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INTERNATIONAL SWAPS AND DERIVATIVES ASSOCIATION

**NEWS RELEASE**

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**ISDA OPENS “2001 ISDA CREDIT SUPPORT PROTOCOL”**

**NEW YORK, Wednesday, August 1, 2001 –**The International Swaps and Derivatives Association, Inc. (ISDA) announced today web site publication ([www.isda.org](http://www.isda.org/)) of the 2001 ISDA Credit Support Protocol (Protocol).

“Market disruptions in recent years prompted an effort among our membership to tighten the timeframes relating to collateral transfers and dispute resolution,” said Robert Pickel, Executive Director and Chief Executive Officer of ISDA. “The 2001 Credit Support Protocol expands on our previous protocols to provide another useful means of amending derivatives documentation.”

The Protocol offers institutions the ability to amend the 1994 ISDA Credit Support Annex (New York law) and/or the 1995 ISDA Credit Support Annex (English law) through a selection of ten annexes through which their credit support arrangements can be amended.  This multilateral amendment mechanism provides significant time and expense savings as compared with bilateral negotiation of agreement amendments. The adherence period for the Protocol will be open for seven months, beginning on August 1, 2001 and ending on February 28, 2002.  Institutions, both ISDA members and non-ISDA members, are encouraged to consider adherence to the Protocol.  The ISDA web site offers guidance on the mechanics of the Protocol and provides opinions on the enforceability of the Protocol approach under New York and English law.

The Protocol approach, which was successfully utilized for the EMU and the Greek Drachma, allows an institution to sign an adherence letter to indicate what annexes it wants to agree to in order to amend its Master Agreement.  All adherence letters are submitted to ISDA.  ISDA, acting as an intermediary for institutions, then posts the adherence letters on its web site so that counterparties can determine what institutions have agreed to what amendments to their Master Agreements. The amendment becomes effective on the date an institution’s counterparty submits its adherence letter.

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