

## **Joint Statement Regarding the Communication and Use of Material Nonpublic Information**

We, the undersigned trade associations, represent members dedicated to the highest standards of ethical conduct. In the midst of a complex and ever changing financial system, our members strive to promote markets which are fair, competitive and disciplined by a common commitment to operate in a principled manner. The self-discipline of participants is a core attribute of a healthy and properly functioning market, and it is in this spirit that we reaffirm our previously issued guidance regarding the communication and use of material nonpublic information in connection with certain securities, credit derivatives, loan and other credit market transactions, and pledge to undertake various initiatives to inform, educate and provide additional guidance to our members, non-members, and other interested parties alike.

There exists a longstanding and substantial prohibition on “insider trading” or “insider dealing” – the use of material nonpublic information in connection with transactions in securities or securities-related derivatives. In addition to legal and regulatory proscriptions and penalties, economic and reputational damage can result from the mere appearance of inappropriate or unethical conduct by market participants. Allegations of such misconduct have the potential to erode confidence in the integrity – and thus the liquidity and efficiency – of the securities and derivatives markets on which our members rely.

On behalf of the members and financial markets we represent, we reaffirm our collective commitment to promote fair and competitive markets in which inappropriate use of material nonpublic information is not tolerated, and in which market participants may engage in the broadest range of investment, sales and trading, hedging and portfolio risk management activities, consistent with ethical business practices and with applicable laws and regulations.

We refer to the principles and guidance on the communication and use of material nonpublic information issued by several member organizations of the undersigned trade associations, as set forth below:

- LSTA’s Statement of Principles for the Communication and Use of Confidential Information by Loan Market Participants  
([http://www.lsta.org/assets/files/Home\\_Page/MNPI\\_Exposure\\_Draft\\_Oct06.pdf](http://www.lsta.org/assets/files/Home_Page/MNPI_Exposure_Draft_Oct06.pdf));
- Loan Market Association paper on Dealing with Confidential and Price Sensitive Information  
(<http://www.lma.eu.com/Public/FrameMain.asp?Main=Press&Screen=1024> then click on "Dealing with Confidential and Price Sensitive Information" to access the document in PDF);
- MFA’s 2005 Sound Practices for Hedge Fund Managers  
(<http://www.mfainfo.org/images/PDF/MFA2005SoundPracticesPublished.pdf>);

- Joint Market Practices Forum: Statement of Principles and Recommendations Regarding the Handling of Material Nonpublic Information by Credit Market Participants (<http://www.bondmarkets.com/regulatory/jmpfStatement0903.pdf>)
- Joint Market Practices Forum: Statement of Principles and Recommendations Regarding the Handling of Material Nonpublic Information by Credit Market Participants (European Supplement) (<http://www.bondmarkets.com/assets/files/euroJmpf05.pdf>).

These publications set forth, among other things, recommended guidelines and principles relating to the communication and use of material nonpublic information by market participants.

Although financial market participants have long employed appropriate policies and procedures for handling material nonpublic information, we believe the above – described initiatives will be useful to credit market participants as they review and implement their policies and procedures on an ongoing basis. Additionally, they may aid in identifying and addressing new issues that may arise in connection with their investment, trading and portfolio management activities.

We, the below listed trade associations, remain committed to the health of these vibrant markets which have created so much growth and opportunity for economies around the world, and we pledge to remain vigilant in promoting their continued success.



Asia Pacific Loan Market Association



American Securitization Forum




Asian Securities Industry and Financial Markets Association



European High Yield Association



An Affiliate of SIFMA ™

European Securitisation Forum



International Association of Credit Portfolio Managers, Inc.



International Swaps and Derivatives Association



Loan Market Association



The Loan Syndications and Trading Association



London Investment Banking Association



MANAGED FUNDS ASSOCIATION

Managed Funds Association



Securities Industry and Financial Markets Association