



Call for Papers and Grants

Exchange-Traded and Cleared Derivatives

Introduction

The Institute for Financial Markets (IFM), a nonprofit educational foundation, proposes to fund studies on high-priority issues whose understanding and potential resolutions are of critical importance to ensuring that global trading and clearing of listed derivatives continue to meet the price discovery and risk management needs of market participants. Funding for research studies is made possible by a generous gift to the IFM by The Clearing Corporation Foundation Endowed Fund.

Studies may be conducted by academics and/or industry professionals. The conclusion should summarize key findings and state their importance to the field. Independent findings will be used to educate market users, policy makers, regulators, academics, and other interested parties.

The project will be managed and promoted by the IFM. Individual research studies will be subjected to a peer-review process and published in a special edition of the Review of Futures Markets, a financial journal. Research findings also may be published by the IFM in other print/electronic media, and used in IFM educational courses. For information about the IFM and Review of Futures Markets, please see www.theIFM.org.

Proposal Submission

We invite you to submit a grant proposal that addresses one or more of the following themes. Each theme also has sub-themes which are provided as guideposts or areas of interest. We have intentionally attempted to keep the area of interest broad to encourage your creativity in crafting an insightful research project. Areas of special interest for research that best serve the industry include:

1. Position limits
 - a. Impact on user segments such as hedgers, index providers, speculators and swap dealers
 - b. Could reduced market participation misallocate resources due to a less efficient pricing mechanism
 - c. Economic impact of imposing position limits for swap dealers without proper exemptions
 - d. Do position limits have an impact on whether risk management occurs on-exchange, in foreign markets or over-the-counter
2. Direct market access (DMA) influences
 - a. High frequency trading
 - b. Co-location: good or bad?
 - c. Affects on liquidity
 - d. Transparency and fairness
 - e. Ways to mitigate risks to the markets
3. Clearinghouse risks
 - a. Impact on margin accounts and guaranty funds when combining OTC-cleared products with traditional futures

- b. Bankruptcy issues and what changes are needed in the one pot vs. two pot approach
 - c. Margin and collateral deposit requirements
4. Effects of different order types
- a. Block trades—both intra-market and inter-market
 - b. Large orders
 - c. Calendar rolls

Interested authors should send a proposal consisting of an extended abstract of their ideas (approximately 300 – 500 words), a brief resume of the researcher(s) (approximately 50-75 words) along with their grant request. There is no submission fee.

Your proposal should state clearly the objective of the research study, as well as, the motivation and context of the research. The resume(s) should identify current affiliation and position, research interests, education/qualifications and complete contact information. Submitted documents must be written in English and in either Microsoft Word or Adobe PDF file format. **The deadline to submit a proposal electronically to research@theIFM.org is March 15, 2010.**

Grants

The IFM expects to award up to five (5) grants in 2010. Awards for the most compelling research studies will range from \$10,000-\$15,000 per proposal. Grant amounts may be set in terms of a contribution-to-priority ratio. A proposal making an overall, strong contribution to futures and options literature could be awarded a higher grant than a research initiative that proposes to make a narrower or highly technical contribution.

Proposal Review and Grant Award

Your proposal will be evaluated in terms of quality and fit with our mission and research objectives. Criteria used to award research grants include the character of the research problem, the implications of the proposed research and the anticipated contribution of the research to the futures and options on futures literature. Awarding of grants will be determined by the Advisory Committee of the Clearing Corporation Foundation Endowed Fund and their decision is final. Members of the Advisory Committee include:

Mr. Peter F. Borish
Chairman and CEO,
Computer Trading Corporation

Mr. Ronald Filler
Professor of Law and Director,
Center on Financial Services Law
New York Law School

Mr. John M. Damgard
President,
Futures Industry Association Inc.

Mr. Michael C. Dawley
Outgoing Chairman of The Clearing Corporation and
Managing Director,
Goldman, Sachs & Co.

Mr. Walter Lukken
Senior Vice President,
NYSE Euronext

Each submitting author will receive an e-mail confirmation of proposal submission from the IFM and will be notified of the award results by April 15, 2010.

Important Dates

- Submission of an abstract and bio by March 15, 2010.
- Communication of acceptance and grant eligibility by April 15, 2010.
- Submission of research paper by September 1, 2010.
- Tentative publication date November 2010