



NEWS RELEASE
For Immediate Release

ISDA Paper Examines Three-Year History of the ISDA Credit Derivatives Determinations Committees

CHICAGO, May 1, 2012 – The International Swaps and Derivatives Association, Inc. (ISDA) today announced the publication of a paper that reviews the formation, structure and workings of the ISDA Credit Derivatives Determinations Committees.

The Determinations Committees (DCs) were formally established approximately three years ago in March 2009 with the publication of the DC Rules and the March 2009 Supplement to the Credit Derivatives Definitions and the Big Bang Protocol. Their development was an important part of a process that ISDA initiated to bring greater standardization to the credit derivatives market.

The role of the DC is to make binding determinations regarding key provisions of credit default swaps (CDS) contracts, including whether a Credit Event has occurred; whether an auction should be held to determine the final price for CDS settlement, and if so which obligations should be delivered or valued in the auction; and whether a Succession Event has occurred. All market participants who document their CDS transactions using ISDA documentation agree to adhere to the DC's findings.

Since their formation, the DCs have considered more than 900 questions, of which approximately 96 percent have been decided unanimously. Determinations regarding possible credit events receive a great deal of focus in the market and in the media. On 83 occasions, the DCs have been asked to consider whether a credit event had occurred. In 63 of those cases, the DCs decided that a credit event had in fact occurred.

The DCs are structured to reflect a variety of market perspectives. Each of the five DCs is a regional committee composed of ten voting dealers and five voting non-dealer members. Membership is at an institutional, rather than an individual level, and a list of members is available on ISDA's website. The DC voting process is governed by the DC Rules, which are made public on ISDA's website.

The paper is available on ISDA's website at: http://www2.isda.org/attachment/NDM1NA==/AGM%202012_DC%20anniversary_appendix_043012.pdf. Additional information regarding the DCs is available on the ISDA Credit Derivatives Determinations Committee website, www.isda.org/credit.

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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 is one of the world's largest global financial trade associations, with over 820 member institutions from 58 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.

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