



International Swaps and Derivatives Association, Inc.  
24 Raffles Place  
#24-02A Clifford Centre  
Singapore 048621  
Telephone: 65 6538 3879  
Facsimile: 65 6538 6942  
email: isdaap@isda.org  
website: www.isda.org

**BY POST AND BY E-MAIL**

11 August 2009

Equity Derivatives Assessment  
Corporations and Financial Services Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600  
EDAssessment@treasury.gov.au

Dear Sir/Madam,

**Submission to Issues Paper: Improving Australia's Framework for Disclosure of Equity Derivative Products**

The International Swaps and Derivatives Association, Inc. (“**ISDA**”) is grateful for the opportunity to respond to the request by the Corporations and Financial Services Division of the Commonwealth Treasury (“**Treasury**”) for submissions in relation to the Issues Paper: Improving Australia's Framework for Disclosure of Equity Derivative Products (the “**Issues Paper**”) which was released for public comment on 5 June 2009 by the then Minister for Superannuation and Corporate Law, Senator Nick Sherry.

By way of background, 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 58 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.

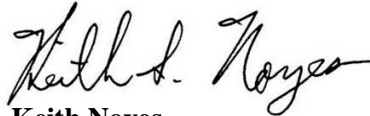
ISDA supports the submission dated 31 July 2009 made by the Australian Financial Markets Association (“**AFMA**”) to the Treasury regarding the Issues Paper.

We note, in particular, that we share the view of AFMA that the existing equity derivatives disclosure regime is satisfactory, following the release of Guidance Note 20 by the Takeovers Panel in 2008. In any event, any review of the existing regime should await the finalisation of the reforms to the OTC derivatives market infrastructure. Further, any changes should include an exemption for market makers and brokers who facilitate client business. Without such an exemption, disclosure may potentially mislead and confuse rather than inform the market, thus harming the price discovery process and market efficiency.

ISDA would be happy to speak with the Treasury in relation to any further developments in relation to the Issues Paper, to clarify any issues raised in this submission or generally to discuss any future regulatory developments in the derivatives market in Australia. In the meantime, if you or your colleagues have any questions regarding our comments, please do not hesitate to contact Mr Keith Noyes ([knoyes@isda.org](mailto:knoyes@isda.org); +852 2200 5900) Ms Jacqueline Low ([jlow@isda.org](mailto:jlow@isda.org), +65 6538 3879) of ISDA or Mr Scott Farrell ([scott.farrell@mallesons.com](mailto:scott.farrell@mallesons.com); +61 2 9296 2142) of Mallesons Stephen Jaques.

Yours faithfully,

**For the International Swaps and Derivatives Association, Inc.**



**Keith Noyes**  
**Regional Director, Asia Pacific**



**Jacqueline Low**  
**Senior Counsel, Asia**