

19 April 2013

Committee Secretary
Parliamentary Joint Committee on Corporations and Financial Services
PO Box 6100
Parliament House
Canberra ACT 2600
Australia

Email: corporations.joint@aph.gov.au

Dear Sirs

Corporations and Financial Sector Legislation Amendment Bill 2013

The International Swaps and Derivatives Association, Inc. (“ISDA”)¹ is grateful for the opportunity to respond to the amendments proposed to the Payment Systems and Netting Act 1998 (Cth) (“PSNA”) as part of the Corporations and Financial Sector Legislation Amendment Bill 2013 (the “Bill”).

The amendments to the PSNA proposed in the Bill are of great importance to the safety, efficiency and stability of the financial markets, including the over-the-counter (OTC) derivatives markets. Legal certainty around the enforceability of netting, portability and security arrangements in connection with the central clearing of OTC derivatives is critical to the stability of the market. We understand that the Australian government and its regulators share this view. The amendments to the PSNA set out in the Bill increase this certainty and improve the consistency of the legal protection of financial market infrastructure in Australia with other important jurisdictions.

Accordingly, ISDA supports the amendments made to the PSNA by the Bill.

Yours faithfully

For the International Swaps and Derivatives Association, Inc.

Keith Noyes
Regional Director, Asia Pacific

Cindy Leiw
Director of Policy

¹ ISDA’s mission is to foster safe and efficient derivatives markets to facilitate effective risk management for all users of derivative products. ISDA has more than 800 members from 58 countries on six continents. These members include a broad range of OTC derivative 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. For more information, visit www.isda.org.