Common Domain Model

SECURITIES LENDING COVERAGE
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1 Introduction

This document provides an assessment of the coverage in the Common Domain Model (CDM) for the products, events and legal documentation required to support a Securities Lending trade throughout its lifecycle.

The document is split into 2 sections:

- **Coverage Overview**
  Charts and graphics giving a top level overview of the coverage in the CDM for Securities Lending trades are provided. Each area described in this section is broken down in the following Details section.

- **Details**
  This section holds details of all the items assessed for their support of Securities Lending trades. A table is first presented that breaks these items down into the three main aspects of the model that relate to trading – Product, Event and Legal Documentation. Each aspect is broken down into individual items which are then assessed for their percentage coverage. The percentage is then colour coded for ease of reference using the following scale:

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Colour</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>0%</td>
<td>Red</td>
<td>Not covered at all</td>
</tr>
<tr>
<td>1% to 33%</td>
<td>Orange</td>
<td>Minimal coverage or covered but untested</td>
</tr>
<tr>
<td>34% to 66%</td>
<td>Yellow</td>
<td>General coverage but functionality is missing</td>
</tr>
<tr>
<td>67% to 99%</td>
<td>Light Green</td>
<td>Majority of the functionality covered</td>
</tr>
<tr>
<td>100%</td>
<td>Dark Green</td>
<td>Complete coverage</td>
</tr>
</tbody>
</table>

The remainder of this section holds details of all the items listed in the tables. It is organised into subsections, one for each table, and each subsection has a heading for each item in the table.

A brief description of the item and its role in securities lending is first provided. Details on what currently can and cannot be done in the CDM are then provided, explaining how the percentage coverage proposed in the table was derived.

Note that this document only covers areas of the model that are relevant to securities lending. The model supports additional functionality (e.g. mapping to other data standards using synonyms) that are not included here.

This document is based upon the development release of the CDM, version 4.0.0-dev.43, from June 2023.
2 Coverage Overview

Overall, almost two thirds of the items that need to be provided by the CDM to model securities lending trades and their lifecycle events are available in the model.

![Coverage Chart]

Breaking this down further, we can see that securities lending products are fully supported, with some work still required on the lifecycle and legal documentation aspects of the model.

<table>
<thead>
<tr>
<th>Area</th>
<th>Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product</td>
<td></td>
</tr>
<tr>
<td>Agency Trades</td>
<td><img src="coverage1" alt="Coverage" /></td>
</tr>
<tr>
<td>Principal Trades</td>
<td><img src="coverage2" alt="Coverage" /></td>
</tr>
<tr>
<td>Term Structures</td>
<td><img src="coverage3" alt="Coverage" /></td>
</tr>
<tr>
<td>Lifecycle</td>
<td></td>
</tr>
<tr>
<td>Lifecycle Events</td>
<td><img src="coverage4" alt="Coverage" /></td>
</tr>
<tr>
<td>Position Management</td>
<td><img src="coverage5" alt="Coverage" /></td>
</tr>
<tr>
<td>Billing</td>
<td><img src="coverage6" alt="Coverage" /></td>
</tr>
<tr>
<td>Corporate Actions</td>
<td><img src="coverage7" alt="Coverage" /></td>
</tr>
<tr>
<td>Dividends</td>
<td><img src="coverage8" alt="Coverage" /></td>
</tr>
<tr>
<td>Documentation</td>
<td></td>
</tr>
<tr>
<td>Legal Agreements</td>
<td><img src="coverage9" alt="Coverage" /></td>
</tr>
</tbody>
</table>

The following bar chart illustrates the coverage for all the individual items assessed for their support of securities lending product, event and legal documentation structures in the model.

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1 Agency Trades relates to Agency Loans vs Cash, Non-Cash or Cash Pool
2 Principal Trades relates to Borrows or Principal Loans vs Cash, Non-Cash or Cash Pool
3 Term Structures relates to Evergreen and Extendible trade types
3 Details

The tables below list the items summarized in the Coverage Overview section. For more details about each item, and how the percentage coverage for that item has been derived, please refer to the details in the remainder of this section.

**Product Coverage**

<table>
<thead>
<tr>
<th>Product</th>
<th>Coverage</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrow vs Non-Cash</td>
<td>100%</td>
<td>Done</td>
</tr>
<tr>
<td>Borrow vs Cash</td>
<td>100%</td>
<td>Done</td>
</tr>
<tr>
<td>Borrow vs Cash Pool</td>
<td>100%</td>
<td>Done</td>
</tr>
<tr>
<td>Principal or Agency Loan vs Non-Cash</td>
<td>100%</td>
<td>Done</td>
</tr>
<tr>
<td>Principal or Agency Loan vs Cash</td>
<td>100%</td>
<td>Done</td>
</tr>
<tr>
<td>Principal or Agency Loan vs Cash Pool</td>
<td>100%</td>
<td>Done</td>
</tr>
<tr>
<td>Evergreen</td>
<td>100%</td>
<td>Done</td>
</tr>
<tr>
<td>Extendible</td>
<td>100%</td>
<td>Done</td>
</tr>
</tbody>
</table>

**Event Coverage**

<table>
<thead>
<tr>
<th>Event</th>
<th>Coverage</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade Execution</td>
<td>100%</td>
<td>Done</td>
</tr>
<tr>
<td>Allocation</td>
<td>100%</td>
<td>Done</td>
</tr>
<tr>
<td>Settlement – Cash</td>
<td>100%</td>
<td>Done</td>
</tr>
<tr>
<td>Settlement – Security</td>
<td>100%</td>
<td>Done</td>
</tr>
<tr>
<td>Partial Settlement – Cash</td>
<td>0%</td>
<td>2023 Q3</td>
</tr>
<tr>
<td>Partial Settlement – Security</td>
<td>0%</td>
<td>2023 Q3</td>
</tr>
<tr>
<td>Confirmation</td>
<td>25%</td>
<td>TBD⁴</td>
</tr>
<tr>
<td>Position Management</td>
<td>80%</td>
<td>TBD⁴</td>
</tr>
<tr>
<td>Mark to Market</td>
<td>0%</td>
<td>TBD⁴</td>
</tr>
<tr>
<td>Rate Change</td>
<td>25%</td>
<td>TBD⁴</td>
</tr>
<tr>
<td>Reallocation</td>
<td>90%</td>
<td>2024</td>
</tr>
<tr>
<td>Amendments</td>
<td>80%</td>
<td>2024</td>
</tr>
<tr>
<td>Cancellations</td>
<td>60%</td>
<td>2024</td>
</tr>
<tr>
<td>Partial Return</td>
<td>90%</td>
<td>2024</td>
</tr>
<tr>
<td>Full Return</td>
<td>100%</td>
<td>Done</td>
</tr>
<tr>
<td>Billing</td>
<td>80%</td>
<td>TBD⁴</td>
</tr>
<tr>
<td>Corporate Actions</td>
<td>25%</td>
<td>TBD⁴</td>
</tr>
<tr>
<td>Dividends</td>
<td>80%</td>
<td>TBD⁴</td>
</tr>
<tr>
<td>Evergreen Rolls and Extendible Extensions</td>
<td>60%</td>
<td>2023 Q4</td>
</tr>
<tr>
<td>Evergreen and Extendible Termination Notices</td>
<td>60%</td>
<td>2023 Q4</td>
</tr>
</tbody>
</table>

**Legal Documentation**

<table>
<thead>
<tr>
<th>Legal Documentation</th>
<th>Coverage</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Master Securities Lending Agreement</td>
<td>10%</td>
<td>2023 Q3</td>
</tr>
<tr>
<td>Master Confirmation Annex</td>
<td>10%</td>
<td>TBD⁴</td>
</tr>
<tr>
<td>Agency Annex</td>
<td>0%</td>
<td>TBD⁴</td>
</tr>
<tr>
<td>Jurisdictional Annexes</td>
<td>0%</td>
<td>TBD⁴</td>
</tr>
<tr>
<td>Legal Opinions</td>
<td>0%</td>
<td>TBD⁴</td>
</tr>
</tbody>
</table>

⁴ Target date to be determined based upon priority set by members
3.1 Product
There are several different securities lending trade types that need to be supported by the product side of the model. The main types are listed here.

**Direction – borrow or loan?**
A trade object in the CDM has no assigned viewpoint, it is entirely agnostic of which party is processing the object. Its function is to provide a single standardised representation of the terms and economics of the trade.

For this reason, there is no data item that specifically sets a trade as a “borrow” or a “loan”, as one party would view the trade as a borrow, whereas the other would view it as a loan.

The parties on the trade can be assigned a *partyRole* that identifies their role on the trade e.g. as Buyer or Seller.

### 3.1.1 Borrow vs Non-Cash
In a securities lending borrow against non-cash collateral, the lender provides the requested securities to the borrower. The borrower transfers securities to the lender as collateral.

**Percentage coverage: 100%**
The collateral type of the trade (non-cash) can be specified using *collateralType* under *collateralProvisions*, which is also where the collateral schedule can be associated to the trade using *eligibleCollateral*. There should be two *assetPayout* type payouts, one for the securities being used as collateral and one for the securities being received.

### 3.1.2 Borrow vs Cash
In a securities lending borrow against cash collateral, the lender provides the requested securities to the borrower. The borrower transfers cash to the lender as collateral.

**Percentage coverage: 100%**
The collateral type of the trade (cash) can be specified using *collateralType* under *collateralProvisions* and there should be one *assetPayout* type payout for the securities being received and one *interestRatePayout* for the cash being used as collateral.

### 3.1.3 Borrow vs Cash Pool
In a securities lending borrow against a cash pool, the lender provides the requested securities to the borrower. The cash pool held by the lender on behalf of the borrower is updated to reflect the amount of cash used to collateralise the trade.

**Percentage coverage: 100%**
The collateral type of the trade (cash pool) can be specified using *collateralType* under *collateralProvisions* and there should be one *assetPayout* type payout for the securities being received and one *interestRatePayout* for the cash being used as collateral.

### 3.1.4 Principal or Agency Loan vs Non-Cash
A lender or agent provides securities to a borrower in exchange for other securities. The lender/agent earns a fee for lending out the securities and retains the right to recall the securities if necessary.
Percentage coverage: 100%
The collateral type of the trade (non-cash) can be specified using `collateralType` under `collateralProvisions`, which is also where the collateral schedule can be associated to the trade using `eligibleCollateral`. There should be two `assetPayout` type payouts, one for the securities being used as collateral and one for the securities being received.

For agency lending trades there should be one party representing the borrower, one party representing the agent lender, and there can be multiple parties representing the parties that have shares allocated to the trade.

### 3.1.5 Principal or Agency Loan vs Cash

A lender or agent provides securities to a borrower in exchange for cash. The lender/agent earns a fee for lending out the securities and retains the right to recall the securities if necessary.

Percentage coverage: 100%
The collateral type of the trade (cash) can be specified using `collateralType` under `collateralProvisions` and there should be one `assetPayout` type payout for the securities being received and one `interestRatePayout` for the cash being used as collateral.

For agency lending trades there should be one party representing the borrower, one party representing the agent lender, and there can be multiple parties representing the parties that have shares allocated to the trade.

### 3.1.6 Principal or Agency Loan vs Cash Pool

A lender or agent provides securities to a borrower in exchange for cash; the cash amount required to collateralise the loan is reflected in the cash pool being held by the lender on behalf of the borrower. The lender/agent earns a fee for lending out the securities and retains the right to recall the securities if necessary.

Percentage coverage: 100%
The collateral type of the trade (cash pool) can be specified using `collateralType` under `collateralProvisions` and there should be one `assetPayout` type payout for the securities being received and one `interestRatePayout` for the cash being used as collateral.

For agency lending trades there should be one party representing the borrower, one party representing the agent lender, and there can be multiple parties representing the parties that have shares allocated to the trade.

### 3.1.7 Evergreen

An evergreen trade is an ongoing arrangement between a borrower and a lender where the termination date of the trade continuously moves forward until either side gives notice that they would like to terminate the contract.

Percentage coverage: 100%
A trade can be qualified as an evergreen by setting the appropriate details under the `evergreenProvision` type (held under `economicTerms` -> `terminationProvision`)

### 3.1.8 Extendible

An extendible trade is an arrangement in which one or more of the parties on the trade has the option to renew or extend the lending period beyond the initial agreed-upon date.
**Percentage coverage: 100%**
A trade can be qualified as an extendible by setting the appropriate details under the `extendibleProvision` type (held under `economicTerms -> terminationProvision`)

### 3.2 Event
The events that can occur during the lifecycle of a securities lending trade are described here. Note that pre-trade events and workflows are not discussed.

#### 3.2.1 Trade Execution
Trade execution refers to the process of completing a securities lending transaction by reaching an agreement on the terms of the loan, transferring the securities from the lender to the borrower, and providing payment to the lender.

**Percentage coverage: 100%**
It is possible to create a trade execution which will qualify as a securities lending trade using the `Create_BusinessEvent` function in the CDM. The collateral type of the trade (cash, non-cash) can be specified using the types under `collateralProvisions` and the payouts `(interestRatePayout, assetPayout)` can be set under `payout`. These types are all held under the `economicTerms` for the new trade.

The delivery of the collateral (FOP, DVP) can be specified using the types under `settlementTerms` which is available under all `payout` types.

Support for the terms required to execute exotic trade types like evergreens and extendibles is provided under the `terminationProvision` type.

#### 3.2.2 Allocation
Allocation on a securities lending trade refers to the process of distributing loan requests made by a borrower across multiple lenders. In this case, the lending agent will allocate the loan request among multiple lenders, with each lender agreeing to loan a portion of the requested securities. Once the loan has been completed, the borrower will be responsible for returning the securities to the appropriate lenders based on the allocated amounts.

**Percentage coverage: 100%**
Once a trade has been executed, a new allocation business event can be generated against that trade using the `Create_BusinessEvent` function and passing in the `intent` as ALLOCATION.

This uses the `split` functionality and the allocation details for each lender must be passed in individual `splitInstruction` records. Each `splitInstruction` can then perform a `quantityChange` to set the allocation quantity, and a `partyChange` to set the party details of the lender for that allocation.

#### 3.2.3 Settlement – Cash
The transfer of payment for the loan of the securities. The borrower will provide payment to the lender for the loan of the securities, which may include fees, interest, or other charges, depending on the terms of the loan agreement.
Percentage coverage: **100%**
The settlement of cash is supported by passing a `transfer` through the `Create_BusinessEvent` function. The `transferInstruction` required should include a `quantity` that defines the `value` as the cash value being transferred and the `currency` of the cash. A `settlementDate` and `payerReceiver` (which specifies which party is paying and which is receiving the cash) is also required.

Note: The CDM only supports statuses of settled or not settled. To perform a simultaneous cash and security transfer (i.e. DVP) the `transferInstruction` can contain two `transferState` elements, one for the cash transfer and one for the security transfer.

### 3.2.4 Settlement – Security
The transfer of the borrowed securities from the lender to the borrower. The securities will be transferred to the borrower once payment is received. This process ensures that the borrower receives the securities at the same time as the lender receives payment.

**Percentage coverage: **100%**
The settlement of securities is supported by passing a `transfer` through the `Create_BusinessEvent` function. The `transferInstruction` required should include a `quantity` that defines the `value` as the number of shares being transferred and the `financialUnit` item set to “SHARE”. A `settlementDate` and `payerReceiver` (which specifies which party is delivering and which is receiving the shares) is also required.

Note: The CDM only supports statuses of settled or not settled. To perform a simultaneous cash and security transfer (i.e. DVP) the `transferInstruction` can contain two `transferState` elements, one for the cash transfer and one for the security transfer.

### 3.2.5 Partial Settlement – Cash
Partial cash settlement is when only a portion of the agreed-upon payment is made for the loan of the securities. This may occur if the borrower is unable to provide the full payment on the settlement date or if the lender only requires a portion of the agreed-upon payment.

**Percentage coverage: **0%**
Not supported in this version of the model. Please refer to the Introduction section for details of which model version was used for this document.

A new function has been developed to facilitate partial deliveries. At June 2023 this function is still under review. It is expected to be available in the model in a future release.

### 3.2.6 Partial Settlement – Security
Partial security settlement is when only a proportion of the securities held by the lender are transferred to the borrower on the settlement date. This may occur if the lender does not have all of the securities available, or if the borrower only requires a portion of the securities that are available for loan.

**Percentage coverage: **0%**
Not supported in this version of the model. Please refer to the Introduction section for details of which model version was used for this document.

A new function has been developed to facilitate partial deliveries. At June 2023 this function is still under review. It is expected to be available in the model in a future release.
3.2.7 Confirmation
A trade confirmation is a document that provides details of a securities transaction, including the trade date, settlement date, details of the securities being borrowed/loaned, quantity, price, fees, and any other relevant information.

**Percentage coverage: 25%**
There is a Confirmation type in the model that can reference trade objects and specify their confirmation status. The data required to fill out the ISLA Master Confirmation Annex is present in the model, however, at the present time (June 2023) there does not appear to be a function that could be used to generate a trade confirmation.

3.2.8 Position Management
Position management involves the monitoring and managing of security positions that are on loan. This includes keeping track of the quantity and value of the securities and is used to ensure that the portfolio remains adequately collateralised and that the risks associated with lending securities are minimised.

**Percentage coverage: 80%**
Positions can be tracked through the Portfolio type. This allows a group of positions to be represented under a portfolioState with an optional set of aggregationParameters which can define the level of the portfolio e.g. across a book, or for a specific security.

The types have yet to be tested for completeness. In preliminary work undertaken by ISLA a few datapoints associated to the positions type appeared to be missing, so there will be some work required to finalise this section of the model.

3.2.9 Mark to Market
In a securities lending trade the term "mark to market" refers to the periodic adjustment of the value of the collateral provided by the borrower to reflect its current market value. This helps to ensure that the lender is adequately collateralised and that the value of the collateral is sufficient to cover the value of the securities on loan.

**Percentage coverage: 0%**
Not supported in this version of the model. Please refer to the Introduction section for details of which model version was used for this document.

The existing QuantityChangeInstruction processing (available using a quantityChange through the Create_BusinessEvent function) should be able to support this functionality but has not been tested at this time. There are also functions associated to the Billing that can be used to calculate the market value based upon a price.

3.2.10 Rate Change
A securities lending rate change refers to a change in the interest rate that a borrower must pay to borrow securities from a lender.

**Percentage coverage: 25%**
Rate changes on an ad-hoc or on demand basis should be able to use the QuantityChangeInstruction processing (available using a quantityChange through the Create_BusinessEvent function) to update the interest rate on the trade, followed by a
TermsChangeInstruction (using termsChange through Create_BusinessEvent) to set the effective date for the change.

There is a helper function in the model named Create_OnDemandRateChangePrimitiveInstruction that will build these instructions. This has not been tested at this time (June 2023).

Changes to a trade that is using a floating index rate are currently not supported in the model.

3.2.11 Reallocation
A reallocation is performed when the borrower needs to change the proportion of shares allocated from a particular lender on a trade. Reallocation may occur for a variety of reasons, such as changes in market conditions or borrower demand, or changes in the lending policies of the lender.

**Percentage coverage: 90%**
A Reallocation can be performed using the split functionality through Create_BusinessEvent. New details can be passed in for multiple funds using a splitInstruction for each fund. Each splitInstruction can then perform a quantityChange to update the allocation quantity, or a partyChange to reflect situations where the shares have been allocated from/to a different lender.

There are further qualifications required in the model in order to complete this functionality (e.g. ensuring the new allocated quantities add up to the original allocated quantity) which is why Reallocations are not listed as fully supported at this time.

3.2.12 Amendments
A trade amendment can occur when both the borrower and lender agree that the current terms of the trade need to change. The specific terms of the amendment will depend on the nature of the trade and the reasons for the amendment. For example, a trade may be amended to change the interest rate or the collateral requirements, or to extend or terminate the loan period.

**Percentage coverage: 80%**
Amendments to the existing terms of a trade can be made using several available functions in the CDM. The one to use depends upon the amendment being made.

The general terms of a trade can be amended using a TermsChangeInstruction (using termsChange through Create_BusinessEvent).

The economic values on a trade (i.e. quantity, value, rate) can be amended using a QuantityChangeInstruction (quantityChange through Create_BusinessEvent).

The parties on a trade can be updated using the partyChangelInstruction (using partyChange through Create_BusinessEvent).

Amendments to legal agreements can be made through the legalAgreement structure provided within the model during contractFormation.
Further work is anticipated to provide the ability to amend a legalAgreement during the term of a trade. It is for this reason the percentage coverage has not been set to 100%.

Note: The CDM has no concept of state and so backdated amendments will need to be handled by the applications themselves.

### 3.2.13 Cancellations

A trade or transaction can be cancelled with the mutual agreement of both the borrower and the lender, with the appropriate updates being made to any legal and documentation requirements.

**Percentage coverage: 60%**

There are provisions in the model for specifying whether a product is cancelable (using the datapoints under cancelableProvision), as well as details pertaining to the early termination of a trade (using the datapoints under earlyTerminationProvision).

These datapoints could be used to set cancellation details using a TermsChangeInstruction (termsChange through Create_BusinessEvent). However, this has not been tested and does not cover situations where a specific transaction on a trade needs to be cancelled (e.g. a mark or rate change).

These datapoints and functions still need to be fully tested for trades and lifecycle events on a trade, thus the percentage coverage has not been set to 100%. At this point in time (June 2023) it is also not possible to backdate cancellations on trades or transactions in the CDM.

### 3.2.14 Partial Return

A partial return is where a borrower returns only a portion of the securities that were borrowed, while the remainder of the loan remains outstanding. This is also associated to recalls where the lender can recall the securities that they have lent to the borrower who must then return them.

**Percentage coverage: 90%**

This can be achieved using the QuantityChangeInstruction processing (available using a quantityChange through the Create_BusinessEvent function) to update the quantity on the trade, followed by a TermsChangeInstruction (using termsChange through Create_BusinessEvent) to set the effective date for the change.

There is a function in the model named Create_Return that will also perform the same processing in one step. This does not use the preferred Create_BusinessEvent function as the entry point but is simpler to use and will still generate a valid BusinessEvent.

The reason Partial Returns are listed as not yet fully supported is that with multiple returns it is possible to settle them out of traded order. This sequencing needs to be considered in more detail in the model design.

### 3.2.15 Full Return

A full return is where a borrower returns all of the securities that were borrowed, thus concluding the loan agreement. This is also associated to recalls where the lender can recall the securities that they have lent to the borrower who must then return them.
Percentage coverage: **100%**
This can call the same function(s) as Partial Returns. When executing a full return there should be no potential for issues in relation to settlement out of sequence as there will be only one return.

### 3.2.16 Billing
When a borrower borrows securities from a lender, they pay a lending fee which compensates the lender for lending out their securities. These fees and rebates are typically invoiced on a monthly basis and are based upon the size, duration and rate attributed to the loan.

Percentage coverage: **80%**
The `Create_SecurityLendingInvoice` function can be used to generate an invoice for securities lending trades. This expects a `billingInstruction` to be passed to it which contains details of which party is sending the invoice and who is the intended receiving party, as well as the date range that is being invoiced for. A series of `billingRecordInstruction` items holding the core details of the trades being invoiced is also expected.

It is currently possible to generate a simple invoice in this manner, but several enhancements and improvements are required to align with a production ready securities lending fee rebate statement.

### 3.2.17 Corporate Actions
When a publicly traded company issues a corporate action, it can directly affect the securities that have been loaned out in a securities lending transaction. If a borrower is holding loaned securities that are undergoing a corporate action, they may need to take specific steps to ensure that the lender's rights are protected during the corporate action event.

Percentage coverage: **25%**
There are a number of different corporate actions that can affect a trade during its lifecycle. For a large proportion of these there will only be minor (if any) changes required to the trade. Some examples of how existing functions in the CDM could be used to support the outcomes of a corporate action event are described below.

Where corporate actions affect the terms of a trade then a `TermsChangeInstruction` (using `termsChange` through `Create_BusinessEvent`) would likely be able to make the necessary changes.

Where the economic values on a trade (i.e. quantity, value, rate) need to be updated then a `QuantityChangeInstruction` (quantityChange through `Create_BusinessEvent`) could be employed. Note that for a stock split the `Create_StockSplit` function exists specifically for this use case (or the `stockSplitInstruction` through `Create_BusinessEvent`).

Where the parties or party details on a trade need to be updated then the `partyChangeInstruction` (using `partyChange` through `Create_BusinessEvent`) could be used.

There is also a `corporateActionIntent` available in the CDM workflow step that is an enumerated list (`CorporateActionTypeEnum`) of the events that could be supported by this workflow.
Coverage for corporate actions in the CDM has not been set to 100% as functions should be provided to handle the most common action types applied to securities.

3.2.18 Dividends
When a borrower holds securities during the dividend period they may owe substitute payments to the lender to compensate for the dividends that would have been paid if the borrower had not borrowed the securities.

**Percentage coverage: 80%**
The main dividend requirements are held under the dividendTerms item, which is available under the payout items on the trade object. These details are about how and when any dividends accrued on the trade should be distributed between the borrower and the lender.

There are also a number of items in the model that can be used to further describe the payment of dividend accruals. These are currently not available to the payout types used by securities lending trades but could be utilised in the future. Thus, at the present time the coverage for dividends is not fully complete.

3.2.19 Evergreen Rolls and Extendible Extensions
An Evergreen trade rolls the termination date on a daily basis. An Extendible trade can have the term of the trade extended by moving the termination date into the future. In both cases the terms of the trade need to be changed.

**Percentage coverage: 60%**
Both of these functions can be supported using the TermsChangeInstruction (using termsChange through Create_BusinessEvent) to set the new termination date and update any of the datapoints under evergreenProvision or extendibleProvision as required.

The reason the coverage for these events has been set slightly lower is that the aim is to improve this area by creating helper and qualification functions in the model.

3.2.20 Evergreen and Extendible Termination Notices
An Evergreen trade will continue to roll until a termination notice is given. When a termination notice is given on an Extendible trade then it will no longer extend again. In both cases the terms of the trade need to be changed.

**Percentage coverage: 60%**
Both of these functions can be supported using the TermsChangeInstruction (using termsChange through Create_BusinessEvent) to set the new termination date and update any of the datapoints under evergreenProvision or extendibleProvision as required.

Note that these events do not effect an immediate cancellation of a trade, it is just notification that the trade is due to terminate and the day upon which this termination will occur. As such this is still a termsChange event.

The reason the coverage for these events has been set slightly lower is that the aim is to improve this area by creating helper and qualification functions in the model.
3.3  Legal Documentation
The legal documentation used for securities lending contracts is described here.

3.3.1  Global Master Securities Lending Agreement
The ISLA Global Master Securities Lending Agreement (GMSLA) is a widely used standardised agreement that governs securities lending transactions between parties. It is designed to provide market participants with a comprehensive framework for executing and settling securities loans, as well as providing for the protection of collateral.

**Percentage coverage: 10%**
Currently it is only possible to stipulate that a trade is covered by the ISLA GMSLA, none of the actual terms or elections in that agreement are available in the model. Work is underway to add the clauses to the model which should be completed in 2023.

3.3.2  Master Confirmation Annex
The ISLA Master Confirmation Annex (MCA) is a supplementary document to the GMSLA that provides a standardised set of terms for confirming the key economic terms of a securities lending transaction. The MCA is intended to be used in conjunction with the GMSLA to facilitate the confirmation of trades and to reduce operational and legal risks associated with securities lending transactions.

**Percentage coverage: 10%**
Currently it is only possible to stipulate that a trade is covered by ISLA and uses a Master Confirmation Agreement. None of the actual terms or elections in that agreement are available in the model.

Further coverage for these clauses will be added to the CDM in a future release.

3.3.3  Agency Annex
The Agency Annex is a part of the Global Master Securities Lending Agreement (GMSLA) legal document. This annex contains supplemental terms and conditions for the lending of securities by agents acting on behalf of their clients. It provides additional rules and procedures specific to agency lending to ensure that lending is conducted in a fair and transparent manner.

**Percentage coverage: 0%**
Not supported in this version of the model. Please refer to the Introduction section for details of which model version was used for this document.

3.3.4  Jurisdictional Annex
ISLA provides annexes to the GMSLA which are specific to lending transactions that take place in different jurisdictions. These annexes contain additional terms and conditions that are specific to the law and regulatory requirements for a specific jurisdiction, in order to ensure that securities lending is conducted in compliance with local regulations.

**Percentage coverage: 0%**
Not supported in this version of the model. Please refer to the Introduction section for details of which model version was used for this document.
3.3.5 Legal Opinions

These opinions can cover a range of topics, including the Global Master Securities Lending Agreement (GMSLA), netting, bankruptcy remoteness, and security interests. Updated annually, opinions are a valuable resource for participants in the securities lending industry to ensure they are operating in compliance with the relevant laws and regulations.

**Percentage coverage: 0%**

Not supported in this version of the model. Please refer to the Introduction section for details of which model version was used for this document.