



INDUSTRY ASSOCIATIONS RELEASE PROVIDER-DISTRIBUTOR PRINCIPLES ON RETAIL STRUCTURED PRODUCTS

Five leading trade associations are today jointly releasing a set of non-binding principles relating to retail structured products (the ‘RSP Principles’). They focus particularly on the management of the relationship between providers and distributors, from the perspectives of firms performing either function.

The Principles seek to address issues that financial services firms have in practice found helpful to consider when performing these roles in connection with the process of delivering structured products to retail investors. They are intended to be sufficiently broad in their applicability to provide a reference framework for retail structured products markets globally.

The Principles are the product of a working group of firms, taking in the views of both distributors and providers and supported by a coalition of trade associations: European Securitisation Forum (ESF), International Capital Market Association (ICMA), International Swaps and Derivatives Association (ISDA), London Investment Banking Association (LIBA) and Securities Industry and Financial Markets Association (SIFMA). The associations initially issued the Principles for public comment on April 19 and are today publishing them in final form.

Structured products include a variety of financial instruments that combine various cash assets and/or derivatives to provide a particular risk-reward profile that would not otherwise be available in the market. The exact risk-reward profile varies from instrument to instrument.

The Chairman of the joint-associations Working Group, Timothy Hailes (Managing Director and Associate General Counsel at JP Morgan Chase in London) noted: “These Principles have arisen from the practical experiences of firms active in this growing product area, and will also be of great value in dialogue with regulators around the world.”

The Principles are available on the Associations’ web-sites:

www.europeansecuritisation.com

www.icmagroup.org

www.isda.org

www.liba.org.uk

www.sifma.org

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About ESF

The European Securitisation Forum is the voice of the securitisation and CDO market place in Europe, with the purpose of promoting efficient growth and continued development of securitisation throughout Europe. Its membership is comprised of over 160 institutions involved with all aspects of the securitisation and CDO business, including issuers, investors, arrangers, rating agencies, legal and accounting advisors, stock exchanges, trustees, IT service providers and others. The Forum is affiliated with the Securities Industry and Financial Markets Association (SIFMA).

About ICMA

The International Capital Market Association is the self-regulatory organisation and trade association representing constituents and practitioners in the international capital market worldwide. ICMA's members are located in 48 countries across the globe, including all the world's main financial centres, and currently number some 400 firms in total. ICMA performs a crucial central role in the market by providing and enforcing a self-regulatory code of industry-driven rules and recommendations which regulate issuance, trading and settlement in international fixed income and related instruments. ICMA liaises closely with regulatory and governmental authorities, both at the national and supranational level, to ensure that financial regulation promotes the efficiency and cost effectiveness of the capital market. www.icmagroup.org

About ISDA

ISDA, which represents participants in the privately negotiated derivatives industry, is among the world's largest global financial trade associations as measured by number of member firms. ISDA was chartered in 1985, and today has approximately 800 member institutions from 54 countries on six continents. These members include most of the world's major institutions that deal in privately negotiated derivatives, as well as many of the businesses, governmental entities and other end users that rely on over-the-counter derivatives to manage efficiently the financial market risks inherent in their core economic activities. Information about ISDA and its activities is available on the Association's web site: www.isda.org.

About LIBA

The London Investment Banking Association (LIBA) is the principal trade association in the United Kingdom for firms active in the investment banking and securities industry.

The Association represents the interests of its Members on all aspects of their business and promotes their views to the authorities in the United Kingdom, the European Union and elsewhere. For more information, please visit www.liba.org.uk.

About SIFMA

The Securities Industry and Financial Markets Association brings together the shared interests of more than 650 securities firms, banks and asset managers. SIFMA's mission is to promote policies and practices that work to expand and perfect markets, foster the development of new products and services and create efficiencies for member firms, while preserving and enhancing the public's trust and confidence in the markets and the industry. SIFMA works to represent its members' interests locally and globally. It has offices in New York, Washington D.C., and London and its associated firm, the Asia Securities Industry and Financial Markets Association, is based in Hong Kong.

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