Regarding the implementation of the ASDA standard contract

24.10.2025

With the technical assistance of the European Bank for Reconstruction and Development (EBRD) and the financial support of the Government of Japan, the Central Bank is introducing a contract governed by Armenian law and aligned with international standards — the Armenian Standard Derivatives Agreement (ASDA) — which may be applied to repo, derivatives, and securities lending transactions.

The ASDA standard contract is consistent with international best practices and tailored to the legislative requirements of the Republic of Armenia. The document has been developed based on the 2002 ISDA (International Swaps and Derivatives Association) Master Agreement, as well as the ISDA Securities Financing Transactions Annex introduced in 2022.

The ASDA agreement is:

- Flexible – it may be governed by either Armenian or foreign law
- Universal – it is applicable to repo, derivatives, and securities lending transactions
- High-quality – it ensures clarity, predictability, and confidence for the parties, serving as an example of a globally recognized contract aligned with international standards

The introduction of the standard contract may provide financial market participants with the following advantages:

- support effective mitigation of financial risks
- reduce lengthy and complex transaction negotiation processes
- lower additional legal costs arising from negotiating individual contractual terms

- ensure legal clarity and predictability
- facilitate reliable and large-scale transactions with international counterparties

Overall, the introduction of the ASDA standard contract represents a new opportunity for Armenia’s financial market, fostering the development of repo, derivatives, and securities lending transactions. Moreover, exchange-traded repo transactions conducted under this agreement may serve as a basis for the formation of a reliable money market benchmark interest rate, which is an essential prerequisite for further progress and deepening of other financial markets.