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FOR IMMEDIATE RELEASE

FIA and ISDA Publish Documentation for Cleared Swaps

Washington, D.C. – June 16, 2011 – The Futures Industry Association and the International Swaps and Derivatives Association, Inc. (ISDA) today announced the publication of the FIA-ISDA Cleared Derivatives Execution Agreement as a template that can be used by participants in the cleared swaps markets in negotiating execution-related agreements with counterparties to over-the-counter derivatives that are intended to be cleared.

The agreement was developed with the assistance of a committee comprised of representatives from both buy-side and sell-side firms with expertise in both futures and OTC derivatives. More than 60 organizations provided input during the development of this document.

Michael Dawley, FIA chairman and managing director, Goldman Sachs, said: "We expect that this agreement will help provide a sound foundation for the expanded use of clearing in the global OTC derivatives marketplace. We are very pleased that this industry initiative has come to fruition and we thank all the members of the working group for their contributions to the development of this important agreement."

Stephen O'Connor, ISDA chairman and managing director, Morgan Stanley, said: "Encouraging greater use of central clearing by all market participants is one of the important ways in which ISDA works to ensure safe, efficient OTC derivatives markets. This agreement marks further progress toward that goal."

Richard Prager, managing director and head of global trading, BlackRock, said: "The derivatives industry's collaborative effort has resulted in a modular give-up document that meets the needs of all market participants, promotes deep, liquid and efficient market structure and supports principles of the Dodd-Frank Act."

The FIA and ISDA believe that this agreement will support the adoption of central clearing in the global derivatives markets by providing a model for the legal documentation supporting derivatives clearing. The FIA and ISDA emphasize that the use of the agreement is voluntary; i.e., there is no requirement, regulatory or otherwise, for any market participant to use this agreement. The agreement is being published as a template for participants to use as they see fit, and may not be necessary or appropriate under all circumstances.

This agreement lays out the procedures by which a trade is submitted for clearing, including the obligations for each party to affirm the trade within prescribed time limits. The agreement clarifies that once a trade is accepted for clearing, each party's agreement with its clearing firm will govern and neither party to this agreement has any further obligation to the other. Second, it establishes the rights and obligations of the parties in the event that a trade is not accepted for clearing. Third, the agreement includes optional annexes for those parties that want a clearing firm to be party to the agreement. The agreement is clearinghouse-neutral.

The agreement attempts to provide some initial structure for documentation governing the execution of cleared swaps pending full implementation of the reforms mandated by the Dodd-Frank Act in the U.S. and similar reforms in other parts of the world. The FIA and ISDA recognize that many provisions in the agreement will be superseded by new regulatory requirements as well as the specific rules of individual swap execution venues and clearing organizations. Until cleared swap market rules and regulations have been adopted and implemented, the agreement sets out certain terms and conditions that market participants who enter into execution agreements may consider. This is the first version of the document; FIA and ISDA expect that the agreement will be updated and enhanced over time as the market for cleared swaps continues to evolve.

The publication of this agreement builds on previous initiatives by both the FIA and ISDA to provide the derivatives industry with model agreements and standardized legal documentation, such as the FIA International Uniform Brokerage Execution Services Agreement and the ISDA Master Agreement.

About FIA

The FIA is the primary industry association for centrally cleared futures and swaps. Its membership includes the world's largest derivatives clearing firms as well as derivatives exchanges from more than 20 countries. **For more information**, please contact: Will Acworth (wacworth@futuresindustry.org) or Mary Ann Burns (maburns@futuresindustry.org) at (202) 466-5460 or visit our website at www.futuresindustry.org.

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: www.isda.org.

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