ISDA | Safe, Efficient Markets

ISDA Commentary on EC MIFIR proposal: removal of the SSTI threshold

I. Executive Summary

ISDA believes that the revised MIFIR should create conditions under which EU clients can access optimal prices for derivatives trades for hedging and other commercial purposes.

ISDA also believes that the revised MIFIR should provide a safe and efficient regulatory framework under which EU banks and investment firms can compete with their peers from the US, UK and other markets for client business in the EU and elsewhere.

We believe that the proposed changes to MIFIR (in particular the deletion of the 'size specific to an instrument' (SSTI) threshold) have the opposite effect, making it harder for EU liquidity providers to provide competitive pricing for EU clients, as they will be exposed to 'undue risk' (the risk that they themselves will be unable to hedge the risks they assume in facilitating clients' hedging because the market will have clear sight of their risk exposures). This will have negative impacts for EU capital markets union and the broader economy, making investment more expensive and/or more risky (if hedging is disincentivised). It will create an unnecessary unlevel playing field for EU sellside firms vs their international competitors.

The Council and European Parliament recognized the importance of derivatives for the real economy at the time of adoption of MIFID 2/MIFIR, and sought – in adopting the SSTI threshold - to ensure that market makers could continue to support EU companies' hedging activities. This function of market making for the real economy has not reduced in importance in the intervening years.

The deletion of the SSTI threshold is particularly damaging to the interests of EU clients and EU derivatives dealers in the context of pre-trade transparency obligations for Systematic Internalisers (MIFIR Article 18). Systematic Internalisers (SIs) make their own capital available for bilateral trading with clients, in derivatives business that is generally of a less liquid nature than that characterizing trading in derivatives subject to the derivatives trading obligation, for example. SIs' use of their own balance sheet in enabling hedging by clients is one key point of difference to trading venues, in considering what is an appropriate transparency regime for each trading method.

The deletion of the SSTI threshold in the context of the SI regime makes it harder for SIs to make that balance sheet available to clients. Under MiFIR Article 18, SIs are required to make public firm quotes below the pre-trade SSTI **on a name disclosed basis.** Certain market participants will be able to combine the expanded range of pre-trade and post-trade transparency information resulting from the European Commission's (EC) proposal, to identify vulnerabilities in the risk position of derivatives dealers facilitating large risk management trades by client.

We believe the EC has proposed these changes out of an incorrect belief that greater transparency in derivatives business always creates liquidity. Transparency applying to different classes of derivatives and methods trading of derivatives should be calibrated appropriately based on their characteristics. We understand that the EC and ESMA also want to delete the SSTI threshold out of a wish to reduce complexity in the transparency framework, but market participants do not view the SSTI threshold as creating complexity. The importance of the SSTI threshold to EU investors and corporates for the purpose of their hedging needs, particularly in the SI context, should not be underestimated.

The EC's proposals will make the EU's capital markets less competitive in this respect, both in terms of the ability of clients to access the best prices, and the ability of EU market makers to compete on price terms with their peers from outside the EU. Under US rules, for example, pre-trade transparency does not apply to derivatives business in a comparable way to the burdensome nature of pre-trade transparency under MIFIR. The UK, meanwhile, is considering removal of pre-trade transparency requirements for derivatives business. The removal of the SSTI repeals the key mitigant in MIFIR to the relatively intrusive trade transparency framework, at a time when the EC is aiming to build a robust, autonomous Capital Markets Union, to meet its own financing demands, but also to confront the competitive challenges posed by non-EU jurisdictions.

ISDA urgently recommends the following improvements to the EC proposal, to address these concerns:

- The Council and EP should reinstate the MIFIR SSTI threshold for the purpose of pre- and post-trade transparency for SIs and trading venues; or (if this is not possible)
- The Council and EP should reinstate the MIFIR SSTI threshold in the context of the pre-trade transparency obligation for SIs; **and**
- The Council and EP should make it explicit that the LIS threshold for post-trade should be recalibrated to a level lower than the current LIS, that is appropriate for derivatives business (in line with ESMA's own recommendation), with a further important, explicit requirement for ESMA to demonstrate by reference to quantitative work focusing on 'undue risk' that these levels are appropriate for different derivatives classes.
- In addition, the Council and EP should consider whether pre-trade transparency should apply to OTC derivatives business at all (for trades facilitated by SIs, at least).

II. What is 'undue risk' and why does the EC proposal create an obstacle to optimal pricing for financial and corporate clients managing risk?

In MIFIR, the EU institutions recognised that, in order for market makers (derivatives dealers) to be able to facilitate risk management through derivatives by their clients, they need to be able to protect themselves from *'undue risk'*. Hence, the SSTI threshold was created for derivatives trades at a size above which derivatives dealers may not be 'able to hedge their risks' appropriately (wording from MIFIR Article 9) if subject to market transparency.

This SSTI threshold is cited in MIFIR Article 9 (Waivers for Non-Equity Instruments), Article 11 (Authorisation of Deferred Publication) and in Article 18 (Obligation for Systematic Internalisers to make public firm quotes in respect of bonds, structured finance products, emission allowances and derivatives). Regarding pre-trade transparency on trading venues, trades of a size above pre-trade SSTI may benefit from a waiver as per MIFIR Article 9(1), while post-trade, Article 11 permits deferrals above post-trade SSTI. For pre-trade transparency for quotes provided on SIs, on the other hand, the pre-trade SSTI defines the scope of transparency requirements, as quotes below the SSTI level have to be disclosed, as per MIFIR Article 18(10).

The EU institutions' creation of the SSTI threshold in MIFIR recognised that if a dealer assumes a large amount of risk (interest rate, foreign exchange, credit, commodity or equity risk, for example) in a derivative trade from a client (in enabling hedging by that client) it could be exposed to predatory behaviour on the market if the market knows that it is exposed to this large risk. This is particularly vital in the Systematic Internaliser (SI) regime, where derivatives dealers use their own balance sheet to facilitate hedging by clients. If a derivatives dealer is no longer protected from 'undue risk' – and fears that the certain market participants will be able to combine pre-trade transparency and post-trade transparency information[1] now available (on trades of a size above the SSTI threshold) to identify them (the derivatives dealer) as significantly exposed to changes in pricing relevant to these trades, that derivatives dealer will either price in this extra risk in the original, client-facing trade (meaning the client receives an inferior price) or decide not to trade with the client wishing to hedge.

The existence of the SSTI threshold is therefore crucial to the availability of optimal pricing for clients, particularly regarding trades undertaken by SIs under Article 18, where derivatives dealers put their own capital at risk and the names of SIs are published with quotes.

The table below gives an overview of the SSTI's use in reporting obligations under MIFIR.

<table>
<tr><th rowspan="3" colspan="2">Size Specific to the Instrument (SSTI)</th><th colspan="3">Market participants Transacting</th></tr>
<tr><th colspan="2">On-venue execution</th><th>Off-venue Execution</th></tr>
<tr><th>Exchanges / Regulated Markets</th><th>RFQ & voice trading systems (MTF / OTF)</th><th>RFQ & voice trading systems</th></tr>
<tr><td rowspan="4">Pre-Trade Transparency</td><td>Item</td><td>-</td><td>SSTI <u>waiver</u></td><td>SSTI <u>level</u> (not a waiver) defining the scope of SI Pre-Trade Transparency</td></tr>
<tr><td>Key characteristic</td><td>-</td><td>Pre-Trade Transparency is anonymous</td><td>SI Pre-Trade Transparency is attributable</td></tr>
<tr><td>Objectives</td><td>-</td><td>Protect liquidity providers (not trading venues) from undue risk</td><td>Protect liquidity providers from undue risk</td></tr>
<tr><td>Regulatory References</td><td>-</td><td>MiFIR Article 9 (1) and (5)</td><td>MiFIR Article 18 (10)</td></tr>
<tr><td colspan="5"></td></tr>
<tr><td rowspan="4">Post-Trade Transparency</td><td>Item</td><td colspan="3">SSTI <u>deferral available if authorised by competent authority</u></td></tr>
<tr><td>Key characteristic</td><td colspan="3">Post-Trade Transparency is anonymous</td></tr>
<tr><td>Objectives</td><td colspan="3">Protect liquidity providers (not trading venues) from undue risk</td></tr>
<tr><td>Regulatory References</td><td colspan="3">MiFIR Article 11 (1)</td></tr>
</table>

[1] See section IV for an explanation of how pre- and post-trade transparency information can be combined and exploited to identify the risk exposures of SIs associated with their facilitation of hedging by clients.

Key notes related to this table:

- It is the combination of pre-trade and post-trade transparency that creates 'undue risk' if they are not well calibrated.
- Pre-trade transparency does not apply to derivatives business in a comparable (or similarly intrusive) manner under US (CFTC) rules.

III. What is a SI and what kind of derivatives business do SIs undertake? Why is the SSTI waiver/deferral important to them?

It is probably easiest to think of SIs as trading facilities that derivatives dealers, using their own balance sheet, make available to clients to do bilateral derivatives business with them on an 'organised, frequent and systematic basis'. SIs can, for example

- Do derivatives business in derivatives deemed illiquid or liquid (except (in general) for derivatives deemed subject to the derivatives trading obligation, which must be executed on multilateral venues) by ESMA.
- Do derivatives business in derivatives subject to the derivatives trading obligation with counterparties that are exempt from the trading obligation (e.g. NFCs-)

In the context of pre-trade transparency, the Article 18 SI regime is intended to ensure a level playing field between venues and SIs in terms of transparency available to the market in either method of execution, despite key differences between SIs and venues (including, we repeat, that SIs facilitate trading by end users by using their own balance sheet). It should also be noted that the most liquid, standardized, high volume derivatives contracts deemed subject to the trading obligation, executed by counterparties subject to the trading obligation, must be traded on multilateral trading venues and NOT on SIs,

The MIFIR SSTI threshold/deferral is crucial to SIs as it means that pre-trade transparency (where quotes by SIs for potential derivatives client trades are shared on an attributed basis with the entire market) does not apply for quotes for large trades that entail 'undue risk' to SIs, while post-trade, publication of information on the volume of trades conducted above SSTI can be deferred.

IV. How does the revised MIFIR proposal change pre- and post-trade transparency affecting EU market participants? How does this create more 'undue risk'?

Under Article 9(1), the EC proposes the deletion of the SSTI waiver, leaving a waiver from pre-trade transparency only for trades that are illiquid or that are large in scale (LIS) - the latter a waiver that was previously only applied to trades on regulated markets (exchanges).

It appears that the SSTI threshold (trades below which would not be subject to the SI transparency regime) no longer applies under Article 18, although the drafting in the proposal is not absolutely clear on this point. Under Article 18(10) of the consolidated text (as amended by this proposal), MIFIR still states that the the Article 18 transparency regime does not apply where SIs deal in sizes above SSTI as determined according to Article 9(5)(d). However, the mandate for ESMA to specify the level of SSTI is deleted under Article 9(5)(d) in the proposal. Nevertheless, Article 9(5)(d) still refers to the SSTI and continues to link SSTI with the need to protect liquidity providers from undue risk. It would be helpful to understand the EC's intentions in this context.

Under Article 11 (authorisation of deferred publication) the SSTI threshold is also deleted, with ESMA mandated to decide which trades can benefit from deferral of price information until end-of-day or of volume information for up to the maximum deferral period of 2 weeks (the current maximum deferral period is 4 weeks).

The deletion of the SSTI threshold is of significant concern to firms offering an SI service, who will feel that they will have to 'price in' the undue risk created by this transparency above current SSTI levels, or not offer liquidity at all.

For trades above current SSTI level and below LIS level:

- Market participants will (pre-trade) be told when a price is quoted for a certain volume (including above current SSTI, all the way up to the LIS threshold) of a certain instrument at a given time and date, by a certain SI;
- If that quote is then executed against, market participants will be told that a trade has been done on the same instrument. While the name of the SI will not be disclosed, price will be disclosed at the same time or end of day, and trades with a volume between the current SSTI threshold and the eventual LIS threshold will also be disclosed. If the SI trade is in a liquid instrument at a size below the post-trade SSTI level (which is significantly larger than pre-trade SSTI, and larger than pre-trade LIS) price and volume will be disclosed within 5 minutes of the trade being executed.

It will therefore be possible for certain market participants to use the combination of pre-trade and post-trade information above to work out when dealers are exposed to price movements in specific derivatives instruments. They can use this information to move market pricing for these risks (for example via the futures market). In this way, the EC proposal actually generates 'undue risk' for derivatives dealers if they are to make liquidity available to clients.

V. Why has the EC proposed removal of the SSTI threshold?

In its Q&A on the CMU package (https://ec.europa.eu/commission/presscorner/detail/en/qanda_21_6252) the EC took the position that greater transparency regarding derivatives should be an objective in itself[2]. The concept of 'undue risk' described above - and acknowledged by the co-legislators at the time of adoption of MIFIR - shows that there is a trade-off between transparency and liquidity,

[2] ISDA believes that the most effective way to enhance trade transparency in derivatives business would be to overhaul the system of instrument identification used for reporting and transparency requirements. ISDA maintains that ISINs – which ESMA designated (in MIFID 2/MIFIR) as the identifier for derivatives reporting - are not appropriate for the purpose of transparency in derivatives markets, and obscure whatever benefits could be gained from trade transparency. The use of ISINs undermines derivatives transparency, and will obscure whatever value could be obtained from a CTP. Under the current trade identification system, approach, two very similar products (for example, two 5-year IRS, with one being traded one day later than the other) will have different ISINs whereas economically very different products (for example, equity options referring to the same underlying instrument but with different contractual agreements) sometimes share the same ISIN. The current system also generates (unnecessarily) large amounts of ISINs (relative to other asset classes), paid for by market participants.

particularly in episodic, less liquid and less standardized (then equities and futures, for example) markets like OTC derivatives. In the cases of trades at a size above SSTI, transparency actually diminishes the availability of liquidity because of 'undue risk'. This crucial consideration in derivatives business has not been taken into account by the EC and ESMA.

In the Q&A, the EC says that transparency (and price formation) will be boosted by reducing 'deferrals' in derivatives business. 'Deferrals' refers to post-trade transparency only. As mentioned above, if pre-trade and post-trade transparency are not well calibrated (as would be the case if the SSTI threshold was deleted), this would create 'undue risk' for EU liquidity providers. While poorly calibrated post-trade transparency thresholds would be significantly damaging by themselves, this would be greatly magnified should the pre-trade SSTI threshold be deleted for SIs.

ESMA supported the removal of the SSTI pre-trade waiver and post-trade deferral in a number of reports adopted in 2020 to a) reduce complexity in the MIFIR regime (though this is complexity perceived by ESMA and NCAs and not market participants) and b) to increase transparency (as an end in itself).

It also appears that c) ESMA may not understand the importance of the SSTI threshold for SIs. ESMA assumes that the low level of applications to date for the SSTI waiver under Article 9 means that the SSTI waiver (or SSTI threshold, in the case of MIFIR Article 18) is of limited value to market participants (both the ESMA consultation paper of March 2020 (paragraphs 51 and 72) and final report of September 2020 (paragraph 44) on the transparency regime for non-equity instruments and the trading obligation for derivatives state that requests for the SSTI waiver made up only 6% waiver requests). The Article 9 SSTI waiver must be requested by the trading venues, who presumably do not regard it as having the same importance as SIs do, as venues do not put their own capital at risk and the names of counterparties are not reported pre-trade on-venue anyway. The SSTI threshold determined under Article 9 applies automatically at present under MIFIR Article 18, and is crucial to the ability of market makers to make liquidity available at this trade size (given that the names of counterparties are otherwise disclosed with the quotes published). It is not clear whether ESMA has conducted any analysis of the value of the SSTI threshold to SIs.

It is also important to note that while ESMA concluded in favour of deletion of the SSTI pre-trade waiver and post-trade deferral on trading venues and for SIs, ESMA recommended to re-calibrate the LIS threshold to a lower level[3].

The EC has omitted this important detail in its proposal however. While the consolidated MIFIR text (subject to this proposed revision) still mandates ESMA to determine pre- and post-trade LIS levels, these mandates are required to be discharged by June 2015 i.e. they appear to be leftovers from the 2014 MIFIR. No mention is made of ESMA recalibrating the LIS thresholds based on assessment of what is appropriate for each derivatives asset class (as ESMA recommended), nor of an intention to take into account levels of undue risk to which SIs will be exposed if the SSTI threshold is removed.

[3] See paragraph 58, https://www.esma.europa.eu/sites/default/files/library/esma70-156-3329_mifid_ii_mifir_review_report_on_the_transparency_regime_for_non-equity_instruments.pdf

VI. How does the EC proposal compare to the approach on trade transparency in other jurisdictions?

1. *US (CFTC) pre-trade transparency for derivatives is limited in comparison with MIFIR pre-trade transparency for derivatives*

Under CFTC regulations, a 'required transaction' i.e. a derivative that is required to be executed on a Swap Execution Facility (derivatives trading venue under CFTC rules) must be executed either on an order book or subject to RFQ-3. The latter means that the client must seek quotes from 3 dealers for a specific trade. As such, there is no requirement to publish firm quotes under the CFTC rules.

Under the MIFIR regime, quotes by dealers have to be made available to the entire market.

(As an aside, pre-trade transparency is a concept that was originally designed for equities markets, as a means of levelling the competitive playing field between investment firms and exchanges at the time the so-called 'concentration rule' (protecting a monopoly for EU stock exchanges) was being removed at the time of MIFID 1. It is an example of inappropriate application of an a equity business concept to OTC non-equity business).

ISDA believes that it is questionable how much value, in general, clients obtain from pre-trade transparency, given that quotes provided by derivatives dealers are largely tailored to the specifics not only of the trade and volume concerned, but also the relationship with (and credit quality of) the client (especially for uncleared derivatives business).

However, as explained in section IV, when pre-trade transparency is applied to trades of a large size, this is a significant concern to derivatives dealers, particularly when post-trade transparency information is also available. Dealers will have to adapt pricing or withhold liquidity when faced with undue risk – neither of which is in the interests of EU investors and corporates seeking to manage risk.

This asymmetry was mitigated in the EU by the existence of the SSTI threshold, meaning that for large, riskier trades, EU derivatives dealers were provided with protection from undue risk.

Under the new proposal from the EC, this mitigation is gone, and EU derivatives dealers face a competitive asymmetry in relation to their CFTC-regulated peers, including when trading in the same products, or with the same clients, with (absent an SSTI threshold) no mitigation.

2. *The UK is considering deleting pre-trade transparency completely for derivatives traded by systematic internalisers, requiring it only for bonds and derivatives on order book or electronic auction systems*

As the UK's July 2021 Wholesale Market Review (https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/998165/WMR_condoc_FINAL_OFFICIAL_SENSITIVE_.pdf) consultation pointed out 'the available evidence from the operation of the MiFID II transparency regime for bonds and derivatives is that the application of pre-trade transparency to such markets has not worked effectively. This is because, order books (which list bids and offers for all instruments), are not widely used by fixed income and derivatives traders. Instead, liquidity is usually provided on a request for quote basis, or instruments are traded of bilaterally. The reason for this is because a lot of fixed income and derivative instruments are bespoke, illiquid and complex'.

The WMR consultation went on to ask respondents how and if they use pre-trade transparency information and if pre-trade transparency should no longer apply to SIs.

3. *The CFTC post-trade transparency and proposed EU post-trade transparency regimes are comparable.*

Like the proposed EU post-trade transparency regime for derivatives, the CFTC post-trade transparency regime is quite expansive. In fact, this CFTC post-trade transparency regime will expand (in Spring 2023) shortly before the revised MIFIR changes are likely to come into effect, when block thresholds will increase from 50% of cumulative notional amount of Swap Data Repository (SDR) trades within a swap category to 67% and cap thresholds will increase from 50% to 75% of total notional. This means that the full size of some block trades will be disclosed and less of the market will be subject to delayed publication and/or volume masking.

In fact, deferrals of publication under CFTC post-trade rules are shorter than under these proposed revisions to MIFIR, at just 15 minutes. However, in the EU, the combination of pre- and post-trade transparency data generates undue risk to derivatives dealers. MIFIR post-trade transparency data does not reveal the names of counterparties or, above SSTI ((now) and above LIS (under this proposed revision)), the volume of a trade, but, as explained above, it is possible for markets participants to work out which derivatives dealers are exposed to undue risk by assessing pre-trades quotes published to the market, and to what extent, as these are not anonymized, and are published with size.

4. *The UK is also considering deleting the SSTI threshold for post-trade deferrals, shortening the time period for deferrals for liquid instruments, but maintaining a longer deferral period for illiquid instruments.*

Quote from the Wholesale Markets Review Consultation:

'5.33 To increase transparency and aid the price formation process in fixed income and derivatives markets, the government is considering refocusing the regime and reducing the number of deferrals that are available. Under this proposal, the government would remove the SSTI, package order, and EFP deferrals, which market participants have described as ineffective. The LIS deferral would remain in place for block trading in liquid instruments, and the illiquid deferral would be retained for instruments that cannot support real time transparency. This would ensure that firms can trade large blocks or illiquid instruments without undue risk and are not subject to unnecessary burdens. Alongside these reforms, to ensure that these waivers work effectively, and to limit market risk while encouraging timely price information, the government is proposing to allow comprehensive volume-masking.

5.34 The government believes that the length of the LIS and illiquid deferrals could be calibrated differently, with shorter delays for LIS transactions in liquid instruments, and longer deferrals for illiquid instruments. The calibration of the deferrals would be determined by the FCA following consultation.'

VII. The EU should carefully consider what is an appropriate approach to trade transparency in the EU when the EU is (now, without the UK) a much less liquid derivatives jurisdiction than the US (and UK)

Post-Brexit, the EU's derivatives markets, featuring multiple currencies, with many derivatives instruments denominated in EU currencies (or with these currencies as underliers (FX derivatives)) are now much less liquid and more fragmented. More fragmented and illiquid markets require a more cautious approach to transparency as risk-takers are much more exposed to market risk. Increased transparency without providing sufficient safeguards will further endanger liquidity and increase prices for EU companies wanting to manage risk.

VIII. ISDA recommendation

ISDA recommends that

- The Council and EP should reinstate the MIFIR SSTI threshold for the purpose of pre- and post-trade transparency for SIs and trading venues; or (if this is not possible)
- The Council and EP should reinstate the MIFIR SSTI threshold in the context of the pre-trade transparency obligation for SIs; **and**
- The Council and EP should make it explicit that the LIS threshold for post-trade should be recalibrated to a level lower than the current LIS, that is appropriate for derivatives business (in line with ESMA's own recommendation), with a further important, explicit requirement for ESMA to demonstrate by reference to quantitative work focusing on 'undue risk' that these levels are appropriate for different derivatives classes.
- In addition, the Council and EP should consider whether pre-trade transparency should apply to OTC derivatives business at all (for trades facilitated by SIs, at least).

IX. Suggestions for questions to be asked to the EC about the proposal

- The EC proposes to remove the SSTI waiver/deferral threshold, which the MIFIR 1 co-legislators included with a view to protecting liquidity providers from 'undue risk'. Does the EC have any evidential basis for disregarding 'undue risk'? Have the EC or ESMA ever engaged in a quantitative exercise to determine at what size trades derivatives dealers face 'undue risk' if subject to pre- or post-trade transparency in derivatives classes or asset classes, including in relation to trading on SIs? If so, could they share the results of this analysis[4]?
- Why has the EC only incorporated ESMA's proposal to delete the SSTI threshold, while ignoring ESMA's support for counter-balancing the impact of this deletion by lower the

[4] In September 2015, ISDA shared with EU regulators (EC, ESMA, NCAs, Member States, MEPs) an analysis showing the level at which 'undue risk' applies in the 2 year, 3 year, 4 year, 5 year, and 10 year single currency fixed/float swaps markets (by reference to price changes in the bund futures market, a key markets for derivatives dealers seeking to hedge market making activities in these derivatives sub-classes). We are not aware of any quantitative analysis having been done seeking to estimate undue risk by the EC, ESMA, or any other authority at that time, or since then. We would be happy to share this analysis with you on request.

LIS threshold to a level that is more appropriate for derivatives business in different asset classes?

- If there is to be an emphasis on improved transparency in derivatives business under EU rules, shouldn't this emphasis fall on overhauling or removing the (ISINs-based) system of identification of derivatives, which often results in either conflation of heterogenous derivatives instruments or erroneous, heterogenous identification of homogenous derivatives instruments?
- Why - under this proposal - is the EU likely to be the only major derivatives jurisdiction applying broad pre-trade transparency requirement to derivatives business, when these requirements are either of little use or (when quotes for large trades are sought) likely to either result in sub-optimal pricing or withholding of liquidity by derivatives dealers?

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About ISDA

Since 1985, ISDA has worked to make the global derivatives markets safer and more efficient. Today, ISDA has over 960 member institutions from 78 countries. These members comprise a broad range of derivatives market participants, including corporations, investment managers, government and supranational entities, insurance companies, energy and commodities firms, and international and regional banks. In addition to market participants, members also include key components of the derivatives market infrastructure, such as exchanges, intermediaries, clearing houses and repositories, as well as law firms, accounting firms and other service providers. Information about ISDA and its activities is available on the Association's website: www.isda.org. Follow us on Twitter, LinkedIn, Facebook and YouTube.