



NEWS RELEASE
For Immediate Release

ISDA Publishes 2011 Equity Derivatives Definitions

NEW YORK, Monday, July 11, 2011 – The International Swaps and Derivatives Association, Inc. (ISDA) announced today the publication of the 2011 ISDA Equity Derivatives Definitions. The Definitions represent a key development in the ongoing industry initiative to increase standardization and automation and further reduce risk across over-the-counter (OTC) derivatives markets.

The Definitions, published on July 8, include a Main Book and an Appendix, and are structured to allow for periodic updating. The Main Book contains the core definitions and provides a menu of provisions that can be combined to create different transactions. The Appendix to the Main Book contains tables setting out possible elections, consequences and fallbacks. The 2011 Definitions are drafted to be principles based, flexible and modular.

"The publication of the 2011 Equity Derivatives Definitions represents an important element in the derivative industry's commitment to standardize these contracts, increase automation and electronic confirmations and to enhance transparency," said Eric Litvack, ISDA Board Member, Chair of the ISDA Equity Derivatives Steering Committee and Managing Director, Société Générale. "The Definitions also supply a toolkit that takes into account market developments and provides flexibility for new products to be efficiently documented going forward."

The 2011 Definitions were developed by four working groups of the 2011 Equity Definitions Drafting Committee, which comprises a global membership with representatives from both buy- and sell-side institutions. The Definitions are part of a new process and structure for documenting equity derivatives that will be implemented incrementally, initially via transaction matrices. In contrast to the 2002 ISDA Equity Derivatives Definitions, which were based upon a standard confirmation template for each of the three major transaction types (Swaps, Options, and Forwards), the 2011 Definitions confirmation structure is based upon a universal framework which is designed to support a unique set of core definitions. Each transaction is a combination of unique terms, built on the same framework and may be documented, matched, and analyzed electronically.

As next steps, market participants will create transaction matrices for US Index Variance Swaps and EU Index Variance Swaps by August 31. This will be followed by a review and plan of

subsequent matrix products in October 2011.

The 2011 Equity Derivatives Definitions are available via the [ISDA Bookstore](#). Information on ISDA's new 2011 Equity Definitions Conferences is available [here](#).

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About ISDA

Since 1985, ISDA has worked to make the global over-the-counter (OTC) derivatives markets safer and more efficient. Today, ISDA is one of the world's largest global financial trade associations, with over 800 member institutions from 56 countries on six continents. These members include a broad range of OTC derivatives market participants: global, international and regional banks, asset managers, energy and commodities firms, government and supranational entities, insurers and diversified financial institutions, corporations, law firms, exchanges, clearinghouses and other service providers. Information about ISDA and its activities is available on the Association's web site: <http://www.isda.org/>.

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