



INTERNATIONAL SWAPS AND DERIVATIVES ASSOCIATION, INC.

NEWS RELEASE

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ISDA Comments on Proposals Released by the European Commission Relating to Markets Infrastructure and Aspects of CDS

LONDON, Wednesday, September 15, 2010 – The International Swaps and Derivatives Association, Inc. (ISDA) today made the following statement regarding the proposals by the European Commission on markets infrastructure and aspects of CDS:

The European Commission's proposals on market infrastructure for OTC derivatives are of great importance to the health of our economies and stability of the financial system.

Strong and efficient derivative markets enable our public authorities, companies and pension funds to manage and limit financial risks. This is key to supporting overall economic growth.

ISDA fully supports increased central clearing where this reduces counterparty risk in the financial system. This calls for robust and resilient standards for clearing houses and a carefully judged approach to identification of derivative contracts that are appropriate for clearing. We also welcome moves to increase transparency of derivatives markets to supervisors through internationally consistent reporting to trade repositories.

ISDA will continue to work closely with EU regulators to build on the history of commitments delivered to date in clearing more products, standardization, strengthened market infrastructure and increased transparency. We will continue to seek ways to make markets safer and more efficient.

With respect to the European Commission's proposals on short selling and aspects of CDS, ISDA made the following statement:

Credit derivatives play a vital role in supporting investor confidence in government debt markets. They enable investors to manage their risks and so contribute to market liquidity and lower funding costs.

ISDA supports steps taken in the proposals to increase transparency to regulators and safeguards to ensure any proposed measures take account of the need to preserve market liquidity.

About ISDA

ISDA, which represents participants in the privately negotiated derivatives industry, is among the world's largest global financial trade associations as measured by number of member firms. ISDA was chartered in 1985, and today has over 830 member institutions from 57 countries on six continents. These members include most of the world's major institutions that deal in privately negotiated derivatives, as well as many of the businesses, governmental entities and other end users that rely on over-the-counter derivatives to manage efficiently the financial market risks inherent in their core economic activities. Information about ISDA and its activities is available on the Association's web site: www.isda.org.

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