

INTERNATIONAL SECURITIES MARKET ASSOCIATION

By e-mail

To the members of the Association

October 27, 2004
TH/AS/AT/ys

**Global Master Repurchase Agreement 1995 and 2000 versions (GMRA):
New legal opinions for Greece and Poland, update legal opinion for
Japan and clarification of scope of Japanese securities annex**

Dear members

1. Introduction

With reference to ISMA circular no. 2 of April 2, 2004, we are pleased to inform you that the new legal opinions on the GMRA for Greece (see para. 2 below) and Poland (see para. 3 below) as well as the update Japanese legal opinion that has been amended to cover the Japanese securities annex (see para. 4 below) can now be made available to you (see para. 5 below).

Following a recent query, we can also confirm the precise scope of the Japanese securities annex (see para. 6 below).

2. Greece

The opinion covers companies, banks and investment firms incorporated in Greece as well as branches of these entities established in Greece.

3. Poland

The opinion covers limited liability and joint-stock companies and banks established in Poland. It does not cover investment funds, pension funds or insurance companies.

ISMA Circular to members No. 8 of October 2004

Counsel notes in the opinion that insolvency proceedings are not adequately covered by the GMRA's definition of 'Act of Insolvency' and has therefore provided additional wording to amend the definition accordingly.

4. **Japan**

The Japanese legal opinion dated March 26, 2004 and published by ISMA on April 2, 2004 has been amended to cover the Japanese securities annex.

5. **Availability of the new legal opinions for Greece and Poland and the update Japanese legal opinion**

The new Greek and Polish as well as the update Japanese legal opinions are available to ISMA's members on the ISMA website ([GMRA legal opinions](#)). Non-members can order the opinions from the ISMA Secretariat.

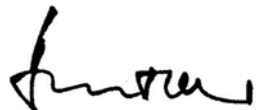
6. **Japanese securities annex**

In relation to the scope of the Japanese securities annex, ISMA recently received a query from a member whether transactions in Japanese securities which are net paying securities are excluded.

The position confirmed with the Japanese Securities Dealers' Association and Japanese counsel is the following:

In the case of repo transactions governed by the GMRA between a Japanese and a non-Japanese party, the intention of the Japanese securities annex is both to exclude transactions in Japanese net paying securities and to exclude the provision of such securities as margin securities. This is achieved by paragraph 1(a) of the GMRA itself in relation to purchased securities and by paragraph 3(b) of the Japanese securities annex in relation to margin securities.

Yours sincerely



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