FSB FINANCIAL STABILITY BOARD

Press release

Press enquiries:
+41 61 280 8138
Joe.Perry@fsb.org

Ref: 35/2019
15 October 2019

FSB reports on implementation of OTC derivative reforms

The Financial Stability Board (FSB) today published its annual progress report on the implementation of the agreed G20 reforms to over-the-counter (OTC) derivatives markets. Overall there has been limited additional implementation of the reforms between end-November 2018 and end-September 2019. The report notes the following progress:

- **Trade reporting**: 23 out of 24 member jurisdictions have comprehensive requirements in force, an increase of one during the reporting period. Jurisdictions report efforts to reduce reporting barriers and masking relief, wider use of the legal entity identifier in trade reporting, and streamlining reporting processes and trade repository operations. Authorities are increasingly aggregating data from multiple trade repositories.
- **Central clearing**: Eighteen jurisdictions have in force comprehensive standards/criteria for determining when standardised OTC derivatives should be centrally cleared. In a few of these 18 jurisdictions, a wider range of products is now subject to mandatory clearing. Central counterparties (CCPs) have been active, with some CCPs filing for authorisation to clear transactions involving new asset classes in a number of jurisdictions, and other CCPs withdrawing from certain market segments.
- **Margin requirements:** Sixteen jurisdictions have in force comprehensive margin requirements for non-centrally cleared derivatives, which represents an increase of one during the reporting period. Estimates of collateralisation rates are available in 10 of these 16 jurisdictions and continue to increase, particularly in credit and equity derivatives.
- **Higher capital requirements for non-centrally cleared derivatives**: Interim higher capital requirements for non-centrally cleared derivatives are in force in 23 of the 24 FSB member jurisdictions. Only seven jurisdictions (albeit four more than at end-November 2018) have implemented the final capital requirements, both due to have been implemented by January 2017.
- **Platform trading:** Comprehensive platform trading requirements are in force in 13 jurisdictions, a number which has remained unchanged during the reporting period.
- **Cross-border coordination and issues:** One jurisdiction started exercising deference during the reporting period with regard to foreign jurisdictions' regimes. Several other jurisdictions extended deference to further jurisdictions.

Notes to editors

The FSB coordinates at the international level the work of national financial authorities and international standard-setting bodies and develops and promotes the implementation of effective regulatory, supervisory, and other financial sector policies in the interest of financial stability. It brings together national authorities responsible for financial stability in 24 countries and jurisdictions, international financial institutions, sector-specific international groupings of regulators and supervisors, and committees of central bank experts. The FSB also conducts outreach with approximately 70 other jurisdictions through its six Regional Consultative Groups.

The FSB is chaired by Randal K. Quarles, Governor and Vice Chairman for Supervision, US Federal Reserve; its Vice Chair is Klaas Knot, President, De Nederlandsche Bank. The FSB Secretariat is located in Basel, Switzerland, and hosted by the Bank for International Settlements.

For further information on the FSB, visit the FSB website, www.fsb.org.