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**NEWS RELEASE**

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**ISDA Launches Hardwiring Supplement and Protocol,**

**Further Enhancing Consistency, Transparency and Liquidity in CDS**

**New York, Thursday, March 12, 2009 –**ISDA today launched its Auction Settlement Supplement and Protocol, the final stage of the process known as ‘hardwiring’, or the incorporation of auction settlement terms into standard CDS documentation.

"This is a major milestone in the ongoing refinement of practices and processes for the efficient, liquid and transparent conduct of the CDS business," said Robert Pickel, Executive Director and Chief Executive Officer, ISDA. "Hardwiring is central to the many improvements ISDA and the industry are making to the CDS contract to further ensure that infrastructure and standards for transacting these important risk management instruments are straightforward, secure and widely implemented."

"The industry's commitment to hardwiring is critical to the success of the project," said David Geen, General Counsel, ISDA. "In recognizing the benefits hardwiring will bring, we must also recognize the insight, hard work and commitment that both buy-side and sell-side participants and the regulatory community have invested in this process."

" ISDA welcomes the commendation of these developments by the Senior Supervisors Group in its report, *Observations on Management of Recent Credit Default Swap Credit Events*," added Mr Pickel. "Supervisory recognition that these efforts will reduce uncertainty and make credit event management more operationally efficient is extremely encouraging."

 Key parts of the process include incorporation into the standard documentation of:

o   Auction Settlement provisions that eliminate the need for credit event protocols;

o   Resolutions of the Determinations Committees, comprising dealer and buy-side representatives to determine, eg: whether credit events have taken place;

o   Credit and Succession Event Backstop Dates that institute a common standard effective date for CDS trades.

In combination with the changes in market practice that support standard coupons for CDS, these developments will introduce greater certainty to transactional, operational and risk considerations for treatment of CDS.

ISDA is engaged in ongoing educational efforts to ensure that all relevant industry participants are fully versed in the benefits and requirements of the process. To listen to a webcast presentation addressing these changes, please follow this link:

<http://secure.webex.com/g2.asp?id=YWM03NZS>

**See also March 2 release announcing timing of hardwiring schedule:**

<http://www.isda.org/press/press030209.html>

**About ISDA**

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 820 member institutions from 57 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.  Information about ISDA and its activities is available on the Association's web site: [www.isda.org](http://www.isda.org/).

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