



## NEWS RELEASE

### **Joint Associations Committee Releases Combined Principles for Retail Structured Products**

**LONDON, Monday, May 23, 2011** – The Joint Associations Committee on Retail Structured Products is pleased to announce it is reaffirming the set of principles for managing the provider-distributor relationship (PD Principles) in retail structured products and the principles for managing the distributor-individual investor relationship (DI Principles), originally published in July 2007 and July 2008 respectively.

The Principles were drafted with the intent of achieving fair treatment for individual investors and clarifying the respective roles and responsibilities of the various parties involved in the creation and distribution process. The years since 2008 have seen increased recognition by governments and regulators of the importance of a vibrant and well-functioning retail structured products market.

A combination of demographic trends and the impact of the financial crisis have resulted in a greater onus on individuals to take responsibility for their long-term financial planning and, in particular, to make private financial provision for their retirement. Retail structured products will play a key role in meeting such increased investment demand. However, the financial crisis has also impaired investor confidence. Such considerations have led to regulatory initiatives designed to improve investor protection in multiple jurisdictions.

While originally published before the financial crisis, the Principles address many of the same issues as those sought to be addressed by such initiatives and it is in this context that the JAC feels that now is an appropriate time to re-release the Principles in order to both encourage their usage and help inform the current debate.

Tim Hailes, Chair of the Joint Associations Committee, said: “The JAC is extremely supportive of the regulatory initiatives undertaken to improve investor protection and is fully committed to working with governments and regulators to facilitate positive consumer

outcomes. The JAC has been an active participant in the consultation process in multiple jurisdictions and looks forward to continuing participation in these important discussions.”

He continued: “Each set of Principles is the result of long and careful deliberation, which the sponsoring associations believe has contributed to their continuing and broad relevance. The associations accordingly welcome further expressions of support for the Principles from financial-services industry groups, as well as continuing dialogue with all interested regulatory and legislative bodies.”

To view the re-stated Combined Principles for Retail Structured Products, please click [here](#).

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**About the Joint Associations Committee**

The JAC is sponsored by multiple associations with an interest in structured products, including the International Swaps and Derivatives Association (ISDA), the International Capital Market Association (ICMA), the Association for Financial Markets in Europe (AFME), the British Bankers' Association, the Asia Securities Industry & Financial Markets Association (ASIFMA), SIFMA, the Associazione Italiana Intermediari Mobiliari (ASSOSIM) and the Institute of International Finance, Inc. (IIF). The members of the JAC comprise most of the major firms (both financial institutions and law firms) involved in the creation and, to some extent, distribution of structured securities which are distributed to retail investors.

**About ISDA**

Since 1985, ISDA has worked to make the global over-the-counter (OTC) derivatives markets safer and more efficient. Today, ISDA is one of the world's largest global financial trade associations, with over 800 member institutions from 56 countries on six continents. These members include a broad range of OTC derivatives market participants: global, international and regional banks, asset managers, energy and commodities firms, government and supranational entities, insurers and diversified financial institutions, corporations, law firms, exchanges, clearinghouses and other service providers. Information about ISDA and its activities is available on the Association's web site: [www.isda.org](http://www.isda.org). ISDA® is a registered trademark of the International Swaps and Derivatives Association, Inc.

**About ICMA**

ICMA represents financial institutions active in the international capital markets; its members are located in 50 countries, including all the world's main financial centres. ICMA's market conventions and standards have been the pillars of the international debt market for over 40 years, providing the framework of rules governing market practice which facilitate the orderly functioning of the market. ICMA actively promotes the efficiency and cost effectiveness of the capital markets by bringing together market participants and regulatory authorities. For more information see: [www.icmagroup.org](http://www.icmagroup.org)

**About AFME**

AFME (Association for Financial Markets in Europe) promotes fair, orderly, and efficient European wholesale capital markets and provides leadership in advancing the interests of all market participants. AFME represents a broad array of European and global participants in the wholesale financial markets. Its members comprise pan-EU and global banks as well as key regional banks, brokers, law firms, investors and other financial market participants. AFME participates in a global alliance with the Securities Industry and Financial Markets Association (SIFMA) in the US, and the Asia Securities Industry and Financial Markets Association through the

GFMA (Global Financial Markets Association). For more information please visit the AFME website, [www.afme.eu](http://www.afme.eu)

#### **About the British Bankers' Association**

The British Bankers' Association (BBA) is the leading association for the UK banking and financial services sector, speaking for over 220 banking members from 60 countries on the full range of UK and international banking issues. All the major banking players headquartered in the UK are members of the association, as are the large international European Union banks with operations in the UK, the US banks operating in the UK and many other financial entities from around the world. The integrated nature of banking means that our members are engaged in activities ranging widely across the financial spectrum encompassing services and products as diverse as primary and secondary securities trading, insurance, investment banking and wealth management, as well as deposit-taking and other retail/commercial banking activities.

#### **About ASIFMA**

The Asia Securities Industry & Financial Markets Association (ASIFMA) is an independent association that promotes the development of liquid, efficient and transparent capital markets in Asia and facilitates their orderly integration into the global financial system. ASIFMA priorities are driven by over 40 member companies involved in Asian capital markets, including global and regional banks, securities dealers, brokers, asset managers, credit rating agencies, law firms, trading and analytic platforms, and clearance and settlement providers. ASIFMA is located in Hong Kong and works closely with global alliance partners: the Global Financial Markets Association (GFMA), the Securities Industry and Financial Markets Association (SIFMA) and the Association for Financial Markets in Europe (AFME). More information about ASIFMA can be found at: [www.asifma.org](http://www.asifma.org).

#### **About SIFMA**

The Securities Industry and Financial Markets Association (SIFMA) brings together the shared interests of hundreds of securities firms, banks and asset managers. SIFMA's mission is to support a strong financial industry, investor opportunity, capital formation, job creation and economic growth, while building trust and confidence in the financial markets. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA). For more information, visit <http://www.sifma.org>.

#### **About ASSOSIM**

ASSOSIM (*Associazione Italiana Intermediari Mobiliari*) is the Italian Association of Financial Intermediaries, which represents the majority of financial intermediaries acting in the Italian Markets. ASSOSIM has nearly 80 members represented by banks, investment firms, branches of foreign brokerage houses, active in the Investment Services Industry, mostly in primary and secondary markets of equities, bonds and derivatives, for some 82% of the total trading volume.

#### **About IIF**

The Institute of International Finance, Inc. (IIF), is the world's only global association of financial institutions. Created in 1983 in response to the international debt crisis, the IIF has evolved to meet the changing needs of the financial community. Members include most of the world's largest commercial banks and investment banks, as well as a growing number of insurance companies and investment management firms. Among the Institute's Associate members are multinational corporations, trading companies, export credit agencies, and multilateral agencies. Approximately half of the Institute's members are European-based financial institutions, and representation from the leading financial institutions in emerging market countries is also increasing steadily. Today the Institute has more than 400 members headquartered in more than 70 countries.

#### **About SPA**

The Structured Products Association (U.S.) is the trade association for the American structured investments industry. Comprised of nearly 12,000 professionals, the SPA advocates for the structured products investment class among regulators, media, advisors and investors. The SPA promotes investor education as a core mission of the industry.

#### **About FOA**

The Futures and Options Association (FOA) is the industry association for some 170 international firms and institutions that engage in the carrying on of derivatives business, particularly in relation to exchange-traded transactions. The FOA's membership includes banks, brokerage houses and other financial institutions,

commodity trade houses, power and energy companies, exchanges and clearing houses, as well as a number of firms and organisations supplying services into the futures and options sector.