



NEWS RELEASE
For Immediate Release

ISDA Determinations Committees Vote to Change DC Rules

NEW YORK, January 11, 2016 – The International Swaps and Derivatives Association, Inc. (ISDA) today announced that the ISDA Credit Derivatives Determinations Committees (DCs) have voted to make a series of changes to the DC rules as part of an effort to further strengthen the process for determining whether a credit event has occurred in the credit derivatives market.

The changes are primarily aimed at reinforcing controls and procedures by setting globally consistent minimum standards on the internal conduct of DC member firms. This includes explicit requirements for written policies or procedures to be in place at all member firms concerning the identity of DC decision-makers, identification and management of potential conflicts of interest, and record keeping. These requirements complement existing securities laws and anti-manipulation requirements, which DC member firms are already subject to.

The changes are part of an ongoing process of review to ensure the DC process is robust and transparent. ISDA will continue to assess policies and processes, and will consider all available options to further support the DCs and the credit derivatives market more broadly.

The agreed changes include requirements for written policies or procedures to be in place at member firms that:

- Require the identification and management of any conflicts of interest arising from DC membership and potential profits or losses from trading or holding economic positions in instruments where the price may be affected by a DC decision.
- Set limits on the individuals who can act on the DC firm's behalf. Those individuals cannot work within departments in the firm that carry out core activities in various business lines (such as credit trading, hedging, lending, investing, advisory or similar functions), unless the firm is satisfied that the relevant function is independent of the business.
- Make explicit how any material non-public information received through the DC process should be handled, in accordance with any applicable securities laws.
- Describe the DC member firm's internal process of deciding how to vote.

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The policies or procedures set to satisfy these requirements must be retained by the firm for at least five years. ISDA, in its role as Secretary of the DCs, will maintain records of the individuals authorized by DC member firms to participate on their behalf, as well as records of individuals' attendance on DC calls, for at least five years.

The changes will be implemented from mid-February 2016.

Additional information regarding the DCs is available on the ISDA Credit Derivatives Determinations Committee website www.isda.org/credit.

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About the Determinations Committees

The [ISDA Credit Derivatives Determinations Committees \(DCs\)](#) each comprise 10 sell-side and five buy-side voting firms, alongside three consultative firms and central counterparty observer members. Their role is to apply the terms of market-standard credit derivatives contracts to specific cases, and make factual determinations on Credit Events, Successor Reference Entities and other issues, based on information provided to the DCs by credit default swap (CDS) market participants. The DCs are also responsible for determining whether a CDS Auction should be held following a Credit Event. The determinations are governed by the [Determinations Committee Rules](#). ISDA acts as a non-voting secretary to each DC, and endeavors to co-ordinate this process in a transparent and operationally efficient manner.

About ISDA

Since 1985, ISDA has worked to make the global derivatives markets safer and more efficient. Today, ISDA has over 850 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.

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