



NEWS RELEASE
For Immediate Release

ISDA Announces Revised SIMM Licensing Program

NEW YORK, April 5, 2016 – The International Swaps and Derivatives Association, Inc. (ISDA) today announced an update to the licensing program for ISDA’s proprietary and patent-pending Standard Initial Margin Model (SIMM) for non-cleared derivatives, offered commercially under the name ISDA SIMM™.

Under the revised licensing program, any market participant will be able to license the ISDA SIMM™ to calculate initial margin for its own or its clients’ non-cleared derivatives transactions. Third-party vendors will also be able to license the ISDA SIMM™ for proprietary services or products. As part of the revised terms, an annual licensing fee will apply to all those who use the ISDA SIMM™. The licensing fees collected will cover annual maintenance and recalibration costs associated with the ISDA SIMM™ to ensure it continues to meet current and future regulatory standards. The licensing fee will be reviewed annually.

The purpose of ISDA SIMM™ is to establish a standard model that meets regulatory standards, which all authorized licensees can use to calculate initial margin in a manner that is consistent with non-cleared derivatives margining rules. By using a standard framework to calculate initial margin, licensed counterparties can reduce the potential for disputes. A common methodology also permits timely and transparent dispute resolution and allows consistent regulatory governance and oversight.

ISDA SIMM™ is US Patent Application No. 62/154,261, titled ‘SIMM Methodology for Calculating SBA Margin’.

Additional information regarding the SIMM project is available on the [‘ISDA WGMR Implementation’ section of ISDA’s website](#).

Please direct any questions regarding the ISDA SIMM™ licensing program to isdalegal@isda.org.

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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.

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

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