

Press release

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FSB publishes reports on implementation of OTC derivatives reforms and removal of legal barriers

The FSB today published the following two reports:

- setting out progress on reforms to over-the-counter (OTC) derivatives markets¹ and
- reporting on FSB member jurisdictions' actions to remove legal barriers relating to OTC derivatives trade reporting.

[OTC Derivatives Market Reforms: Progress Report on Implementation](#)

Overall, good progress continues to be made across the G20's OTC derivatives reform agenda in the period from end-June 2017, including work to assess whether the implemented reforms meet the intended objectives. The report concludes that:

- **Trade reporting:** Twenty-one out of 24 FSB member jurisdictions have comprehensive trade reporting requirements in force, up by two since end-June 2017. Authorities are using trade repository data for a wide range of tasks, and incorporating it in their published work. Work continues internationally, including on data harmonisation.
- **Central clearing:** Eighteen member jurisdictions now have in force comprehensive standards/criteria for determining when standardised OTC derivatives should be centrally cleared, and two more jurisdictions adopted mandatory clearing requirements during the reporting period.
- **Margin requirements for non-centrally cleared derivative (NCCDs):** Sixteen jurisdictions have implemented comprehensive margin requirements for NCCDs, an increase of two. Estimated collateralisation rates have risen since end-2016.
- **Higher capital requirements for NCCDs:** Interim higher capital requirements for non-centrally cleared derivatives are in force in 23 of the 24 member jurisdictions, unchanged over the reporting period. However, the number of jurisdictions that have implemented the final standardised approach for counterparty credit risk and capital requirements for bank exposures to central counterparties is much lower. Having regard to the 1 January 2017 recommended implementation date, jurisdictions are urged to implement those requirements without further delay.

¹ These reforms are: trade reporting of OTC derivatives; central clearing and, where appropriate, exchange or electronic platform trading of standardised OTC derivatives; and higher capital and minimum margin requirements for non-centrally cleared derivatives.

- **Platform trading:** Thirteen jurisdictions have in force comprehensive assessment standards or criteria for determining when products should be platform traded. New determinations entered into force for specific derivatives products to be executed on organised trading platforms in six jurisdictions. Transparency of information about OTC derivatives transactions has increased since end-2016.
- **Cross-border coordination and issues:** Jurisdictions reported continuing progress, both in establishing broad legal powers to exercise deference with regard to foreign jurisdictions' regimes, but more particularly with regard to exercising those powers in particular cases. Notably, the EU and US (Commodity Futures Trading Commission (CFTC)) recognised each other's regulatory regime for trading venues, while Australia, Japan and the US (CFTC) recognised one or more jurisdictions for the purposes of their margin requirements.

Trade reporting legal barriers: Follow-up of 2015 peer review recommendations

Trade reporting data provides important information for authorities as they seek to assess risks in OTC derivatives markets. However, where barriers to the full reporting of trade data and to authorities' access to this information exist, this reduces the usefulness of this data. This document reports on actions FSB member jurisdictions have taken to address legal barriers to reporting and accessing trade data identified in a 2015 peer review. Four of these recommendations included implementation dates in 2018, while the other two did not have specific implementation dates. The progress report finds:

- **Barriers to full trade reporting:** All but three of the FSB's member jurisdictions have removed or addressed barriers to full trade reporting.
- **Masking:** Five FSB member jurisdictions allow masking of counterparty identifiers for some transactions. As reported by jurisdictions, the percentage of masked trades is relatively low, typically 5% or under, with several under 1%.
- **Regulators' access to trade repository data:** In twelve jurisdictions, changes have been made or are underway to address or remove barriers to access to trade repository data by foreign authorities and/or non-primary domestic authorities, including legal barriers which have only very recently been removed.

A number of supplementary recommendations have been made by the FSB. The FSB will continue to monitor implementation.

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 Mark Carney, Governor of the Bank of England. Its 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.