



TEIGLAND-HUNT LLP

April 19, 2014

T-H ALERT

Swap Dealers Set to Issue IM Segregation Right Notices In Advance of First CFTC Compliance Deadline

- ISDA Amend Offers Buy Side Centralized Platform for Making Required Elections
- Prompt Responses Will Help to Avoid Potential Trading Disruptions

In November 2013 the Commodity Futures Trading Commission (the "CFTC") finalized new regulations (the "IM Segregation Rules") addressing the right of a counterparty to an uncleared swap with a swap dealer ("SD") to require the segregation of initial margin ("IM") that it posts with a third-party custodian. These IM Segregation Rules require SDs to send an annual written notice to counterparties regarding this segregation right ("IM Segregation Right Notice") and establish a particular regime for the segregation of IM that counterparties may elect to invoke. The ISDA Amend platform may be used free of charge by buy side clients to receive and respond to these IM Segregation Right Notices.

Market participants should be prepared to respond to IM Segregation Right Notices in a timely manner. Failure to do so may affect an SD's ability to trade with a counterparty.

Lauren Teigland-Hunt

+1 212 269 1002

lth@t-hllp.com

Ryan Patino

+1 212 269 1451

rpatino@t-hllp.com

Amanda Silverman

+1 212 269 5374

asilverman@t-hllp.com

Teigland-Hunt LLP

Notice: This publication, which we believe may be of interest to our clients and friends of the firm, is for general information only. It is not a full analysis of the matters presented and should not be relied upon as legal advice. This information is not intended to create, and receipt of it does not constitute, a lawyer-client relationship. Readers should not act upon the content of this publication without seeking advice from professional advisers.

Attorney Advertising - For purposes of compliance with New York State Bar rules, our headquarters are Teigland-Hunt LLP, 127 West 24th Street 4th Fl, New York, NY 10011, +1.212.269.1600. Prior results described herein do not guarantee a similar outcome.