



NEWS RELEASE
For Immediate Release

FIA and ISDA Publish Cleared Derivatives Addendum

Washington, D. C., August 29, 2012 – The Futures Industry Association (FIA) and the International Swaps and Derivatives Association, Inc. (ISDA) today announced the publication of the FIA-ISDA Cleared Derivatives Addendum, a template that can be used by U.S. futures commission merchants (FCMs) and their customers to document their relationship with respect to cleared over-the-counter (OTC) swaps.

The Addendum, which is designed to supplement a futures and options agreement between a U.S. FCM and its customer, includes representations for each party to make regarding certain clearing-related matters, such as the treatment of customer collateral. The Addendum also sets forth the close-out methodology for cleared OTC swaps, the triggers for liquidation, and provisions for valuing the terminated trades. In addition, the Addendum contains provisions governing tax issues regarding cleared OTC transactions.

The Addendum was developed with the assistance of both buy-side and sell-side participants in the cleared OTC swap markets, with expertise in both futures and OTC derivatives. Approximately 30 institutions participated in drafting the document.

“The Addendum is an important milestone that will enable customers in the U.S. to access central clearing of OTC derivatives transactions efficiently through the use of market standard documentation,” said ISDA CEO Robert Pickel. “It represents the collaborative efforts of a broad cross-section of market participants and marks another step forward in the global derivatives industry working constructively to reduce counterparty credit risk through the use of central clearing facilities.”

“As the financial industry moves toward central clearing for OTC derivatives transactions, there is a growing need for standard documentation such as this Addendum,” said FIA President and CEO Walt Lukken. “FIA and ISDA express their appreciation to the buy-side and sell-side firms that helped draft this document, and we look forward to further collaboration on industry initiatives such as this.”

The Addendum is designed to be customized by the parties that choose to use it. It includes a Schedule in which the parties can make additional representations or other modifications to the terms of the Addendum. Some customization of the Addendum is likely to be needed to ensure that the Addendum interacts with the parties’ underlying futures agreement in the manner they desire. The FIA and ISDA recognize that certain provisions of the Addendum may need to be altered in light of future regulatory developments. As additional reforms are adopted and

implemented, market participants should consider whether modifications to the Addendum are necessary or appropriate.

The FIA-ISDA Cleared Derivatives Addendum is available at:

<http://www.isda.org/publications/isda-clearedswap.aspx>.

<http://www.futuresindustry.org/documents.asp>

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 exchanges and clearinghouses from more than 20 countries. Although FIA has no regulatory authority, it seeks to promote best practices and standardization in the cleared derivatives markets, provide policymakers with an informed perspective on the derivatives markets, and advocate for the interests of its members, its markets and its customers. The FIA strives to protect open and competitive markets, protect the public interest through adherence to high standards of professional conduct and financial integrity, and promote public trust and confidence in the cleared markets.

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 840 member institutions from 59 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.

For Media Enquiries, Please Contact:

Will Acworth, FIA +1 202 466 5460, wacworth@futuresindustry.org

Lauren Dobbs, ISDA New York, +1 212 901 6019, ldobbs@isda.org

Rebecca O'Neill, ISDA London, +44 203 088 3586, roneill@isda.org

Donna Chan, ISDA Hong Kong, +852 2200 5906, dchan@isda.org