

## Press release

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### **FSB publishes peer review on implementation of over-the-counter derivatives reforms in Mexico**

The Financial Stability Board (FSB) published today its [peer review of Mexico](#), which examined the implementation of the G20 commitments on over-the-counter (OTC) derivatives.

Mexico's OTC derivatives market is relatively small from a global perspective, but is the largest in Latin America. The market has a substantial cross-border component, with foreign banks being important players. Interest rate derivatives are the predominant asset class as measured by notional amount outstanding, while foreign exchange trades dominate daily turnover.

The peer review finds that the Mexican financial authorities have made good overall progress in their implementation of OTC derivatives reforms. Mexico does not have a specific law dedicated to regulating OTC derivatives markets, but the authorities in recent years undertook several initiatives to enhance rules and procedures in this area. These include implementing comprehensive requirements for trade reporting, central clearing and platform trading, with a strong focus on quality, public transparency, and analysis of trade repository (TR) data. The authorities have advanced these reforms in a thoughtful, collaborative and proactive manner.

Notwithstanding these achievements, the review concludes that further steps can be taken by:

- completing implementation of remaining OTC derivatives reforms on a timely basis, including margin and final capital requirements for non-centrally cleared derivatives;
- expanding the authority of the National Banking and Securities Commission (CNBV) for aspects of the supervision and enforcement of conduct of market participants; and
- expanding the scope and sharing of TR data, including by removing barriers to full reporting of Mexican TR data to foreign TRs.

The peer review report includes recommendations to the Mexican financial authorities in order to address these issues. These steps should be supported by efforts to ensure that the authorities – particularly the CNBV – have adequate resources and powers to fulfil current and potentially expanded OTC derivatives-related responsibilities.

#### **Notes to editors**

FSB member jurisdictions have committed to undergo periodic peer reviews to evaluate their adherence to international financial standards. To fulfil this responsibility, the FSB has established a regular programme of [thematic and country reviews](#), based on the objectives and guidelines set out in the [Handbook for FSB Peer Reviews](#). As part of this commitment, Mexico volunteered to undergo a peer review in 2019. This review forms part of the second round of country peer reviews of FSB member jurisdictions, which examine the implementation

of G20 financial regulatory reforms. The [schedule of country peer reviews](#), as well as [all completed peer review reports](#), is available on the FSB website.

The report describes the findings and recommendations of the peer review of Mexico. The draft report was prepared by a team of experts from FSB member institutions and led by Ángel Benito, Commissioner at the National Securities Market Commission in Spain. The review benefited from dialogue with the Mexican authorities and private sector representatives as well as from discussion in the FSB Standing Committee on Standards Implementation.

On 11 March 2020, a regulatory amendment was published for consultation that, according to the Mexican financial authorities, would remove some of the barriers to full reporting of Mexican TR data to foreign TRs and thereby address some of the findings in this report. However, the review team has not examined this draft regulation.

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

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