

Golden Networking

Derivatives Trading Forum 2013

Global Implementation of Regulatory Reform in the
\$640 Trillion Over-the-counter Derivatives Market

New York - London - Chicago - Singapore - Frankfurt

Information Package

Derivatives Trading Forum 2013



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New York City
July 30

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London
September 18

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Chicago
October 8

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Singapore
October 24

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Frankfurt
November 21

Derivatives Trading Forum 2013

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Overview



The trading of derivatives, largely privately negotiated and traded, is going through significant transformation, in what constitutes the biggest financial regulatory revamp since the 1930s. In recent years, derivatives have constituted huge profit machines at institutions like Bank of America, Citigroup, Goldman Sachs, JPMorgan and Morgan Stanley, which control 90% of all such contracts. In response to the global financial crisis and subsequent recession, authorities in both sides of the ocean passed the Dodd-Frank Wall Street Reform and Consumer Protection Act and the European Market Infrastructure Regulation (EMIR), the most significant pieces of financial regulation since the Great Depression; both have particular significance for OTC derivatives trading and market participants.

On December last year, the European Commission adopted technical standards produced by the Paris-based European Securities and Markets Authority (ESMA), which seek to implement parts of the European Market Infrastructure Regulation (EMIR), including stricter standards for central counterparties (CCPs). Last May, US regulators from the Commodity and Futures Trading Commission (CFTC) announced changes in the way that commodities are traded in a bid to help strengthen the financial system. Now investment companies have to receive price quotes from a minimum of two banks, potentially giving smaller banks and investment houses the chance to go into the market and increase competition. Moreover, many types of derivatives that have traded exclusively in private must now shift to a regulated trading platform. The platforms, known as Swap Execution Facilities (SEFs), will open a rare window into the somewhat secretive world of derivatives trading.

Overview



Following the entry into force of these regulations, market participants are dealing with a complex list of requirements to be fulfilled at different deadlines in the coming months. For market participants, the key challenge will be to meet the central clearing and trade reporting obligations, while regulators strive to ensure consistency with foreign jurisdictions so as to limit the unintended effects of extraterritoriality.

Golden Networking is pleased to host Derivatives Trading Forum 2013, Global Implementation of Regulatory Reform in the \$640 Trillion OTC Derivatives Market, in the midst of a regulatory whirlwind that has the market in a swirl. Derivatives Trading Forum 2013, taking place in New York City, London, Chicago, Singapore and Frankfurt, aims at critically reviewing recent regulatory developments and identifying opportunities and challenges in the implementation process, which may influence its full entry into force in America, Europe and Asia. This recent regulation, with its implementing rules, will certainly reshape OTC derivative markets and produce structural changes in the financial industry, with effects for the real economy.

Golden Networking's Derivatives Trading Forum 2013 will provide attendees with answers to all their questions on how to successfully navigate the new regulatory landscape for over-the-counter and exchange-traded derivatives, devise profit-increasing strategies to enhance the performance of their trading desks and anticipate further developments in the industry. Recognized industry experts will provide attendees with the information they are looking for in an open and unbiased environment. Leaders in the industry will also discuss long-term market and industry perspectives, taking into consideration the interaction of the Dodd-Frank Act and EMIR with other pieces of legislation.



Insightful, Relevant and Timely Topics



- ◆ Challenges for Hedge Funds and Asset Managers to Execute, Clear and Report Swaps
- ◆ Walking on a Tightrope while Avoiding Swap Execution Facilities Landmines
- ◆ Understanding the Costs of Clearing, Margining and Collateral Management Under Dodd-Frank
- ◆ The Exchange-Traded Derivatives Changing Landscape in 2013 and Beyond
- ◆ In Search of a Joint Approach for Cross-border Clearing in America, Europe and Asia



Challenges for Hedge Funds and Asset Managers to Execute, Clear and Report Swaps



The Dodd-Frank Act requires to clear certain types of interest rate swaps and credit default swaps. This clearing mandate started in March 2013 for a subset of market participants, with further phases to follow in June and September this year. Combined with the EU's EMIR that was enacted in January, both of these initiatives will mean the vast majority of OTC interest rate swap contracts will have to be centrally cleared. There are an estimated 4,000 buy-side firms that will have to comply either with US or European legislation, and approximately 20 clearing members offering client clearing (many more banks are clearing members for only their house trading activity).

- How big of a change are these requirements for hedge funds and asset managers in particular? Which portion of asset managers and hedge funds' portfolios are currently clearable?
- What systems and tools are available to calculate both the amount of margin required and the securities that can be pledged to meet the margin obligations?
- Will clearing members have capacity constraints and be unable to serve as a clearing member for all of their clients?



Walking on a Tightrope while Avoiding Swap Execution Facilities Landmines



Title VII of Dodd-Frank was passed to redress deficiencies in the derivatives market. Among other provisions, Title VII required most "swaps" and "security-based swaps" to be executed on regulated trading platforms called Swap Execution Facilities. The CFTC and the Securities and Exchange Commission (SEC) have been charged with implementing SEF regulations for swaps and security-based swaps, respectively. After a long waiting period, SEF rules were finalized on May 16 by the CFTC; now the spotlight falls on firms planning to register as SEFs. But the finer details of the rules have created new areas of concern, and would-be SEFs are still struggling with a lack of regulatory clarity.

- What products will SEFs have to offer? What products are in the pipeline? What needs to be considered when executing on SEFs?
- What would-SEFs be required to operate via the preliminary approval system before full compliance is mandated?
- What strategies banks with single-dealer platforms will deploy regarding the wave of SEFs? Will they continue to invest in single-dealer offerings?



Understanding the Costs of Clearing, Margining and Collateral Management Under Dodd-Frank



Legal experts have predicted that a Bloomberg challenge to proposed rules from the CFTC could prove pivotal in determining the success of sweeping new reforms to the US derivatives market. Bloomberg, which is planning to launch an SEF to protect the revenues they currently make from facilitating bilateral trades, is claiming that the CFTC has created an uneven playing field by making it far more expensive to trade and clear derivatives on an SEF than on an exchange; this is because the margin that must be posted against an SEF-traded product could be up to five times greater than against the equivalent exchange-traded swap future. Bloomberg says the CFTC's rules threaten the viability of SEFs as trading firms would simply switch to futures exchanges, where similar products would be cheaper to trade.

- What is the impact of the new regulations on costs and margining? How advanced are margin regulations for uncleared swaps?
- Should Derivatives Clearing Organizations (DCOs) have the power to establish liquidation times for certain products?
- Will recent OTC clearing initiatives result in the reduction or increase of the counterparty risk exposure?
- How real are the benefits of cross-margining? Will or should clients clear futures and OTC derivatives with the same firm?
- Will the rise of collateral requirements impact sourcing eligible collateral and collateral's availability?



The Exchange-Traded Derivatives Changing Landscape in 2013 and Beyond



After a decade of unprecedented growth, the exchange-traded derivatives (ETD) industry, traded via specialized exchanges, was subject to a sharp correction during the global financial crisis. Volatility increased and contract volumes plunged. Furthermore, the number of derivatives traded on exchanges worldwide fell last year for the first time since 2004, according to the data. About 21 billion contracts changed hands on exchanges last year, down from 25 billion in 2011.

- Will persistent uncertainty be reflected in a greater need for hedging?
- Will the return in volumes on the underlying cash markets aid derivatives volumes?
- Will this steady move inevitably bring more regulatory oversight as well?
- Which strategies for trading and analysis are now available as a result of new technology and global expansion?
- Which key areas derivatives traders should be looking at in 2013 and beyond?



In Search of a Joint Approach for Cross-border Clearing in America, Europe and Asia



Leaders of the Group of 20 economies (G20) pledged in 2009 to make off-exchange traded derivatives like credit default swaps more transparent. Regulators' focus was on derivatives because of the central role they played in the financial crisis; lack of transparency created uncertainty over who was exposed when Lehman Brothers and insurer AIG got into trouble. Regulators initially wanted rules in place by the end of 2012, but this has proved difficult to achieve. The delay was partly because regulators wanted a common approach to avoid costly overlaps that could distort markets and competition among banks. Therefore, differences have emerged over how far each country can regulate "cross-border."

- How will cross-border clearing work? How is collateral treated? Which are the current and proposed arbitrage settlement procedures?
- How will equivalence and substituted compliance issues be resolved? Will a substituted compliance regime based on regulatory outcomes trump a rule-by-rule assessment of an overseas regime?
- Will the SEC be successful in trying to broker a compromise by proposing a more accommodative "middle way" welcomed by global regulators?



Executives Who Should Attend (I)



Asset Managers	Financial Consultants
Back Office Operations Managers	Financial Engineers
Broker-Dealers	Fund Managers
Central Bankers	General Counsels
Chief Compliance Officer	Heads of Alternative Investments
Chief Executive Officers	Heads of Asset Allocation
Chief Financial Officers	Heads of Asset Liability Management
Chief Information Officer	Heads of Commodity Derivatives
Chief Investment Officers	Heads of Credit Derivatives
Chief Operations Officer	Heads of Equity Derivatives
Chief Risk Officers	Heads of Fixed Income
Chief Technology Officer	Heads of FX Derivatives
Derivatives Traders	Heads of Hedge Funds Investment
Directors of Investments	Heads of Hybrids
Exchange Officers	Heads of Investment Process
Financial Analysts	Heads of Investment Risk Management

Executives Who Should Attend (II)



Heads of Performance Review	Managing Directors
Heads of Portfolio Analysis	Managing Partners
Heads of Quantitative Analysis	Portfolio Managers
Heads of Quantitative Investment Strategies	Portfolio Strategists
Heads of Regulatory Affairs	Professors of Finance
Heads of Research	Quantitative Analysts
Heads of Risk Management	Rating Agencies
Heads of Structured Products	Risk Analysts
Heads of Trading	Risk Managers
Hedge Fund Managers	Securities Lawyers
Institutional Investors	Security-based Swap Dealers
Investment Bankers	Senior Investment Officers
Investment Managers	Software and Technology Providers
Investment Strategists	Swap Dealers
Legal Counsels	Treasury Heads

Extraordinary Media Coverage for Golden Networking's Forums



- ◆ The New York Times:
 - ◆ <http://dealbook.nytimes.com/2011/10/04/regulator-proposes-oversight-of-high-speed-traders/>
- ◆ Bloomberg:
 - ◆ <http://www.bloomberg.com/news/2011-10-04/sec-circuit-breakers-could-allow-market-disruption-chilton-says.html>
- ◆ The Wall Street Journal:
 - ◆ <http://online.wsj.com/article/BT-CO-20111004-712635.html>
- ◆ Forbes:
 - ◆ <http://www.forbes.com/sites/robertlenzner/2011/10/08/cheetah-traders-are-dangerously-controlling-our-markets>



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Welcome

GoldenNetworking.com is the premier networking community for businessmen, entrepreneurs, professionals and diplomats, to experience what's hot, new and next

Members are treated to exclusive industry-wide Business Receptions, Career Nights, Entrepreneur Networking Nights, Fashion Shows, Themed-Parties and Educational Seminars

Starting in the New York Metro area, GoldenNetworking.com is expanding its reach to San Francisco, Miami and London

Check pictures of the Asia Vision Foundation Benefit [here](#), co-hosted by GoldenNetworking.com's Founder Mr. Edgar Perez

Explore your Golden Concierge
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[Read about GoldenNetworking.com in the Press](#)

Upcoming Receptions

GoldenNetworking.com invites you to these exciting Business Receptions and Forums, attended by successful businessmen, professionals, entrepreneurs and academics



Summer Career Night

Date: Tuesday, August 11th, 2009

Time: 6:00PM to 9:00PM

Venue: Johnny Utah's (25 West 51st St., New York)

Click [here](#) to RSVP



China Leaders Forum 2009

Date: Thursday October 8th, 2009

Time: 8:00AM - 7:00PM

New York City

Click [here](#) to RSVP



Middle East Leaders Forum 2009

Date: Thursday October 29th, 2009

Time: 8:00AM - 7:00PM

New York City

Click [here](#) to RSVP

Who Attends our Business Receptions and Forums?



- ◆ Financial Services executives, investors, professionals and entrepreneurs, interested in staying two steps ahead of their competition
- ◆ Breakdown of attendees by job title:
 - ◆ 28% C-Level
 - ◆ 22% Director - Managing Director level
 - ◆ 34% Vice President level
 - ◆ 15% Associate - Analyst - Intern level

Company Representation at Receptions and Forums (I)



- ◆ Companies that were represented in previous Golden Networking receptions and forums:
 - ◆ Actualize Consulting, Algo Engineering, Alliance Bernstein, Arent Fox LLP, Avatar, AXA Advisors, Bank of America Merrill Lynch, Barclays Capital, BATS Global Markets, BlackRock, Blackstar Group, Bloomberg LP, BNP Paribas, BNY Mellon, Boston Consulting Group, Bradesco Securities, Brooklane Capital, Cassels & Graydon LLP, Charles Schwab, Chatsworth Group, Chimera Securities, Citigroup, Cleary Gottlieb LLP, Clifford Chance LLP, Columbia Business School, Corcoran Group Real Estate, Credit Suisse, Deutsche Bank, Direct Edge, Echartrade, Elk River Trading, Empire Capital Partners, ETF Venture Funds, ETR corp., Far Hills Group, Fortress Investment Group, GDR Privee, Gerson Lehrman Group, GilGantas LLC, GLC Trading Corp

Company Representation at Receptions and Forums (II)



- ◆ Companies that were represented in previous Golden Networking receptions and forums:
 - ◆ Goldman Sachs, Green Arrow Partners, Guggenheim Securities, Hampton Asset Management, Harma Risk Management LLC, Harvard University, HedgeCo LLC, HSBC, HyPerform Group, iEpsilon, IO-Works Inc., IQ Venture Partners, Jane Street Capital, Koshdan Capital, Lenox Advisors, Lightyear Capital, Lime Brokerage, Liquidnet, Madison Trading, MBL Financial Group, McClendon, McKinsey & Co., Medvice, Meridian Equity Partners, MetLife, MF Global Investment Management, Moody's Investors Service, Morgan Stanley, Morrison & Partners, Natexis Private Equity Asia, Natixis Capital Markets, Needham Partners, Newedge, Newport Private Investments, Nixon Peabody LLP, Nomura Research, NP Solutions, NY Federal Reserve, PCP Financial Partners, Penn Mutual

Company Representation at Receptions and Forums (III)



- ◆ Companies that were represented in previous Golden Networking receptions and forums:
 - ◆ Prestige Financial, Privet Capital, ProCapital, Protrade Securities, Prudential Douglas Elliman, Prudential Securities, Quantix, RBC Capital Markets, RBC Wealth Management, Real Time Partners LLC., Reuters, RM Capital, Roland Berger, Rutgers University, RZB Finance LLC, Schonfeld Securities, Securities Industry News, SMB Capital, Solomon Daniels Global Economics LLC, Standard and Poor's, Stepwise Capital, Stern School of Business, Strategies For Wealth, Synchronon, Systematic Alpha Management, Systematic Strategies LLC, Thomson Reuters, TIAA-CREF, Timber Hill LLC, Travers and Associates, TSIX Trading, Two Sigma Investments, UBS, Unilogic, Universal Data Interface, University of Michigan, VisCap, Volant Trading, Wall Street Legal Consulting PLLC, Westbrook Capital, Winston Capital Management, WJ. Dowd, WTS Proprietary Trading Group

Testimonials



“Thank you for inviting me to participate at the conference! Great event!
Let's keep in touch!”

Ira Perlmutter, Managing Partner, T5 Equity Partners

“Thanks again for having me on the panel. I really enjoyed it and would
love to do more of them in the future. Lets keep in touch.”

Matthew Baron, Principal, Simon Development Group

“Really enjoyed it. Congratulations on a great conference! Thanks
again.”

Debashis Bhattacharya, Portfolio Manager, Fortis Investments

“I enjoyed participating in the conference and thought it was very
successful.”

Scott Eisenberg, Managing Partner, Amherst Partners

“I thought the panelists were excellent and it was a great program. I look
forward to the next one.”

Neil Axler, Vice President, FMV Opinions



More Information



◆ For more information:

Julia Petrova

Golden Networking

+1-414-FORUMS0

jpetrova@goldennetworking.com