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ISITC Finalizes New OTC Derivatives Market Practice
-New standards to improve automated communications between investment managers and third parties

Boston, 28 July 2009 – ISITC (International Securities Association for Institutional Trade Communication), the industry trade group focused on standards in transaction processing and related communications, announced today that the OTC Derivatives Working Group has released a new Market Practice for implementation. The Market Practice – *OTC Trade Notification* – focuses on communications related to contract notifications sent from Investment Managers to third party providers including: Custodians, Accounting Agents and Prime Brokers. This new Market Practice was developed to address the challenge of increasing OTC trading volumes by standardizing trade notifications.

Genevieve Dimitrion, Chair of ISITC, said, “Because of the large increases in OTC derivatives trading volumes, Investment Managers have put a high priority on automating notifications to relevant third parties. ISITC’s OTC Derivatives Working Group has done an excellent job in developing effective standards for all industry participants, and we believe that this new Market Practice will enable significantly more efficient communications.”

ISITC’s OTC Derivatives Working Group, which is comprised of 130 members, is focused on bringing consistent trade/cash communications to the OTC marketplace and works in conjunction with The Asset Managers Forum and other industry groups to create market practice standards around derivatives processing, focusing on trade notification, reconciliation, collateral movements, and interest payments.

The *OTC Trade Notification* Market Practice, which has been two years in the making, covers the contract lifecycle events-related notifications. Specifically, market participants will be able to receive SWAPs trades electronically in a consistent format which will allow custodians and accounting agents to build solutions that will create STP. The development of this standard began when market participants made FpML the official language of OTC derivatives and the new Market Practice was built on that foundation.

Notifications covered by the Market Practice are:

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- Initiation
- Increase
- Novation
- Amendment
- Termination

These notifications enable third parties to provide crucial services, including settlement, accounting, valuation and reconciliation.

In a statement, the OTC Derivatives working Group said: “We are pleased to provide this new Market Practice, which will enable investment managers and custodians/accounting agents to reduce the risks inherent in non-standard messages. By providing message automation, investment managers and custodians/accounting agents will be better able to manage and improve the accuracy and risk of the communications and risks associated with these derivatives contracts.”

About ISITC

Comprised of 1,500 individuals from 350 companies worldwide, ISITC provides members with the means to revolutionize the securities-trading process. ISITC brings together broker/dealers, custodians, investment managers, vendors/utilities and other industry professionals to develop proposed standards that are designed to enhance efficiencies in trade processing and related communications. Through collaboration, ISITC’s members reduce inefficiencies, lower risk, and build shareholder value while developing and promoting the global securities industry. For more information on ISITC please visit our website: www.isitc.org