



ISDA - INTERNATIONAL SWAPS AND DERIVATIVES ASSOCIATION, INC.

**NEWS RELEASE**

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**ISDA Submits Open Letter to Congress**

**Washington, D.C., Friday, April 23, 2010**—The International Swaps and Derivatives Association, Inc. (ISDA) released the following letter that it has sent to the leadership of the United States Congress.

April 23, 2010

The Honorable Nancy Pelosi  
Speaker  
US House of Representatives  
Washington, DC 20515

The Honorable John Boehner  
Minority Leader  
US House of Representatives  
Washington, DC 20515

The Honorable Harry Reid  
Majority Leader  
United States Senate  
Washington, DC 20510

The Honorable Mitch McConnell  
Minority Leader  
United States Senate  
Washington, DC 20510

Dear Madame Speaker, Minority Leader Boehner, Majority Leader Reid, Minority Leader McConnell:

Throughout much of the debate on financial reform, there have been suggestions that derivatives dealers oppose changes to derivatives regulations and market practices. Such statements ignore the

actions over the past five years of the major dealers, buy-side institutions and industry associations who continue to work collaboratively to deliver structural improvements to the global over-the-counter (OTC) derivatives markets, including improving the clearing and operational infrastructure and bringing transparency to the markets. These actions include the following:

- Development of the market infrastructure to support credit default swap (CDS) clearing.
- Standardization of credit default swap trading standards and updated contract terms to facilitate clearing and reporting of trades.
- Successful launch of CDS clearing in the US and Europe.
- Initial extension of clearing services to buy-side firms (December 2009).
- As of April 2010, over \$7 trillion of CDS have been cleared.
- Creation of Depository Trust & Clearing Corporation's (DTCC) Trade Information Warehouse to centrally store, manage and allow life-cycle processing on the vast majority of CDS transactions.
- As of January, 2010 over \$210 trillion of interest rate swaps (IRS) had been cleared.
- Implementation of a robust industry governance structure, with increased participation of the buy-side in the strategic agenda, policy formation and decision-making process.
- Substantial progress in the implementation of global data repositories, including launch of the Interest Rate Reporting Repository.
- Delivered "full portfolio reporting" to provide additional transparency to the market place.

These actions have been undertaken as part of an ongoing dialogue with global supervisors, including the Federal Reserve Bank of New York, the Securities and Exchange Commission, the Commodity Futures Trading Commission, the Office of the Comptroller of the Currency and the Office of Thrift Supervision. Our commitment to these developments has been detailed in a series of letters, beginning in September 2005, to the global supervisors, the latest of which, dated March 1, 2010, is attached ([http://www.newyorkfed.org/newsevents/news/markets/2010/100301\\_letter.pdf](http://www.newyorkfed.org/newsevents/news/markets/2010/100301_letter.pdf)). These actions by the major dealers, buy-side institutions and industry associations have improved the way over-the-counter derivatives are traded, processed and, importantly, cleared and reflect significant investment of resources and capital. They are a powerful indication of the commitment the industry has shown to improve the market infrastructure as a means to achieving the shared policy goals of reducing systemic risk and increasing transparency. We look forward to participating in a deliberate rule-making process that considers the views of all market participants and works to mitigate any unintended consequences of the new regulatory regime.

Sincerely,

Eraj Shirvani  
Chairman  
ISDA

Conrad P. Voldstad  
Chief Executive Officer  
ISDA

Cc: US House of Representatives  
US Senate

**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 over 820 member institutions from 57 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](http://www.isda.org).

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