



NEWS RELEASE
For Immediate Release

ISDA Publishes Market Agreed Coupon Confirmation for Interest Rate Swaps

SINGAPORE, April 24, 2013 – The International Swaps and Derivatives Association, Inc. (ISDA) today announced the publication of a form of confirmation for a Market Agreed Coupon (MAC) contract as an additional choice for market participants who wish to use over-the-counter (OTC) interest rate swaps (IRS) that have common, pre-agreed terms. The announcement came at the outset of the Association’s 28th Annual General Meeting in Singapore.

The MAC confirmation features a range of pre-set terms in such areas as start and end dates, payment dates, fixed coupons, currencies and maturities. It is anticipated that coupons in the contract will be based on the three- or six-month forward curve and rounded to the nearest 25 basis point increments. Effective dates will be IMM dates, which are the third Wednesday of March, June, September and December. The initial currencies covered include the USD, EUR, GBP, JPY, CAD and AUD. Maturities will be 1, 2, 3, 5, 7, 10, 15, 20 and 30 years.

The MAC Contract will help to further improve transparency and promote liquidity in the IRS market. It is also expected to enhance the ability of buy-side market participants to engage in portfolio compression, which reduces notional amounts outstanding.

“The Market Agreed Coupon confirmation is part of ISDA’s continuing efforts to increase efficiency in the OTC derivatives markets by offering market participants the option to trade using pre-agreed contract terms,” said Robert Pickel, ISDA Chief Executive Officer. “It follows from other efforts we have made in this area, ranging from the development of the ISDA Master in 1987 to the CDS Big Bang in 2009, which brought greater standardization to credit default swaps contracts.”

The form of confirmation was developed in coordination with the Asset Management Group (AMG) of the Securities Industry and Financial Markets Association (SIFMA), which published a term sheet and rationale for the MAC Contract. “The MAC contracts provide the marketplace with the structure for a new alternative for transacting interest rate swaps using pre-agreed terms,” said Timothy Cameron, managing director and head of the SIFMA Asset Management Group. “SIFMA AMG believes MAC contracts will improve liquidity in IRS transactions and provide important benefits to end-users.”

The ISDA Market Agreed Coupon Confirmation is available on the [ISDA website](#). SIFMA AMG’s term sheet and rationale are available on the [SIFMA website](#).

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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 has over 800 member institutions from 60 countries. These members include a broad range of OTC 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 including exchanges, clearinghouses 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 web site: www.isda.org.

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