

Background

As part of a joint exercise with ICMA, ISLA commissions and updates legal opinions annually for approximately 65 global jurisdictions. The legal opinions are obtained to support the GMSLA title transfer agreements for the following securities lending documentation:

Global Master Securities Lending Agreement – GMSLA 2000, July 2009 & January 2010 versions

Legal Opinions

For a full list of jurisdictions and counterparty types that are covered by the legal opinions, please refer to the securities lending opinion matrix on the website. The matrix is updated annually.

Scope

The legal opinions cover the enforceability of the netting provisions contained in the securities lending documentation referenced above.

The UK Prudential Authority (PRA), the UK Financial Conduct Authority (FCA) and the German Financial Supervisory Authority (BaFIN) recognise the effect of netting provisions for regulatory capital and large exposure requirements provided, inter alia that a reasoned legal opinion has been obtained to the effect that in the event of a legal challenge, the relevant courts and administrative authorities would find that, where a counterparty fails owing to default, bankruptcy, liquidation or any other similar circumstance, the regulated firm's claims and obligations pursuant to the securities lending agreement covered under the netting opinion exercise, would be limited to a net sum under the law of relevant jurisdiction(s) and which meets certain other requirements.

The ISLA netting opinions provide the member firm with assistance in fulfilling the regulatory capital requirements of their securities lending transactions.

It remains the responsibility of each member firm that subscribes to the netting opinions, to ensure that it meets its own specific regulatory requirements.

Subscription Process

In order to subscribe to the ISLA Netting service, you are required to be a Full member of ISLA. Full details of how to become an ISLA member are documented on the ISLA website.

Online access to the opinions is managed by aosphere LLP who host the opinions for the securities lending agreements on their website.

Associate members also have the ability to subscribe to the netting opinions through the aosphere website, and can access a copy of the Core Opinion and Appendix to the opinion, however they are not able to rely on them.

If you require further information in relation to the netting opinion service that ISLA provides, please [visit our website](#) or email support@isla.co.uk.

SLAnalytics

SLAnalytics is an online subscription service provided by aosphere LLP (a wholly owned affiliate of the leading international law practice Allen & Overy). It simplifies the analysis of the ISLA securities lending opinions, using a colour coded review of the key issues and highlights suggested document amendments.

Please contact info@aosphere.com for more information including pricing, and to arrange a free trial or demonstration.