



NEWS RELEASE
For Immediate Release

ISDA Publishes 2014 Resolution Stay Protocol

LONDON, November 12, 2014 – The International Swaps and Derivatives Association, Inc. (ISDA) today announced the ISDA 2014 Resolution Stay Protocol is open for adherence. Eighteen major banks have signed it at launch.

The Protocol has been developed in close coordination with the Financial Stability Board by an ISDA working group that included both buy- and sell-side participation.

The Protocol will come into effect on January 1, 2015 for those 18 banks. Adherence is voluntary, but regulators have committed to develop new regulations in their jurisdictions throughout 2015 that will encourage further adoption of stay provisions. A US bankruptcy component of the Protocol will come into effect once relevant rules have been issued by US regulators. In each case, the regulations will be made under the rule-making process in each jurisdiction.

The Protocol opts adhering parties into certain existing and forthcoming special resolution regimes, subject to creditor protection safeguards. The aim is to ensure cross-border derivatives trades are captured by statutory stays on cross-default and early termination rights in the event a bank counterparty enters into resolution. These stays are intended to give regulators time to facilitate an orderly resolution of a troubled bank.

The Protocol also incorporates certain restrictions on creditor contractual rights that would apply when a US financial holding company becomes subject to US bankruptcy proceedings. This includes a stay on cross-default rights that would restrict the counterparty of a non-bankrupt affiliate of an insolvent US financial holding company from immediately terminating its derivatives contracts with that affiliate. A non-defaulting party's right to terminate derivatives trades with a direct counterparty that is under insolvency proceedings is unaffected by the Protocol.

Please visit the Protocol Management section of the ISDA website to read the Protocol, updates to the list of adhering firms and a frequently-asked-questions document:
<http://www2.isda.org/functional-areas/protocol-management/open-protocols/>

-more-

For Media Enquiries, Please Contact:

Nick Sawyer, ISDA London, +44 203 088 3586, nsawyer@isda.org

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

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

About ISDA

Since 1985, ISDA has worked to make the global over-the-counter (OTC) derivatives markets safer and more efficient. Today, ISDA has over 800 member institutions from 64 countries. These members include a broad range of OTC 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 including exchanges, clearinghouses 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 web site: www.isda.org.

ISDA® is a registered trademark of the International Swaps and Derivatives Association, Inc.

You are receiving this email as notification of an ISDA Press Release distribution. If you no longer wish to receive these emails please contact press@isda.org.