

The ICMA GMRA

The ICMA Global Master Repurchase Agreement (GMRA) is recognised as the market standard master agreement for repo transactions, a market with a notional value in excess of EUR 40 trillion globally.

A Master Agreement:

- An agreement between two parties that sets out standard terms that apply to all of the transactions entered into between those parties.
- Provides general terms that are uniform across the market, promoting consistency and a broad understanding of the agreement's provisions.
- Each time a new transaction is entered into, the terms of the Master Agreement apply automatically and do not need to be renegotiated. Making it an efficient way to transact.

The GMRA

ICMA has published several versions of the GMRA; the GMRA 1995, GMRA 2000 and the GMRA 2011. The 2011 version is the latest and most commonly negotiated for new trading relationships.

GMRA is:

- a well-established complete template agreement, **specifically designed for repo**.
- supported by **annually updated legal opinions** which assist members in meeting regulatory capital requirements.
- a market standard which is **embedded into the operational/trading/legal workflows** of member firms for the purposes of repo trading.

Why the GMRA?

The GMRA has been proved to be incredibly robust over the last three decades, withstanding the challenges presented by the global financial crisis.

Specifically designed, tailored and tested by market stakeholders, the GMRA provides an efficient and standardised contractual form.

The GMRA is embedded into the operational, legal and regulatory ecosystem of the market and the fabric of firms within it.

Since the GMRA was launched it has:

- Achieved a high degree of market acceptance globally
- Increased efficiency and reduced transaction costs
- Reduced basis risk between different forms of agreement for different security types
- Promoted market liquidity

GMRA Legal Opinions:

The ICMA GMRA opinions cover both the enforceability of the netting provisions of the GMRA as well as the validity of the GMRA as a whole, in over 70 jurisdictions.

Regulators require repo transactions to be documented under robust legal agreements, such as the GMRA, supported by regularly updated legal opinions, as a condition of recognising the reduction of credit risk by collateral and close-out netting in the calculation of regulatory capital requirements and large exposures. Calculating repo exposures on a “net” instead of a “gross” basis is significantly advantageous for market participants.

In addition to the GMRA legal opinions, ICMA publishes [GMRA guidance notes](#), [FAQs](#) and [The Guide to Best Practice in the European Repo Market](#), all developed by legal and product specialists to assist the global community of GMRA users.