NEWS RELEASE
For Immediate Release

ISDA Publishes Bail-in Article 55 BRRD Protocol

NEW YORK, July 14, 2016 – The International Swaps and Derivatives Association, Inc. (ISDA) has today announced the launch of a new Protocol to help market participants meet a European Union (EU) Bank Recovery and Resolution Directive (BRRD) requirement that applies to certain European entities.

The ISDA 2016 Bail-in Article 55 BRRD Protocol will allow Dutch, French, German, Irish, Italian, Luxembourg, Spanish and UK entities to meet the requirements of Article 55 of BRRD. Article 55 obliges in-scope entities to include a contractual term in agreements creating any relevant liability and governed by the law of a third country to ensure their creditors agree to recognize any bail-in of those liabilities. Article 55 and related technical standards set out the detail and terms of what is required.

"Article 55 will require market participants to make important changes to their outstanding contracts, and the ISDA Bail-in Protocol will enable those changes to be made quickly and efficiently to ISDA Master Agreements and certain other contracts. This is the latest in a series of ISDA initiatives to help market participants comply with new regulations intended to prevent banks from becoming too big to fail," said Katherine Darras, ISDA's General Counsel.

The EU BRRD came into force on July 2, 2014 and was required to be implemented in member states by January 1, 2015. The bail-in tool was required to be implemented from January 1, 2016. BRRD provides EU authorities with a variety of tools to deal with failing banks in Europe, including the ability to bail in certain liabilities. Regulatory technical standards on Article 55 were published in the Official Journal of the EU on July 8. They are due to come into force on July 28.

The Protocol is available on ISDA's website. Click here to read frequently asked questions on Article 55.

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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 850 member institutions from 67 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.