

## Business Conduct Standards For Swap Dealers Dealing With State and Local Governmental Swap Counterparties

08.23.2012

Pursuant to authority of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank”), which includes amendments to the Commodity Exchange Act (the “CEA”) regarding over-the-counter swaps, regulations (the “Regulations”) were published by the Commodity Futures Trading Commission (the “CFTC”), effective on October 17, 2012, which regulate the business conduct of swap dealers with counterparties (the “counterparties”), including swap dealers engaged in swap transactions with state and local governmental counterparties (each termed a “Special Entity” in the Regulations). The CFTC made clear that the new “business conduct standards” will not apply to unexpired swaps executed before the effective date, but emphasized that a “material amendment” (which is not defined in the Regulations) to an existing swap may cause it to be treated as a new swap and subject to these Regulations. For Special Entities intending to engage in new swap activity after the October 17, 2012 effective date, certain of the requirements imposed on swap dealers will be met if the Special Entities agree to provide certain written representations to the swap dealer. It is presumed that swap dealers are refining the various representations, and mechanics for obtaining such representations, including amendment of existing ISDA master documentation. ISDA also is separately working on a project for standardized representations to be elected on an online system, as described below.

### Practices

- Bond Counsel
- Disclosure Counsel