**ISDA**[**®**](http://www.isda.org/press/press030209.html#copy)INTERNATIONAL SWAPS AND DERIVATIVES ASSOCIATION, INC.

**NEWS RELEASE**

**For Immediate Release, Monday, March 2, 2009**

**For More Information, Please Contact:**

**Cesaltine Gregorio, ISDA New York, +1 212-901-6019,**[**cgregorio@isda.org**](mailto:cgregorio@isda.org)

**Louise Marshall, ISDA New York, +1 212-901-6014,**[**lmarshall@isda.org**](mailto:lmarshall@isda.org)

**Donna Chan, ISDA Hong Kong, +852 2200 5906,**[**dchan@isda.org**](mailto:dchan@isda.org)

**ISDA Announces Hardwiring Schedule**

**HONG KONG, Monday, March 2, 2009** – The International Swaps and Derivatives Association, Inc. (ISDA) today announced the review and implementation schedule for the draft Auction Settlement Supplement and Protocol and for the Credit Derivatives Determinations Committee that are the constituent parts of its so-called hardwiring process.

Through hardwiring, ISDA is incorporating into its standard documentation the auction settlement of contracts after a default or other credit event on a company referenced in credit default swap transactions.

“Hardwiring is a critical part of the continuing evolution in operational efficiency for these valuable risk management tools,” said Robert Pickel, Executive Director and Chief Executive Officer, ISDA. “Now more than ever, CDS are vital to companies’ management of credit risk. The time and resources that ISDA and the industry are investing in refining processes surrounding these important hedging instruments demonstrate our commitment to their effectiveness, and reflect the significance of these instruments in helping achieve economic recovery.”

ISDA proposes to publish the Auction Settlement Supplement and open the Protocol on March 12. The Protocol would be open for adherence through April 7. Changes to the documentation covered by the Protocol would take effect upon closure of the Protocol.

In order to be responsive to its membership and in close coordination with the regulatory community, ISDA extended the review and implementation schedule for the draft Auction Settlement Supplement and Protocol and the Credit Derivatives Determinations Committee. The new schedule is intended to offer a longer timeframe for review and implementation by industry participants.

The Auction Supplement will amend the ISDA CDS Definitions to incorporate the CDS settlement auction terms that are currently included in the auction Protocols. It will also include provision for the ISDA Determinations Committee, which will make binding determinations for issues such as whether a Credit Event has occurred; whether an auction will be held; and whether a particular obligation is deliverable.

The amendments made by the Auction Supplement will apply to transactions entered into after the effective date, while the Protocol will facilitate the amendment of existing transactions to reflect the new terms.

**About ISDA**

ISDA, which represents participants in the privately negotiated derivatives industry, is the largest global financial trade association, by number of member firms. ISDA was chartered in 1985, and today has over 800 member institutions from 56 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/).

®ISDA is a registered trademark of the International Swaps and Derivatives Association, Inc.