

ISDA Publishes Governance Committee Proposal for CDS Determinations Committees

NEW YORK, May 8, 2025 – The International Swaps and Derivatives Association, Inc. (ISDA) has published a proposal for a new governance committee for the CDS Determinations Committees (DCs), the first in a series of amendments to improve the structure of the DCs and maintain their integrity in changing economic and market conditions.

The governance committee would be responsible for taking market feedback and adopting rule changes affecting the structure and operations of the DCs to ensure their long-term viability and meet market expectations for efficiency and transparency in credit event determinations. The governance committee would be prohibited from involvement in DC decisions, ensuring separation between the determinations process and the procedure for setting the structure and framework of the DCs.

Under the proposal, the governance committee would comprise a minimum of 15 and a maximum of 20 senior, business-focused market participants with significant experience in the credit default swap (CDS) market – 10 from the sell side, five from the buy side, three central counterparty or index provider members and two additional infrastructure providers. The governance committee would be prevented from making rule changes that could impact live credit events to avoid the perception of conflicts of interest and any proposed rule change would be open to market consultation before a vote by the governance committee.

“This is the first step in a series of proposals that ISDA will be making to improve the structure and governance of the DCs. Having a single, industry-wide determination on whether a credit event has occurred is critical to enable the clearing of CDS transactions, so having a DC process that is strong, robust and transparent is essential to the safe and efficient functioning of this market,” said Scott O’Malia, ISDA’s Chief Executive.

The proposal follows publication by ISDA of the results of a consultation on proposed changes to the DCs last year. The [consultation](#), conducted by Boston Consulting Group, was based on [recommendations proposed by Linklaters](#) as part of an independent review on the composition, functioning, governance and membership of the DCs. ISDA will publish additional proposals in the coming months, based on the findings of the consultation.

The DCs were introduced in 2009 as a centralized decision-making body to enable a standardized auction settlement process and ensure central clearing could be implemented for CDS. Although ISDA does not control the DC rules and is not involved in the decision-making process or administration of the committees, ISDA has an interest as a global trade association for over-the-counter derivatives in ensuring the DCs continue to function robustly.

The governance committee proposal is available [here](#).

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About ISDA

Since 1985, ISDA has worked to make the global derivatives markets safer and more efficient. Today, ISDA has over 1,000 member institutions from 76 countries. These members comprise a broad range of derivatives market participants, including corporations, investment managers, government and supranational entities, insurance companies, energy and commodities firms, and international and regional banks. In addition to market participants, members also include key components of the derivatives market infrastructure, such as exchanges, intermediaries, clearing houses and repositories, as well as law firms, accounting firms and other service providers.

Information about ISDA and its activities is available on the Association's website:

www.isda.org. Follow us on [LinkedIn](#) and [YouTube](#).