



NEWS RELEASE
For Immediate Release

IBA Selected as New ISDA SIMM™ Crowdsourcing Utility

NEW YORK, October 8, 2015 – The International Swaps and Derivatives Association, Inc. (ISDA) today announced that ICE Benchmark Administration Limited (IBA) has been selected to build and operate a crowdsourcing utility for the ISDA Standard Initial Margin Model (ISDA SIMM™).

The ISDA SIMM™ has been developed as part of ISDA’s Working Group on Margining Requirements (WGMR) implementation initiative to help market participants meet new margining rules for non-cleared derivatives. By using a common methodology to calculate initial margin, counterparties can avoid the potential for disputes. The ISDA SIMM™ can be used by any party subject to the non-cleared margin requirements.

In order to ensure a consistent implementation, the treatment of risk weights and correlation parameters to sensitivity values needs to be the same among ISDA SIMM™ users. Risk weights for certain asset classes are clear, and therefore treatment will be the same among ISDA SIMM™ users. However, the consistent allocation of net sensitivity values for other asset classes will require sensitivities generated to each risk factor to be mapped consistently to an ISDA SIMM™ risk bucket.

The crowdsourcing utility is intended to aggregate and compile risk data to enable market participants to implement the ISDA SIMM™ consistently.

IBA was chosen following an in-depth selection process, which began with a public invitation to tender in July. The selection process was run by a committee comprised of ISDA staff and industry participants, active in ISDA’s WGMR implementation initiative.

As part of its new responsibilities, IBA will build and run a centralized crowdsourcing solution that is needed to achieve this consistent mapping. The value of crowdsourcing is that parties will use the consensus results instead of their own internal determination of risk buckets and weightings. The utility will:

- Accept data from participants that are in scope for non-cleared margin rules;
- Analyze data and produce consensus results;
- Provide results reports to users;
- Establish policies and procedures for the utility;
- Ensure continuity and integrity of the utility and associated data.

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In order to maintain the standards of the ISDA SIMM™ and its application, ISDA will retain an oversight role of the crowdsourcing utility, and will work closely with IBA to establish an appropriate governance structure for the utility.

ISDA will also work with IBA and industry participants to define infrastructure needs, processes and controls, with the aim of ensuring the utility is operational ahead of the September 1, 2016 effective date for the implementation of the non-cleared margin rules.

For questions regarding the new ISDA SIMM™ crowdsourcing utility, please contact Eleanor Hsu ehsu@isda.org and Tara Kruse tkruse@isda.org.

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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 800 member institutions from 68 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.

About ICE Benchmark Administration Limited

ICE Benchmark Administration (IBA) is the world's most trusted and experienced administrator for regulated benchmarks. IBA, which is an independently capitalized subsidiary of Intercontinental Exchange, Inc., administers the following three systemically important benchmarks: ICE LIBOR, LBMA Gold Price and ICE Swap Rate. Authorized and regulated by the Financial Conduct Authority (FCA), IBA is required to comply with the FCA's rules for benchmark administrators; IBA has also been formally assessed in respect of ICE LIBOR against the IOSCO Principles for Financial Benchmarks.

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