

ISDA Future Leaders in Derivatives Publishes Energy Security Whitepaper

CHICAGO, May 9, 2023 – The International Swaps and Derivatives Association, Inc. (ISDA) has today published a whitepaper from ISDA Future Leaders in Derivatives (IFLD), its professional development program for emerging leaders in the derivatives market. The whitepaper, [*Energy Security and the Road to Net Zero: the Role of the Derivatives Market*](#), was developed by the second cohort of IFLD participants, who began working together in October 2022.

The 31 individuals in the group represent buy- and sell-side institutions, law firms and service providers around the world. After being selected for the IFLD program, they were tasked to engage with stakeholders, develop positions and produce a whitepaper on the critical issue of energy security. The participants were also given access to ISDA’s training materials, resources and staff expertise to support the project and their own professional development.

The whitepaper provides insights and recommendations on how the derivatives market can help to protect energy security while facilitating the transition to net zero. It sets out the current state of the market and the challenges resulting from extreme price volatility in energy markets and makes medium- and long-term recommendations to scale, standardize and update certain derivatives products.

“I can think of no more important issue for the IFLD to address than energy security and the transition to net zero. The conflict in Ukraine and the ongoing dependence of many major economies on energy imports have contributed to an increased sense of vulnerability in this sector. Fresh perspectives are needed on how these vulnerabilities can be reduced and what role derivatives might play. I commend the IFLD for developing this timely paper, which makes a meaningful contribution to this critical issue,” said Scott O’Malia, ISDA’s Chief Executive.

“Climate change is an enormous threat and an urgent challenge. Market volatility and energy shortages triggered by climate change require comprehensive solutions. This IFLD paper highlights the role that derivatives markets can play in safeguarding energy security and accelerating the transition to a net-zero economy. The IFLD hopes the findings of this paper will help to foster collaboration among key stakeholders, drive the development of innovative solutions and create a sustainable future,” said IFLD participant Elizabeth Martinez, Special Counsel at Milbank LLP.

“The IFLD program provides a fantastic opportunity to connect with like-minded individuals in the derivatives space, develop thought-leadership materials and receive high-quality training. The program is very well organized, while allowing participants to take full ownership of the paper. It was a pleasure to work so closely with the rest of the cohort on a topic that we are passionate about, and I would highly recommend the program to others,” said IFLD participant Kate Whelan, Senior Associate at Allen & Overy LLP.

Participants from the IFLD will present the paper’s recommendations during a panel discussion at ISDA’s 37th Annual General Meeting, which takes place in Chicago this week. Nominations for a third group of IFLD participants will open later this year.

Read the IFLD paper, *Energy Security and the Road to Net Zero: the Role of the Derivatives Market* [here](#).

Find out more about the IFLD program and access previous whitepapers [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 79 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 [Twitter](#), [LinkedIn](#), [Facebook](#) and [YouTube](#).

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