise technological platforms, valid transfer, settlement or payment on the applicable platform will satisfy all requirements for transfer, settlement and/or delivery under the GMRA 2011.

Paragraph 11 – Intra-day Transactions

Paragraph 11 provides for intra-day Transactions. The Working Group identified that the potential shorter settlement times enabled by the use of digital assets and technological platforms made intra-day Transactions operationally possible and requested that the Annex envisage the required commercial changes. Firms will need to review the pro-forma provisions in detail to ensure that the commercial intention of the parties is reflected in the legal documentation and the contract aligns with the applicable operational processes underlying the intra-day Transactions.

Paragraph 12 – Amendments to this Annex

Paragraph 12 is an optional placeholder for users to include any amendments to the Annex (including, for example, to limit the scope of Transactions that are covered).