March 1, 2010

This document summarizes the commitments to further strengthen the infrastructure for OTC derivatives being made by market participants to the global supervisors of the G14 dealers as of March 1, 2010. This document has been prepared by the same dealer and buy-side signatories indicated on the March 1, 2010 letter to the heads of the primary supervisory agency of each of the regulated signatories.

Utilizing their collective effort to enhance the OTC derivatives environment, the industry continues to take steps to implement a robust and resilient framework for OTC derivatives risk management and market structure, including, but not limited to, expansion of operational performance targets in the OTC Credit, Equity and Interest Rate Derivative asset classes and further enhancing collateral management practices across the spectrum of derivatives. The primary goals of improving derivative market processing and scalability as well as augmenting risk mitigation and transparency remain at the core of industry developments.

The high-level goals across the OTC Derivative Markets that form the core of the industry's strategic vision are re-iterated below.

1. Working to increase transparency and better understand transparency needs in the OTC Derivatives Market, through the use of global data repositories and other initiatives.

2. Delivering robust, efficient and accessible central clearing to the OTC Derivatives Markets, increasing the range of products cleared and working towards models that will enable customer access to clearing.

3. Driving a high level of product, processing and legal standardization in each asset class with a goal of securing operational efficiency, mitigating operational risk and increasing the netting and clearing potential for appropriate products.

4. Working to enhance bilateral collateralization arrangements to ensure robust risk management, including strong legal and market practices and operational frameworks.

5. Building on improvements in operational performance, with a focus on driving 'electronification', straight-through-processing, and trade date matching / affirmation and processing.

The commitments below articulate a strategic roadmap for each asset class as well as collateral management, presenting milestones as they relate to the above goals where applicable.

Though many unique challenges face the Credit, Equity, Interest Rate, Commodities and Foreign Exchange/Currency derivative asset classes because of appreciable differences in market maturity, volumes, support models, users and best practices, there are shared objectives across the suite of products. While Commodities and Foreign Exchange/Currency derivatives are not included in this version of the letter, their prior commitments are summarized as part of the tables below. The tables on the following pages summarize both new and continuing commitments.

Transparency

Cross-Asset Class		
Prior Commitments	**March 2010 Letter**	**Explanation**
No Commitment	Commitment to deliver an inventory of existing forms of transparency in OTC Derivative Markets by product and asset class by March 31, 2010.	In order to increase transparency and better understand transparency needs in the OTC Derivatives Market.
No Commitment	Commitment to deliver a study which (a) describes the spectrum of methods that can be used to increase transparency, (b) analyzes the benefits and costs by product and asset class and (c) attempts to identify to whom the benefits accrues and to whom the costs accrues, by June 30, 2010 for Credit Derivatives and by August 31, 2010 for Interest Rate and Equity Derivatives	
No Commitment	Commitment to deliver to Supervisors by March 31, 2010 a plan to provide relevant transaction data that can be used by Supervisors to conduct analysis on post trade transparency. The data itself will be provided by July 31, 2010 for Credit Derivatives and by September 30, 2010 for Interest Rate and Equity Derivatives.	

Credit Derivatives Market		
Prior Commitments	**March 2010 Letter**	**Explanation**
Reporting of all credit derivative trade records to a trade repository by July 17, 2009.	Commitment Completed	

Interest Rate Derivatives Market		
Prior Commitments	**March 2010 Letter**	**Explanation**
By December 31, 2009, The OSC commits to implement an industry-wide centralized reporting infrastructure to include (i) summary trade details for all interest rate products, and (ii) a structure to report the information centrally. A plan for this centralized reporting infrastructure shall be delivered by September 30, 2009. In the interim, by May 31, 2009, as part of the monthly metrics provided to supervisors, the OSC dealers commit to report the following trade information: a) total notional size of the interest rate derivative portfolio at the end of each month between OSC dealers and: (i) other OSC dealers, (ii) the LCH.Clearnet's SwapClear service, and (iii) all other market participants; and b) Maturity profile across tenor buckets between OSC dealers and other market participants.	Commitment Continues The G14 now provide monthly reporting to Supervisors from the Interest Rate Reporting Repository (IRR) on outstanding non-cleared trades. By March 15, 2010: the G14 commit to include cleared trades in the submission scope. By April 15, 2010: Expand Supervisors' reporting to include participant type (G14 / CCP / Non-G14). By April 30, 2010: Provide public access to aggregate industry notional and trade count data on a monthly basis. By September 30, 2010: Increase submission and reporting frequency to weekly.	Use of a central transaction repository provides a source of transparency to Supervisors and, where appropriate, the public. Centralization of data facilitates ease of reporting.

Equity Derivatives Market		
Prior Commitments	**March 2010 Letter**	**Explanation**
By July 31, 2010 the OSC commits to implement a centralized reporting infrastructure for all OTC equity derivatives products. This infrastructure will include (i) summary trade details and (ii) a structure to report the information centrally. In the interim, by September 30, 2009 the OSC dealers commit to report, on a quarterly basis: the total notional size by product type of the OTC equity	Commitment Continues The ESC will work with the Supervisors to implement a reporting process that is both practical and meets regulatory expectations in regard to the agreed information held in the Equity Derivatives Reporting Repository.	Use of a central transaction repository provides a source of transparency to regulators and, where appropriate, the public. Centralization of data facilitates ease of reporting.

derivative portfolio with: (i) other OSC dealers, and (ii) all other market participants.		

Central Clearing

Credit Derivatives Market		
Prior Commitments	**March 2010 Letter**	**Explanation**
Each G15 member (individually) commits to submitting 95% of new eligible trades (calculated on a notional basis) for clearing beginning October 2009. The G15 members (collectively) commit to clearing 80% of all eligible trades (calculated on a weighted average notional basis) beginning October 2009.	Commitment Continues. Each G14 member (individually) reaffirms the September 8, 2009 commitment to submit 95% of new Eligible Trades for clearing. Each G14 member will work with Supervisors to assess its performance against this target by March 31, 2010. Following this, the G14 members will reevaluate the appropriate target percentage and definition of Eligible Trades by June 30, 2010. Increase commitment to clearing from 80% of new and historical Eligible Trades to 85%.	Central counterparty clearing arrangements with robust risk management regimes help reduce systemic risk associated with counterparty credit exposures and improve the ability of market participants to address the failure of a major participant.
OSC commits to buy-side access to CDS clearing with customer initial margin segregation and portability of customer transactions by December 15, 2009. Legal and regulatory analysis to achieve buy-side access will by completed by June 30, 2009.	Commitment Continues. Further commitment to resolve remaining impediments to the expansion of buy-side access to clearing, agree timeframes for resolution, and to make reasonable efforts to work towards increasing utilization of client clearing services. To that end, (a) the dealer signatories have delivered to each relevant CCP and commit to deliver on a bi-weekly basis a current list of open items categorized by importance and priority, the action plan, responsible parties and target date for completion of all critical items and the current targets for	

Credit Derivatives Market		
Prior Commitments	**March 2010 Letter**	**Explanation**
	launching new products and (b) the end-user signatories have delivered and commit to deliver a substantially similar document to each relevant CCP on a monthly basis. The signatories will encourage each relevant CCP to provide these lists together with their perspectives to the Supervisors expeditiously. In addition, signatories will commit to work with each relevant CCP to arrive at a unified list of open items, and to encourage each relevant CCP to provide such lists to the Supervisors on an ongoing basis.	
No Commitment	Commitment to broaden the set of CDS eligible for clearing, taking into account risk, liquidity, default management and other processes. Prioritization of outstanding index transactions not already eligible and single name components of the indices. G14 commit to deliver on a monthly basis a list of recommended launch targets for new products in order of priority to the CCPs, and the end-user signatories have delivered and commit to deliver a substantially similar document to each relevant CCP on a monthly basis.	Transactions should be cleared wherever suitable to maximize the risk mitigation effects that CCPs offer. However, clearing may not be suitable for certain contracts owing to illiquidity or risks that the CCP cannot mitigate against.
No Commitment	By April 30, 2010, commitment to have put forth for consideration a specific proposed framework to implement observer status for CCPs on relevant ISDA Determination Committees (DC), and from time to time, upon the request of the CCP, to ask the DC, in consultation	CCPs' interests should be represented on the ISDA Credit Derivatives Determinations Committee as they participate in the OTC derivatives market and are expected to adhere to market protocols.

Credit Derivatives Market		
Prior Commitments	**March 2010 Letter**	**Explanation**
	with Supervisors, to re-evaluate the CCPs' observer status to determine the appropriate membership role of CCPs.	

Interest Derivatives Market		
Prior Commitments	**March 2010 Letter**	**Explanation**
By September 30, 2009, three additional dealers commit to go live with clearing. SwapClear will also be extended to include: (i) Additional tenors for GBP, USD, Euro and Yen to 50 years and CHF to 30 years, (ii) Swaps with Short Stubs, (iii) Swaps with Negative Rates, and (iv) Overnight Index Swaps.	Commitment Continues – Deadline extended to March 30, 2010.	Central counterparty clearing arrangements with robust risk management regimes help reduce systemic risk associated with counterparty credit exposures and improve the ability of market participants to address the failure of a major participant.
Each G14 member (individually) commits to submitting 90% of new eligible trades (calculated on a notional basis) for clearing beginning December 2009.	Each G14 clearing member (individually) commits to submitting 92% of new eligible trades (calculated on a notional basis) for clearing by June 30, 2010.	
The G14 members (collectively) commit to clearing 70% of new eligible trades (calculated on a weighted average notional basis) beginning December 2009. The G14 members (collectively) commit to clearing 60% of historical eligible trades (calculated on a weighted average notional basis) beginning December 2009.	The G14 clearing members (collectively) commit to clearing 90% of new eligible trades (calculated on a weighted average notional basis) by June 30, 2010. The G14 clearing members (collectively) commit to clearing 75% of historical eligible trades (calculated on a weighted average notional basis) by June 30, 2010.	
No Commitment	Commitment to resolve impediments to expanding	

Interest Derivatives Market		
Prior Commitments	**March 2010 Letter**	**Explanation**
	buy-side access. Commitment to create working groups for relevant CCPs (where they do not exist already) by March 31,2010 encompassing key buy-side, sell-side and CCP representation. These CCP working groups will meet at least monthly and focus on identifying and resolving the barriers to clearing to the extent possible and report progress back to Supervisors on an ongoing basis.	
No Commitment	Commitment to work with CCPs to prioritize zero coupon swaps, single currency basis swaps and additional swap features utilized by end users for clearing this year. Further commit to developing a plan for the next phase of product expansion before the end of 2010.	Transactions should be cleared wherever suitable to maximize the risk mitigation effects that CCPs offer. However, clearing may not be suitable for certain contracts owing to illiquidity or risks that the CCP cannot mitigate against.

Commodities Market*		
Prior Commitments	**December 2009 Letter**	**Explanation**
Commitment to continue leveraging existing central counterparty clearing services, working with current providers to prioritise and implement additional cleared OTC product offerings, as appropriate	Commitment Continues	Central counterparty clearing arrangements with robust risk management regimes help reduce systemic risk associated with counterparty credit exposures and improve the ability of market participants to address the failure of a major participant. OTC cleared volume now accounts for (on average) approximately 35% of total reported volume.

Standardization

<table>
<tr><th colspan="3">Equity Derivatives Market</th></tr>
<tr><th>Prior Commitments</th><th>March 2010 Letter</th><th>Explanation</th></tr>
<tr>
<td>Commitment to review, update and expand the 2002 Equity Definitions by December 31, 2010 in accordance with the Equity Documentation framework document published January 30, 2009</td>
<td>Commitment Continues

Commitment reaffirmed and further commitment to verbally update Supervisors on 2010 Definitions progress made on a six weekly basis made, commencing March 31, 2010.

During the 2011 implementation of the 2010 Equity Definitions, the signatories commit to using the range of menu items as published in the 2010 Equity Definitions to create matrices and MCAs for products agreed by the industry</td>
<td rowspan="3">OTC derivatives contracts require substantial legal documentation, standardised by such industry groups as ISDA. Document standardisation is necessary to enable these products to become electronically eligible.

The Equity Definitions apply to all transactions and will be updated to reflect current market standards, whereas MCAs apply to a specific equity product type and typically at a regional level. The updated definitions will provide a basis for more standardised, product specific documentation to be formulated, in particular MCAs.

Furthermore, firms will use new MCAs in a form substantially similar to that published by ISDA</td>
</tr>
<tr>
<td>The OSC dealers agree to use, in a form substantially similar to the published version, these MCAs, and future ISDA published MCAs, for new and existing clients where no executed MCA currently exists by January 31, 2010</td>
<td>Commitment Continues</td>
</tr>
<tr>
<td>Work with ISDA to publish MCAs for three additional products: (i) emerging market options (EMEA and AEJ), (ii) basket options (index and share) and (iii) one additional product by June 30, 2009.</td>
<td>Commitment Continues

Alongside the 2010 Equity Definitions we commit to complete the following MCA projects by April 30, 2010:

- European Interdealer Index Swap Annex (Annex EFIS);
- EMEA EM Options Annex (Interdealer); and
- European Interdealer Fair Value Swap Annex (Annex FVSS).</td>
</tr>
</table>

Equity Derivatives Market		
Prior Commitments	**March 2010 Letter**	**Explanation**
Work with ISDA to publish MCAs for products considered appropriate for standardization where identified by the ESC as making up an average of 2% or more of OSC reporting Dealers' non-electronically eligible volume and with a reasonable likelihood of continued volumes going forward.	Commitment Continues It is agreed to use this analysis to ensure that the products identified have appropriate coverage in the 2010 Equity Definitions so delivery of new MCAs can be prioritized after the 2010 Equity Definitions are published.	
No Commitment	Commitment to review existing MCAs on request to determine whether there exists a preference to have the relevant ISDA published MCA govern all relevant new transactions executed after an agreed future date in lieu of such existing MCA. If such preference exists, the parties commit to negotiate in good faith a new MCA utilizing the ISDA published MCA with such modifications as the parties may agree in good faith and will mutually agree whether to migrate existing transactions under the new MCA or to leave under previously agreed MCAs until termination or maturity.	

Commodities Market*		
Prior Commitments	**December 2009 Letter**	**Explanation**
Documentation standardization to be	Take-up rates of published documentation will be updated quarterly. Priorities on documentation standardization to be aligned with related electronic confirm matching. The G14 will continue to	OTC derivatives contracts require substantial legal documentation, standardized by such industry groups as

promoted through ISDA and Leadership for Energy Automated Processing LEAP projects.	maintain the quarterly refresh process to update the inter-G14 baseline set in January 2009. As part of this commitment, it is agreed to continue to publish the Commodities Documentation Matrix via ISDA and work with the COSC and LEAP to promote incremental documentation standardization projects.	ISDA. Document standardization is necessary to enable these products to become electronically eligible.

Foreign Exchange/Currency Derivatives Market*		
Prior Commitments	**Current Status**	**Explanation**
By December 31, 2010, Major Dealers commit to work with ISDA to increase the number of standardized templates and terms for complex exotic confirmations which can then be more easily captured electronically and if appropriate, be electronically processed. The next set of products the market will be working on are Variable Quantity, Average Rate and Volatility instruments.	Commitment Continues	OTC derivatives contracts require substantial legal documentation, standardized by such industry groups as ISDA. Document standardization is necessary to enable these products to become electronically eligible.
Ongoing commitment to standardize paper contracts and create more robust best practices around manual processing of complex exotics.	Commitment Continues	

Collateral

Collateral Management		
Prior Commitments	**March 2010 Letter**	**Explanation**
By June 2, 2009, deliver the Roadmap for Collateral Management to supervisors.	Commitment Completed Further commitment to update the Collateral Roadmap by April 15, 2010 based on the recommendations from the Independent Amount white paper (March 1, 2010) and the Market Review of Collateralization (March 1, 2010).	ISDA worked with its members and other industry associations to provide an industry-wide coordinated vision of desired key improvements in the collateral management space. The conclusions of this work are presented in a roadmap that contains specific implementation steps and timeframes for proposed actions in 2009 and will be updated for 2010 to include a more general framework for action beyond (based on the recommendations simultaneously being made).
By June 30, 2009, publish detailed paper on both the buy- and sell-side views of the issue of handling Independent Amount.	Commitment Completed	The topic focuses on providing a structure for holding independent amount / initial margin as collateral that is 'bankruptcy remote' from the secured party.
By September 30, 2009, ISDA Collateral Committee will work with the broader ISDA, MFA, and SIFMA communities to produce a set of options for industry consideration that will address concerns surrounding handling of Independent Amounts.	Commitment Completed	The options will include pros, cons, and pre-conditions for each stated option.
By April 30, 2010, if any changes to the CSA are identified, a list of such changes will be collated and any recommendations will be brought to ISDA Legal and Documentation groups.	Commitment Continues	To ensure that ISDA published CSAs continue to reflect industry best practices.
By June 30, 2010, publish a "Best Practices" document for Collateral Management.	Commitment Continues	The document will distinguish between current best practices and aspirational best practices and would ideally be adopted when the industry is ready.

<table>
<tr><th colspan="3">Portfolio Reconciliation</th></tr>
<tr><th>Prior Commitments</th><th>March 2010 Letter</th><th>Explanation</th></tr>
<tr><td>Major Dealers commit to collect and report monthly metrics regarding their portfolio reconciliation activities to the Supervisors. The first report will be due on February 13, 2009 for the month of January 2009.</td><td>Commitment Continues</td><td rowspan="4">OTC portfolios consist of a set of OTC derivative positions against a counterparty. In order to protect against the credit risk of that counterparty, these portfolios are typically collateralized. Managing the collateral for these positions introduces other risks, in particular, disagreements about the composition and value of these OTC portfolios. Differences in the portfolio composition between a pair of counterparties are typically resolved through portfolio reconciliation exercises.</td></tr>
<tr><td>By June 30, 2009, execute daily collateralized portfolio reconciliations for collateralized portfolios in excess of 500 trades between OSC dealers as detailed in the December 31, 2008 Collateral Update letter.</td><td>Commitment Completed</td></tr>
<tr><td>As detailed in the March 31, 2008 Collateral Update Letter, by June 2, 2009, implement revised reporting thresholds comprised of a fixed USD amount supplemented with risk-based deviation for portfolio reconciliations between OSC dealer firms.</td><td>Commitment Completed</td></tr>
<tr><td>By October 31, 2009, publish a feasibility study on marketwide portfolio reconciliation that will set out how the discipline of regular portfolio reconciliations can be practically extended beyond the current OSC dealers to include smaller banks, Buy-Side participants, and derivative end-users.</td><td>Commitment Completed

Consistent with the publication, new commitment that:

i) Signatory firms will undertake reconciliation (bilateral where possible and otherwise unilateral) of collateralized portfolios with any OTC counterparty comprising more than 1,000 trades at least monthly by June 30, 2010.

ii) Signatory firms will expand the current monthly Portfolio Reconciliation reports submitted to the Supervisors to reflect the above commitment by July 31, 2010.</td></tr>
</table>

Margin Dispute Resolution		
Prior Commitments	**March 2010 Letter**	**Explanation**
By June 2, 2009, publish for comment the first phase of a proposed mechanism for resolution of disputed margin calls (the "DR Procedure"). The OSC will discuss a timetable for implementation with supervisors. By June 30, 2009, publish for comment the second phase of the DR Procedure. Agreed procedure finalized by September 30, 2009.	Commitment Completed Further commitments to: i) Prevent Disputes from arising. ii) Detect disputes early and resolve them definitively - further commitment to provide regular updates for each phase of the DR Procedure (DRP) evolution with the intention of completing this process by September 30, 2010. iii) Report disputed collateral and Exposure amounts – consistent reporting to supervisors to be developed by May 31, 2010. Pro forma template for reporting to be provided to Supervisors by April 15, 2010.	Although portfolio reconciliation ensures that counterparties agree on the composition of their collateralized portfolios, they may still disagree about the value of reconciled portfolios, particularly those containing complex OTC derivatives. Improving how valuation differences are addressed will help assure that the appropriate collateral amounts can be delivered in a timely manner.

<u>Operational Efficiency</u>

<table>
<tr><th colspan="3">Credit Derivatives Market</th></tr>
<tr><th>Prior Commitments</th><th>March 2010 Letter</th><th>Explanation</th></tr>
<tr><td>90% T+0 trade submission for all electronically eligible transactions including novations by December 31, 2009.
All electronically eligible new trades or novations where one or more parties to the transaction are OSC members must be confirmed on DTCC or another electronic platform by September 30, 2009.</td><td>Commitment Continues

Given the significant architectural changes to the Credit Derivatives infrastructure in support of our efforts to achieve (i) interoperability with clearing solutions and (ii) trade date matching through improvements to the novation consent process and associated technology enhancements, we commit to an ongoing periodic review of existing commitments for both T+0 submission (currently 90%) and T+2 matching (currently 94%), for electronically eligible transactions, with the Supervisors</td><td rowspan="2">The targets for timely and accurate trade submission of electronically eligible trades to electronic confirmation platforms remain. These two metrics are key drivers to achieving trade date confirmation and to ensure timely settlement of cash flows. All targets will be revisited quarterly with Supervisors to assess the success of participants and to make incremental yet significant changes to the targets.</td></tr>
<tr><td>T+0 matching for clearing eligible transactions and 94% T+2 matching for all electronically eligible trades by December 31, 2009.</td><td>Commitment Continues</td></tr>
<tr><td>94% confirmations without modification for all trade types, including novations by June 30, 2009.</td><td>Commitment Continues</td><td></td></tr>
<tr><td>Supply of accurate allocation details on trade date via submission to an electronic affirmation or confirmation platform.</td><td>Commitment Continues</td><td>This practice assures that both Major Dealers and Buy-Side firms credit trades to the appropriate legal entities in a timely manner. T+0 matching is dependent on Buy-Side participants submitting accurate allocation details on trade date.</td></tr>
<tr><td>OSC commits to a plan and implementation schedule agreed upon to change the novation process such that the action of consent will achieve a valid legal confirmation by June 30, 2009.</td><td>Commitment Completed regarding submission of novation plan to Supervisors.

Implementation plan ongoing.</td><td>The current novation process limits efficient and timely trade processing. This process will be improved as market participants move to an interoperable electronic model.</td></tr>
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Credit Derivatives Market		
Prior Commitments	**March 2010 Letter**	**Explanation**
Establish new target date for when all Buy-Side institutions in the OSC will be fully live for central settlement. 90% of settlement volume on electronically confirmed transactions across market, participants will be settled via the Warehouse Trust[1] and CLS Bank infrastructure by August 31, 2009. 96% of settlement volume on electronically confirmed transactions across market participants will be settled via Warehouse Trust and CLS by November 30, 2009.	Commitment Discontinued The quality of the existing bilateral settlement mechanisms coupled with the likely increased penetration of clearing into the Credit Derivatives market limits the benefits associated with any additional central settlement service beyond the existing use of CLS. The industry's resources will focus on the resolution of the other commitments identified within this letter.	Centralised settlement of quarterly credit derivative payments reduces settlement breaks where payments are not made to the right party on the due date and must be manually resolved by counterparties.
OSC dealers will continue to submit as part of their monthly reporting to supervisors (i) the number of electronically eligible trades outstanding over 30 days[2] and (ii) the number of non-electronically eligible trades outstanding over 30 days.	Commitment Continues	This target for efficient processing of unconfirmed confirmations aged more than 30 calendar days is considered a steady-state goal. For comparison, when this collective effort began in 2005, aged confirmations exceeded 17 business days of trading volume.
Lock-ins to review outstanding inter-dealer trades continue as committed in 2005.	Commitment Continues	Lock-ins are now part of the regular course of business.
Market participants to be capable of submitting and accepting electronically eligible trades within 60 days of availability on an electronic confirmation platform.	Commitment Continues	This commitment expedites participants' support for new products shortly after they are added on electronic confirmation platforms.
Major Dealers to continue to quickly onboard new clients onto electronic platforms.	Commitment Continues	This effort will ensure that automation will apply to all client trades.

[1] DTCC is in the process of transferring the operations of the Trade Information Warehouse for CDS to a recently organized subsidiary, The Warehouse Trust Company LLC (Warehouse Trust).

Credit Derivatives Market		
Prior Commitments	**March 2010 Letter**	**Explanation**
RED code usage continues, with the standard identifiers required for 100% of Major Dealer index trades and 90% of single names.	Commitment Continues	Universal use of standardized reference data improves the ability of counterparties to match trade details in an automated manner and is an important component to meeting submission accuracy and confirmation commitments.
The credit derivatives industry continues its goal to positively affirm the economic details of unconfirmed paper trades by T+3 and unconfirmed electronically eligible trades by T+5.	Commitment Continues	Positive affirmation of trade economics is a key risk mitigation technique for OTC derivatives because it assures that each counterparty's risk management systems accurately reflect the economic details of trades that have not yet been confirmed.
Commitment to process major life cycle events in the Warehouse Trust for all electronically eligible confirmable trades as this functionality is developed within Warehouse Trust and the DTCC operating procedures are updated.	Commitment Continues	Use of the DTCC Warehouse Trust for all eligible products will ensure life cycle processing scale and resilience. While new eligible trades are automatically registered in the Warehouse Trust, backloading is necessary for outstanding eligible trades. Major life cycle events that are planned to be automatically processed through the Warehouse Trust include clearing, compression, credit events, successor events, corporate actions, maturities, expiries, exercises and bulk events such as mass terminations and novations
Major Dealers commit to continue aggressive compression of inter-dealer portfolios and have begun compression cycles of 15-20 Reference Entities per week in each of the US and Europe, and monthly cycles of index trade compressions. The results of these processes will be shared with the Supervisors.	Commitment Continues	Reducing the number of outstanding credit derivative trades will reduce aggregate notional amounts outstanding, reduce counterparty credit exposures and make a dealer's book of trades easier to manage.

Interest Derivatives Market		
Prior Commitments	**March 2010 Letter**	**Explanation**
On a quarterly basis, the OSC dealers commit to review the 75% confirmation target for electronically eligible transactions with supervisors. The OSC dealers will work with supervisors to provide more detailed reporting on the volume of transactions confirmed manually. The scope of this reporting will be agreed by June 30, 2009 and implemented by July 31, 2009, month end reporting.	Commitment Continues By June 30, 2010, 93% of electronically eligible confirmable events with G14 dealers will be processed on electronic platforms, with a further commitment to achieve 95% by December 31, 2010 By June 30, 2010, 60% of electronically eligible confirmable events with all other participants will be processed on electronic platforms with a further commitment to provide a plan for the implementation of a more streamlined process for low volume clients also by June 30, 2010	These initiatives are aimed at increasing the volume of trades processed electronically.
From June 30, 2009, Major Dealers commit to support all electronically eligible trades within 90 days of availability on an electronic confirmation platform where they are trading more than 20 eligible trades per month based on a three month average with regular reporting to the Supervisors thereafter of Major Dealers who have not begun to electronically confirm eligible products where they meet this criteria.	Commitment Continues	
Commitment that from June 30, 2009, all confirmable events that can be processed electronically using an electronic confirmation platform should be processed electronically within 90 days where market participants are trading more than 20 eligible trades per month based on a	Commitment Continues	This commitment expedites participant's implementation of electronic confirmation on electronic platforms.

Interest Derivatives Market		
Prior Commitments	**March 2010 Letter**	**Explanation**
three month average with client onboarding progress to be reported to the Supervisors regularly thereafter including the names of Dealers and Buy-Side participants who are trading more than 20 electronically eligible events per month but have yet to onboard onto an electronic confirmation platform.		
By June 30, 2009, the OSC commits to deliver an implementation timeline to roll-out automated allocation functionality that is interoperable across service provider platforms. By November 30, 2009, all trade allocations are to be received electronically using an industry accepted tool.	MarkitSERV will, deliver electronic allocation delivery functionality consistent with the requirements gathered at the Allocation Industry Working Group meetings. We will provide Supervisors with a plan by March 31, 2010 to achieve this.	This practice would assure that both Major Dealers and Buy-Side firms credit trades to the appropriate legal entities in a timely manner and would support the strategic goal of trade date confirmation.
Beginning July 31, 2009, the OSC dealers commit to report submission and matching data for electronically eligible volume in both MarkitWire and DTCC/DerivServ. The OSC commits to the following targets on DTCC Deriv/SERV: i) Submit 75% of electronic confirmations no later than T+1 business days by October 31, 2009 and ii) Match 75% of electronic confirmations no later than T+3 business days by October 31, 2009.	Commitment Continues Upon adoption of MarkitServ interoperability, commitment to: i) Submit 90% of electronic confirmations no later than T+0 business days by September 30, 2010 and ii) Match 97% of electronic confirmations no later than T+2 business days by September 30, 2010 with a commitment to review and re-evaluate this target with supervisors on a quarterly basis.	This series of initiatives will increase the volume of trades processed electronically through electronic platforms by existing participants and address missed opportunities that lead to a paper confirmation.
By July 31, 2009 the OSC dealers commit to begin reporting submission accuracy data for electronically eligible volume in both MarkitWire and DTCC Deriv/Serv volume, separately, for July 2009 month end reporting.	Commitment Continues	
By September 30, 2009, aged confirmations cannot exceed	By April 30, 2010: aged confirmations cannot exceed	The current target for efficient processing of outstanding

Interest Derivatives Market		
Prior Commitments	**March 2010 Letter**	**Explanation**
0.50 business days of trading volume The OSC commits to review this target with supervisors on a quarterly basis to get to a steady state of T+0 matching.	0.20 business days of trading volume. Commitment to continue reporting these targets on a monthly basis and to review and re-evaluate this target with supervisors on a quarterly basis to get to a steady state and progress towards T+0 matching.	confirmations aged more than 30 calendar days is currently regarded as a reasonable baseline with no need to increase this target at this time.
Positive affirmation of economic trade details to occur by T+5 business days for all unconfirmed trades.	Commitment Continues	Positive affirmation of trade economics is a key risk mitigation technique for OTC derivatives because it assures that each counterparty's risk management systems accurately reflect the economic details of trades that have not yet been confirmed.
OSC dealers commit to participate in multi-lateral trade compression for the main currency cycles (EUR, GBP, JPY and USD) and to extend efforts, where possible, to other currencies. By June 30, 2009, OSC dealers commit to supply aggregate and participant level compression metrics to supervisors on a quarterly basis, including bilateral compression runs and unwinds.	Commitment Continues Quarterly reporting in production	Reducing the number of outstanding derivative trades will reduce aggregate notional amounts outstanding, reduce counterparty credit exposures and make a dealer's book of trades easier to manage.
Upon delivery by MarkitSERV of an interoperable confirmation process between MarkitWire and DTCC confirmation platforms, the OSC commits to use this functionality for all eligible products within 90 days of its release.	Commitment Continues	Novations are the primary life cycle event occurring in the interest rate derivatives market, facilitated by a well established process reliant on email communication. Improving the current novation consent process to one that is electronic would improve efficiency and timely trade processing.
By November 30, 2009, the OSC commits to deliver a plan for adoption, reporting and enforcement of the novation consent process upon MarkitSERV's roll out of (i) a single step novation confirmation/novation consent process for electronically processed Interest Rate	Commitment Completed	

Interest Derivatives Market		
Prior Commitments	**March 2010 Letter**	**Explanation**
Swaps and Swap Options where the initial trade has been confirmed on MarkitWire and (ii) additional novation consent functionality including expansion to cover trades initially confirmed on DTCC Deriv/Serv and (iii) a consent-only mechanism for non-electronic trades.		
By September 30, 2009 commitment to deliver a strategic roadmap that evaluates cashflow reconciliation, automation, central netting and settlement processes.	We will continue to monitor the incidence of post value date issues of gross settlements over time to ensure no risk mitigating initiatives are required.	The increased penetration of central clearing into the Rates derivatives market in 2010 will significantly reduce the volume and size of bilateral settlements between market participants. This reduction in bilateral activity will take place against a backdrop of strong existing risk management practices where only 0.59% of gross settlements have post-value date discrepancy and 0.1% of these issues persist 30-days after settlement date. As a consequence the industry's resources will be focused on the delivery of the other commitments identified in this letter.

Equity Derivatives Market		
Prior Commitments	**March 2010 Letter**	**Explanation**
Market participants trading an average of four or more electronically eligible confirmable events per month over a three month period will be encouraged to follow best practice of supporting eligible products on an electronic confirmation platform within 90 days. This target excludes Equity Swaps which will be subject to separate targets and reporting. Starting March 31, 2009,	Commitment Continues	This commitment expedites participant’s implementation of electronic confirmation for new products supported on electronic platforms.

Equity Derivatives Market		
Prior Commitments	**March 2010 Letter**	**Explanation**
Major Dealers will begin monthly reporting of client onboarding progress to the Supervisors, including the names of Dealers and Buy-Side participants who are trading more than four electronically eligible events per month but have yet to onboard onto an electronic confirmation platform.		
The OSC commits to 50% of total volume able to be matched on an electronic platform by December 31, 2009 and 40% of total volume that is defined as electronically eligible by December 31, 2009.	Commitment Continues	This target is reflective of the relatively higher proportion of bespoke, structured products which will not be eligible for electronification.
The OSC Dealers commit to set a target for electronically eligible OTC equity derivative transactions, including interdealer discrete Total Return Swaps (TRS) electronically eligible volume will increase to include the following products: (i) Interdealer TRS with U.S. and European underliers (share and index) from October 1, 2009, (ii) Inter-dealer TRS with Asia ex- Japan (Open and Closed markets) underliers (share and index) from December 1, 2009, and (iii) U.S. Client OTC Options from December 31, 2009.	Commitment Completed	This commitment expedites participants' support for new products shortly after they are added on electronic confirmation platforms. New blended targets have been set where applicable
95% of electronically eligible transactions between OSC members to be matched by T+4 by September 30, 2009.	By June 30, 2010 the OSC commits to a target of 95% T+1 submission and 95% T+3 matching of global options and variance swaps between G14 dealers for Electronically Eligible Confirmations processed on an electronic platform.	These initiatives are aimed at increasing the volume of trades processed electronically. The June targets are separated by product type to account for the different stages of maturity of electronic processing. The scope of the September blended commitment is

Equity Derivatives Market		
Prior Commitments	**March 2010 Letter**	**Explanation**
	By June 30, 2010 70% T+1 submission and 75% T+5 matching of Discrete TRS between G14 dealers for Electronically Eligible Confirmations processed on an electronic platform By September 30, 2010, 90% T+1 submission and 90% T+5 matching for G14 dealers versus all counterparties for Electronically Eligible Confirmations processed on an electronic platform.	increased to include TRS and Confirmable Lifecycle Events.
85% of electronically eligible events with all counterparties to be electronically confirmed by September 30, 2009.	Commitment Continues By June 30, 2010: Commitment to processing 75% of Electronically Eligible Confirmations on an electronic platform. The ESC further commits to increasing this target to 80% by September 30, 2010.	Commitment reset due to increased scope of Electronically Eligible Events to include TRS and Confirmable Life Cycle Events
No Commitment	Commitment to publishing an Electronic Eligibility Matrix of Electronically Eligible Products and Confirmable Lifecycle Events by March 1, 2010 and publish an updated version of this matrix on a quarterly basis	To provide transparency into what constitutes an Electronically Eligible Confirmation. The matrix will be published on the ISDA website.
OSC reaffirms its commitment stated in the December 10, 2008 EFS Roadmap, that by December 31, 2009: (i) the OSC dealers commit to electronically matching 80% of electronically eligible events of the interdealer Discrete TRS product. An interim target is set at 65% by October 31, 2009, and (ii) the OSC commits to electronically matching 50% of electronically eligible events of the dealer to client Discrete TRS product.	Commitment replaced by the new blended commitment to process Electronically Eligible Confirmations starting September 30, 2010.	Financing and equity swap products make up the highest proportion of the market's non-electronically eligible volume and present a greater challenge for standardisation and automation. This commitment is superseded by the new blended commitment to process Electronically Eligible Confirmations

Equity Derivatives Market		
Prior Commitments	**March 2010 Letter**	**Explanation**
An interim target is set at 25% by October 31, 2009.		
OSC dealers commit to set a separate target for matching of dealer to client TRS products not currently covered under ISDA-published MCAs which will include (i) Dealer to Client TRS with U.S. underliers covered by bespoke dealer MCAs from October 1, 2009 and (ii) Dealer to Client TRS with European underliers covered by bespoke dealer MCAs from December 1, 2009.	Commitment replaced by the new blended commitment for matching starting September 30, 2010.	This commitment is superseded by the new matching commitments.
The OSC dealers commit that aged confirmations cannot exceed 1.5 business days of trading volume by October 31, 2009.	By June 30, 2010 commitment that outstanding confirmations aged more than 30 calendar days are not to exceed 1 business day of trading volume based on average daily volume in the prior three months.	The target for reducing outstanding confirmations aged more than 30 calendar days has been increased.
Major Dealers commit to positively affirm most non-electronically eligible transactions between OSC members by T+3 by June 30, 2009. Best practice for risk mitigation of transactions with all other market participants will remain as T+5 and be reviewed in 2009.	Commitment Continues	Positive affirmation of trade economics is a key risk mitigation technique for OTC derivatives because it assures that each counterparty's risk management systems accurately reflect the economic details of trades that have not yet been confirmed
By September 30, 2009, a target architecture for life cycle event processing will be defined. By December 31, 2009, discussions will be held with potential service providers following which a decision will be made whether or not to proceed with implementation of a solution in 2010.	Commitment Continues	Transactional Lifecycle Event confirmations are included in new Electronic Eligibility processing targets.

Equity Derivatives Market		
Prior Commitments	**March 2010 Letter**	**Explanation**
By September 30, 2009, a target architecture for cashflow affirmation will be defined, including a proposed timeframe and roadmap for electronic pre-value date affirmation of settlements. By December 31, 2009, potential service provider solutions will be evaluated and a recommendation made as to whether to proceed with one or more of these solutions.	Commitment Continues The ESC commits to publishing a cash flow matching implementation plan to Supervisors by March 31, 2010 with a further commitment to deliver cash flow matching functionality by December 31, 2010.	Implementing pre-value date affirmation of settlements and central settlement will improve the current settlements process by reducing the likelihood of settlement fails and number of actual payments made between counterparties.

<table>
<tr><th colspan="3">Commodities Market*</th></tr>
<tr><th>Prior Commitments</th><th>December 2009 Letter</th><th>Explanation</th></tr>
<tr><td>Commitment to complete a white paper by March 31, 2009 defining industry standards for electronic confirmation matching of eligible products.</td><td rowspan="4">In response to feedback from Supervisors, the G14 commit to consolidating the three documents on electronic confirmation matching, lifecycle events and settlements into a single best practices paper and publishing the updated document to the Supervisors and the broader ISDA community by December 30, 2009. By March 31, 2010, the G14 will review the findings and recommendations of the paper with Supervisors to identify priorities and next steps to further improve the post-trade processing infrastructure.</td><td rowspan="4">This initiative addresses the need for electronic solutions across the post-trade infrastructure. Commodities Trade Processing Lifecycle Events White Paper combining three commodities operations white papers on electronic confirmation matching, lifecycle events and settlements was developed and published via ISDA on December 17, 2009.</td></tr>
<tr><td>By June 30, 2009, commitment to produce a generic white paper outlining industry requirements for commodities settlement matching which can be utilized by various service providers to shape their solutions.</td></tr>
<tr><td>Commitment to continue leveraging existing settlement services, working with current providers to prioritise and implement additional cleared OTC product offerings, as appropriate</td></tr>
<tr><td>By June 30, 2009, commitment to work with ISDA</td></tr>
</table>

Commodities Market*		
Prior Commitments	**December 2009 Letter**	**Explanation**
and LEAP to prepare a summary of key commodities life cycle events and where appropriate, align life cycle event projects with the established metrics, documentation and related electronification programs.		
By December 31, 2008, Major Dealers commit to implement enhanced monthly reporting to identify inter-dealer volumes and eligible trades that were not electronically confirmed.	Commitment Continues	In order to confirm OTC transactions, both counterparties are required to agree key contract terms. Major Dealers are committed to supporting the use of electronically matching transaction terms as a preferred method of confirming inter-dealer transactions and identifying and addressing missed opportunities that lead to a paper confirmation.
Commitment to complete a review of dealer-to-dealer confirmation matching rates by March 31, 2009, and aggregate dealer-to-non-dealer metrics by June 30, 2009 with Supervisors.	The G14 commit to providing the Supervisors with quarterly updates on incremental progress towards full adoption of the electronic matching best practices among G14 covered in the survey implemented in Q3 2009.	
Commitment to work with the ISDA Commodities Operations Working Group and LEAP to accelerate the review of current and planned service provider offerings focused on electronic confirmation matching with the goal of increasing take-up of electronic offerings by all market participants.	Commitment Continues	
No Commitment	The G14 commit to the two key electronic matching interim targets: Beginning with January 2010 month-end data for energy trades between the G14, 90% of the electronically eligible population will be confirmed electronically. Beginning with April 2010 month-end data for metals trades between the G14, 85% of the electronically eligible	

Commodities Market*		
Prior Commitments	**December 2009 Letter**	**Explanation**
	population will be confirmed electronically. The CMD will update the monthly metrics reporting to Supervisors to incorporate trend-reporting relating to these new targets. The G14 will set new targets once these interim targets have been achieved.	
No Commitment	Commitment Completed The current reporting for "other" products will continue and an analysis of the product breakdown in the “other” category will be delivered to Supervisors by December 30, 2009 to determine potential targets. The G14 will set new targets once these interim targets have been achieved.	
Commitment to continue the strategy of periodic trade compression, including bilateral tear-ups, with commencement of a coordinated compression program from March 31, 2009, if appropriate.	Commitment Continues	Reducing the number of outstanding derivative trades will reduce aggregate notional amounts outstanding, reduce counterparty credit exposures and make a dealer’s book of trades easier to manage.
No Commitment	The G14 in consultation with appropriate non-dealer market participants will deliver a roadmap and timeline addressing governance and communication, documentation take-up, electronic matching, enhanced metrics and collateral management practices by April 30, 2010.	This initiative recognizes the contribution that the non-dealer market can make towards better certainty and efficiency across the market.

Foreign Exchange/Currency Derivatives Market*		
Prior Commitments	**Current Status**	**Explanation**
By December 31, 2008, commence reporting performance metrics to the Supervisors on a quarterly basis, plus introduction of monthly metrics reporting from July 31, 2009.	Commitment Continues	Foreign exchange derivatives processing is at a more mature stage than that of other derivative asset classes. Major Dealers will begin submitting regular reporting of performance metrics to provide a basis for supervisory monitoring.
Major Dealers commit to increase electronic processing of non-deliverable forward (NDF) volume from approximately 25% of electronically eligible confirmable volume to 50% by December 31, 2009.	Commitment Continues December target met.	FX derivatives have experienced steady growth over the past 15-20 years, but in all still only make up approximately 30% of total transactional volume in the FX market. (Spot and forward FX form the core product and comprise approximately a 70% share of total transaction and processing volume in the market.) FX derivatives are grouped into five basic product families: non-deliverable forwards (NDFs), non-deliverable options (NDOs), deliverable options (Vanillas), simple exotic options (Barriers) and complex exotic options. The first four of these families form the primary industry focus for continued electronic processing in the future. A five-year steady-state goal would see meaningful (90-95% of all activity) electronic processing (confirmation, life cycle event processing and central settlement) for all derivative families except for complex exotic transactions. A series of commitments towards this steady-state goal
Major Dealers commit to begin electronic processing of electronically eligible non-deliverable option (NDO) volume by June 30, 2009, growing to 25% of confirmable volume by December 31, 2009.	Commitment Continues December target met.	
Major Dealers commit to begin electronic processing of 10% of electronically eligible simple exotic option (Barrier) volume (single-level, knock-out, currency options) by December 31, 2009.	Commitment Continues	
Major Dealers commit to increase electronic processing of an additional 10% of electronically eligible confirmable simple exotic options (Barrier) volume (deliverable double-level knock-outs, single and double-level knock-ins, single and double-level digital options) such that 20% of total Barrier volume will be electronically processed by December 31, 2010.	Commitment Continues	
Buy-Side institutions in the OSC commit to increase	Commitment Continues	

Foreign Exchange/Currency Derivatives Market*		
Prior Commitments	**Current Status**	**Explanation**
electronic processing of deliverable option (Vanilla) and non-deliverable forward (NDF) volume from 5% to 40% of electronically eligible confirmable volume December 31, 2009.		have been made.
By December 31, 2010, Major Dealers commit to working with the Emerging Markets Traders Association (EMTA) to agree on specific data sources, combination of data sources or development/implementation of new data sources in order to increase the number of standardised non-deliverable currency pairs.	Commitment Continues	Standardization will be prioritized on the basis of the volume of affected trades and can be leveraged to increase electronic processing of non-deliverable forwards and non-deliverable options.
By December 31, 2009, commitment to create a Buy-Side operations manager working group which will meet jointly with the Major Dealers to strategise on how to increase electronic processing with a kick-off meeting planned to take place in November 2008 and a proposed quarterly meeting schedule thereafter.	Commitment Continues	As solutions and the number of offerings has increased over recent years, meeting jointly will assist both the Buy-Side and Major Dealers in determining what other barriers can be addressed in order to increase Buy-Side engagement.

* While Commodities and Foreign Exchange/Currency Derivatives are not included in the March 2010 Letter, a summary of their prior and continuing commitments are included for completeness. For Commodities, reference is made specifically to the December 2009 letter to the Supervisors.