

A Practical Guide to Using Repo Master Agreements

Summary

Chapter 1 sets the scene, and describes the market and products in general, as well as explaining the differences among them.

Chapter 2 describes the legal issues surrounding repos both in Europe and in the United States.

Chapters 3, 4 and 5 provide, we hope, clear but detailed commentary on the TBMA/ISMA Global Master Agreement, the European Master Agreement and the US Master Repurchase Agreement respectively. Our aim with these chapters is to provide clarity and avoid any comments such as Byron's condemnation of Coleridge: "Explaining metaphysics to the nation. / I wish he would explain his explanation."

In Chapter 6 we emphasise the growing importance of tri-party repo by dissecting the standard Custodial Undertaking used by The Bank of New York.

Chapter 7 is a summary of various new developments in the repo market over the past two years.

Terms used in the commentaries may have capitalisation or minor spelling differences in different chapters to match the corresponding documentation.

Finally, the five appendices provide practical information in one place for easy reference. They are:

Appendix 1: A facsimile of the TBMA/ISMA Global Master Repurchase Agreement (reproduced with the kind permission of the International Securities Market Association and The Bond Market Association).

Appendix 2: A facsimile of the Amendment Agreement to the TBMA/ISMA Global Master Repurchase Agreement (reproduced with the kind permission of the International Securities Market Association and The Bond Market Association).

Appendix 3: A facsimile of the European Master Agreement (reproduced with the kind permission of the European Banking Federation).

Appendix 4: A facsimile of the Master Repurchase Agreement and its Annexes (reproduced with the kind permission of The Bond Market Association).

Appendix 5: A facsimile of the Bank of New York Custodial Undertaking (reproduced with the kind permission of The Bank of New York).