



## News Release

*For Immediate Release*

# ERIS AND R.J. O'BRIEN INSTITUTIONAL BROKERAGE GROUP RELEASE HEDGE ACCOUNTING TREATMENT PAPER

Case study illustrates ERIS Swap Futures as an  
effective hedging instrument

**Chicago, October 5, 2016** – [Eris Exchange](#) (ERIS) and an institutional [fixed income brokerage group at R.J. O'Brien & Associates](#) (RJO), the nation's oldest and largest independent futures brokerage and clearing firm, released an accounting case study outlining how ERIS Interest Rate Swap Futures can receive favorable hedge accounting treatment. Qualifying for hedge accounting treatment allows institutional hedgers to confidently use ERIS Swap Futures as a replacement for OTC swaps. The study provides a concrete example of using ERIS as an eligible and effective hedge. Previously, ERIS had partnered with Reval to coauthor a white paper that lays out a framework for examining [hedge accounting effectiveness](#) of ERIS contracts.

Hedge accounting eligibility is a critical factor for many participants using OTC swaps, and this new case study illustrates hedge effectiveness testing of a corporate debt issuance, cash flow hedged with ERIS instead of an OTC swap. This objective third-party study illustrates that ERIS Swap Futures qualify for the same hedge accounting treatment as OTC swaps, offering end users an alternative to the traditional OTC swap market, which lacks best execution and remains opaque as well as hierarchical. Hedgers may now take advantage of liquid and transparent markets in ERIS Swap Futures, while benefiting from the same hedge accounting treatment as traditional OTC swaps.

"For many of our institutional end users, getting internal accountants comfortable with the treatment of ERIS is a critical component in making the switch away from legacy OTC derivatives to a more efficient hedge alternative," said Rob Powell, Director of the Fixed Income Group & Senior Vice President of RJO. "We are pleased to offer this case study with journal entries and sample designation letters to make sure our clients have all the requisite detail they need to implement ERIS contracts."

Charles Brobst, Managing Partner at GFM Solutions, commented, "Accountants will be able to use this document as a demonstration of the viability of ERIS Interest Rate Swap Futures from a hedge accounting perspective, and therefore a possible replacement for an OTC swap. They will also be able to use this case study as a roadmap for the necessary hedge documentation and journal entries."

To obtain the full hedge effectiveness testing results case study, contact ERIS or RJO through the following link: [www.erisfutures.com/casestudy](http://www.erisfutures.com/casestudy)

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### **About Eris Exchange:**

[Eris Exchange](#) is a U.S. futures exchange registered as a Designated Contract Market with the CFTC. The Exchange lists cash-settled interest rate swap futures with current open interest of 170,000 contracts in USD Interest Rate Swap Futures. Eris Interest Rate Swap Futures listed on Eris are cleared by CME Clearing, and are based on the Eris Methodology™, an award-winning product design for constructing swap futures in a capital-efficient manner through intellectual property, expertise and patent-pending innovations. The [Eris Methodology](#) is also licensed by Intercontinental Exchange (ICE), Johannesburg Stock Exchange (JSE), TMX Group companies including Montreal Exchange (MX), and CBOE Futures Exchange (CFE) for listing interest rate, equity variance and credit default swap futures. Trademarks of Eris Exchange and/or its affiliates include Eris, Eris Exchange, Eris SwapBook, Eris BlockBox, Eris PAI and Eris Methodology. For more information, visit Eris Exchange online at <http://www.erisfutures.com> or follow Eris on Twitter [@erisfutures](#).

### **About R.J. O'Brien:**

Founded in 1914, [R.J. O'Brien & Associates](#) is the largest independent futures brokerage firm in the United States, serving institutional, commercial and individual clients globally, in addition to a network of 400 introducing brokers (IBs). Clearing more than 80,000 client accounts, RJO services the industry's most expansive global network of IBs, a vast array of middle market firms and many of the world's largest financial, industrial and agricultural institutions. The firm offers state-of-the-art electronic trading and 24-hour trade execution on every major futures exchange worldwide.

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