
Coalition for Derivatives End-Users

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Coalition for Derivatives End-Users Views Senate Discussion Draft as Significant Step Backward Legislation Would Drive Capital Away From Job Creation and Economic Growth

“The Coalition supports derivatives regulatory reform that will bring transparency to the over-the-counter markets and reduce risk to the financial system. We are extremely concerned however, that the Senate discussion draft would undermine the risk management practices of companies in a wide range of industry sectors - including manufacturing, utilities, technology, health care and commercial real estate. As currently drafted, the bill would significantly curtail the ability of these companies to manage day-to-day business risks related to production and daily operation and needlessly tie up capital that would otherwise be productively deployed in the economy, creating jobs and being invested in new technology.

“This legislation represents a significant step backward from the positive and bipartisan work in the House on derivatives regulation, where both the House Agriculture Committee and Financial Services Committee bills recognize that businesses that use derivatives to hedge specific risks ("end-users"), are not speculating for profit and do not pose systemic risk. We encourage the Senate to undertake similar efforts as the debate on financial services regulatory reform continues.”

About Coalition for Derivatives End-Users

Formed in August 2009, the Coalition is a broad-based group representing American businesses that use over-the-counter (OTC) derivatives to manage business risks including fluctuating currency exchange and interest rates and commodity prices. The Coalition's primary goal is to ensure continued access to OTC Derivatives for business end-users, while protecting U.S. competitiveness and promoting economic growth.
