

NEWS RELEASE  
For Immediate Release

## **ISDA Publishes 2012 US Municipal Reference Entity CDS Protocol**

**NEW YORK, March 5, 2012** – The International Swaps and Derivatives Association, Inc. (ISDA) today announced the launch of the 2012 US Municipal Reference Entity CDS Protocol.

The purpose of the Protocol is to make similar changes to US Municipal CDS transactions as were made to corporate and sovereign CDS by the 2009 ISDA Credit Derivatives Determinations Committees and Auction Settlement CDS Protocol ('Big Bang' Protocol). The Protocol will align the US municipal CDS market with the corporate and sovereign CDS markets.

The Protocol will incorporate auction settlement terms into standard documentation for new and existing US Municipal CDS trades. These terms include the following:

- First, addition of the concept of auction settlement as a settlement method that eliminates the need for physical settlement of US Municipal CDS transactions.
- Second, incorporation of the resolutions of the ISDA Credit Derivatives Determinations Committee for the Americas (DC) into the terms of standard US Municipal CDS contracts. The DC comprises dealer and buy-side representatives and makes binding determinations for issues such as whether a credit event has occurred; whether an auction will be held; and whether a particular obligation is deliverable. Information related to the DC is available at [www.isda.org/credit](http://www.isda.org/credit).
- And third, addition of credit event and succession event "look back" provisions (or backstop dates) that institute a common standard effective date for US Municipal CDS transactions.

The adherence period for the Protocol will run until Monday, April 2. The market practice changes set out in the Protocol will take effect on Tuesday, April 3.

The Protocol is open to ISDA members and non-members alike. The text of the Protocol and form of adherence letter, guidance on the mechanics of the Protocol, answers to frequently asked questions and details on adherents, are available on [ISDA's website](http://www.isda.org).

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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 815 member institutions from 58 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](http://www.isda.org).