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OTC Derivatives Market Reforms

Thirteenth Progress Report on Implementation

19 November 2018

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Glossary[1]

APRA	Australian Prudential Regulation Authority
BCBS	Basel Committee on Banking Supervision
BIS	Bank for International Settlements
CCP	Central counterparty
CFTC	US Commodity Futures Trading Commission
CGFS	Committee on the Global Financial System
comprehensive	See footnote 4.
covered entity	financial firms and systemically important non-financial entities (as defined in the BCBS–IOSCO standards for margin requirements for NCCDs)
CPMI	Committee on Payments and Market Infrastructures
DAT	Derivatives Assessment Team, established by chairs of BCBS, CPMI, FSB, and IOSCO
EC	European Commission
EEA	European Economic Area
ESMA	European Securities and Markets Authority
FBB	foreign bank branch
FCP	financial counterparty
FMI	financial market infrastructure
FRA	forward rate agreement
FRFI	federally-regulated financial institution
FSB	Financial Stability Board
FX	foreign exchange
GLEIF	Global LEI Foundation
GLEIS	Global LEI System
HKMA	Hong Kong Monetary Authority
in force	See footnote 62.
IOSCO	International Organization of Securities Commissions
IRS	interest rate swap
jurisdiction	See footnote 2.
LEI	legal entity identifier
LEI ROC	LEI Regulatory Oversight Committee
LOU	Local operating unit
MiFID II/MiFIR	EU Markets in Financial Instruments Directive/Regulation
NCCD	non-centrally cleared derivative

1 Currency codes according to the ISO 4217 standard are not separately listed.

NDF	non-deliverable forward
NFC	non-financial counterparty
ODRF	OTC Derivatives Regulators' Forum
ODRG	OTC Derivatives Regulators Group
ODSG	OTC Derivatives Supervisors Group
OIS	overnight indexed swap
OSFI	Canadian Office of the Superintendent of Financial Institutions
OTC	over-the-counter
reporting period	See footnote 5.
PFMI	CPMI-IOSCO *Principles for Financial Market Infrastructures*
SB	security-based
SDR	swap data repository
SEC	US Securities and Exchange Commission
SEF	Swap Execution Facility
SFC	Securities and Futures Commission (Hong Kong)
TR	Trade repository; for "TR-like entity" see footnote 12.
UPI	Unique Product Identifier
UTI	Unique Transaction Identifier
WGMR	BCBS–IOSCO Working Group on Margin Requirements

1. Executive summary

Overall, good progress continued to be made across the G20's over-the-counter (OTC) derivatives reform agenda since the 12th progress report, and work to assess whether the reforms meet the objectives intended for them continues.

Trade reporting: Twenty-one out of 24 member jurisdictions[2] have[3] comprehensive[4] trade reporting requirements in force, increasing by two during the reporting period;[5] the scope of trade reporting, and availability of trade repositories (TRs) continues to increase. Authorities are using TR data for a wide range of tasks, and incorporating it in their published work. Work is continuing at international and national levels to address key issues in reporting to TRs and accessing data from TRs, including work on data harmonisation and removal of legal barriers to reporting and access to TR-held data.

Central clearing: Eighteen FSB member jurisdictions have in force comprehensive standards/criteria for determining when standardised OTC derivatives should be centrally cleared, an increase of one during the reporting period. Requirements to centrally clear specific derivatives products were newly adopted in two FSB member jurisdictions during the reporting period. Availability of central counterparties (CCPs) clearing OTC derivatives, and cross-border availability of CCPs, have increased. Data continues to suggest a significant share of new transactions is being centrally cleared, predominantly for interest rate and credit derivatives. Work is ongoing on international workstreams related to CCP resilience, recovery and resolution, and a study has been completed by the FSB and standard-setting bodies on incentives for central clearing.

Margin requirements for non-centrally cleared derivatives (NCCDs): In the implementation of comprehensive margin requirements for NCCDs, 16 jurisdictions have such requirements in force, increased by two during the reporting period. A further four jurisdictions reported a positive change in implementation status during the reporting period. Since end-2016, estimates of collateralisation rates for OTC derivatives are both more available and also higher overall.

Higher capital requirements for NCCDs: Interim higher capital requirements for non-centrally cleared derivatives are in force in 23 of the 24 FSB member jurisdictions, unchanged over the reporting period. However, the number of jurisdictions having implemented the final standardised approach for counterparty credit risk (SA-CCR) and capital requirements for bank exposures to CCPs, due to have been implemented in January 2017, is much lower, with only

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2 In this report, unless otherwise stated, "jurisdictions" refers to the countries under whose law national FSB member authorities are established. In some contexts, where indicated, the term refers to the EU and not the six individual FSB member jurisdictions that are member states of the EU. For the purposes of statistical tables and charts, the EU as a whole is counted as six jurisdictions.

3 Unless otherwise stated, information about implementation progress in this report is given as at end-September 2018 and other information such as about availability of financial market infrastructures or market data is given as at end-June 2018. Unless otherwise stated, all data is sourced from FSB member jurisdictions.

4 In this report, "comprehensive" when applied to standards, criteria or requirements in force in a jurisdiction means that the standards, criteria or requirements apply to over 90% of OTC derivatives transactions as estimated by that jurisdiction, with the exception of with respect to margin requirements, where "comprehensive" standards, criteria or requirements in force in a jurisdictions would have to apply to over 90% of transactions covered consistent with the respective BCBS–IOSCO Working Group on Margin Requirements (WGMR) phase in periods.

5 Unless otherwise stated, the "reporting period" is a reference to the period from end-June 2017 until end-September 2018.

some FSB member jurisdictions having published final rules or having final rules in force as at end-March 2018. ***Having regard to the 1 January 2017 recommended implementation date, jurisdictions are urged to implement those requirements without further delay.***

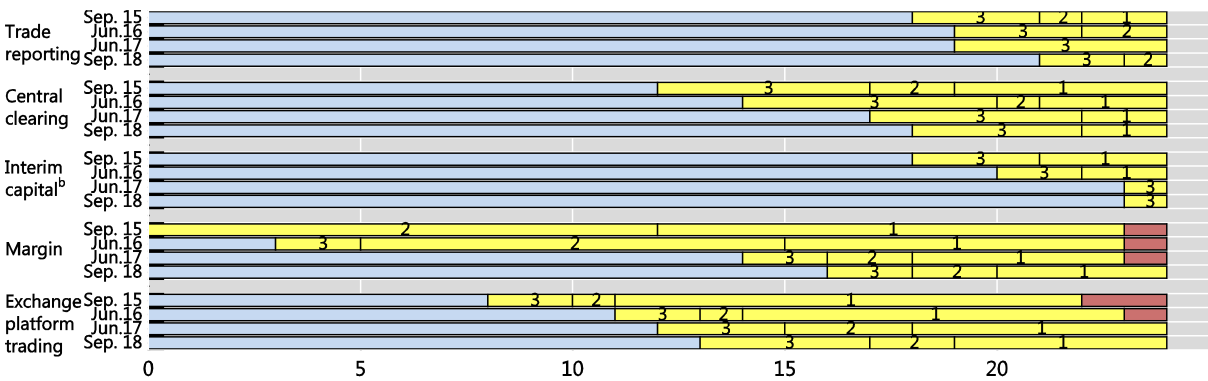
Platform trading: During the reporting period, some progress was made by FSB member jurisdictions in implementing the platform trading commitment. One more jurisdiction has in force comprehensive assessment standards or criteria for determining when products should be platform traded, up to 13 in total.[6] New determinations entered into force for specific derivatives products to be executed on organised trading platforms in six FSB member jurisdictions, and trading venue availability continued to be high in some jurisdictions. Also, transparency of information about OTC derivatives transactions has increased since end-December 2016, mainly through the coming into force of the MiFID 2 legislative package in the EU on 3 January 2018.

Cross border coordination and issues: During the reporting period, 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. A range of international workstreams continued across the range of topics dealt with in this report.

The FSB will continue to monitor and report on OTC derivatives reform implementation progress, including the effects of OTC derivatives reforms over time.[7] More details of implementation progress are given in Figure 1 and Table A.[8]

Figure 1

Recent regulatory reform progress across FSB member jurisdictions [(a)]



(a) Reforms to jurisdictional frameworks; jurisdictions' reported or anticipated status at each date shown based on current information.
(b) Adoption of interim Basel III standards for NCCDs. Position as at end-September 2018.

For legend for this chart and all implementation progress tables, see Table G in Appendix A, summarised in footnote 8.

6 As noted in previous progress reports, it is important that authorities have in place a framework in which they regularly assess these markets and that allows them to move transactions to organised trading platforms when it is appropriate. This is the case even where authorities do not consider market conditions currently, or for the foreseeable future, warrant specific trade execution requirements being in place.

7 See FSB (2017b), *Review of OTC derivatives market reforms: Effectiveness and broader effects of the reforms,* available at http://www.fsb.org/wp-content/uploads/P290617-1.pdf.

8 In broad terms, blue coloured cells refer to comprehensive standards/requirements being in place in the relevant jurisdiction for the reform indicated, red refers to a lack of legal authority to implement, and yellow refers to various stages of implementation. For full details, please see the legend in Appendix A.

Table A

Reforms to jurisdictional frameworks, as at end-September 2018

		Trade Reporting	Central Clearing	Interim Capital	Margin	Platform Trading
Argentina	AR	3	3	Blue	1	3
Australia	AU	Blue	Blue	Blue	Blue	Blue
Brazil	BR	Blue	Blue	Blue	Blue (+)	1
Canada	CA	Blue	Blue	Blue	Blue	2
China	CN	Blue	Blue	Blue	1 (+)	3
European Union[(a)]	EU	Blue	Blue	Blue	Blue	Blue
Hong Kong	HK	Blue (+)	Blue	Blue	Blue	Blue (+)
India	IN	Blue	3	Blue	2 (+)	3 (+)
Indonesia	ID	Blue	3	Blue	1	3
Japan	JP	Blue	Blue	Blue	Blue	Blue
Republic of Korea	KR	Blue	Blue	Blue	Blue (+)	1
Mexico	MX	Blue	Blue	Blue	2 (+)	Blue
Russia	RU	Blue	3	Blue	3 (+)	2
Saudi Arabia	SA	Blue	1	Blue	Blue	1
Singapore	SG	Blue	Blue	Blue	Blue	Blue
South Africa	ZA	3	Blue (+)	Blue	3	1 (–)
Switzerland	CH	Blue (+)	Blue	Blue	Blue	Blue
Turkey[(b)]	TR	2 (–)	1	Blue	1	1
United States[(c)]	US	Blue	Blue	3	Blue	Blue
TOTALS[(a)]						
Red		0	0	0	0	0
1		0	2	0	4	5
2		1	0	0	2	2
3		2	4	1	2	4
Blue		21	18	23	16	13
(+)		2	1	0	6	2
(–)		1	0	0	0	1

(+) indicates positive change and (–) indicates negative change in reported implementation status from end-June 2017. (a) The EU includes six FSB member jurisdictions (France, Germany, Italy, Netherlands, Spain and United Kingdom), which are counted individually in the totals. (b) See footnote 10 for impending developments in Turkey. (c) Information regarding the US in the colour-coded tables in this report (including appendices) reflects the overall progress of US regulatory reforms undertaken by multiple regulatory authorities. Note that the Commodity Futures Trading Commission (CFTC) has rules in force with respect to trade reporting, central clearing and platform trading; the estimate of over 90% regulatory coverage is based on the completion of rules by the CFTC, which regulates over 90% of the notional volumes transacted in the US swaps market.

2. Trade Reporting

2.1. Implementation progress and challenges

The implementation of trade reporting requirements for OTC derivatives is well advanced across FSB member jurisdictions. Twenty-one jurisdictions now have comprehensive trade reporting requirements in force, compared with 19 at end-June 2017,[9] the exceptions being Argentina, South Africa and Turkey, which nevertheless made some progress, particularly Turkey.[10] During the reporting period, Switzerland[11] and Hong Kong adopted comprehensive trade reporting requirements. The scope of trade reporting obligations in terms of asset classes also continues to expand; most notably, reporting requirements for equity and commodity derivatives commenced on 1 October 2018 in Singapore. In India, a reporting threshold (pursuant to which only trades above a certain size were reportable) lapsed on 1 October 2017.

The availability of TRs and TR-like entities[12] in FSB member jurisdictions was relatively stable since the 12th progress report; in addition, DTCC has publicly announced its intention to become a recognised trade repository in Switzerland.[13]

FSB member jurisdictions faced a number of implementation challenges during the reporting period, and in some jurisdictions reviews are underway seeking to address those challenges:

- In the EU, a revised version of the EMIR reporting standards became applicable on 1 November 2017. Italian authorities report that compliance with the new set of reporting standards has required significant efforts for the reporting counterparties as the new standards require more granular information in relation to many fields. According to these authorities, the difficulties were exacerbated in relation to trades outstanding at the date of the change of the standards and reported initially according to the old standards. Other EU member jurisdictions reported a variety of implementation challenges associated with this compliance date.[14]

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9 This assessment is based on authorities approximating whether they were above or below this 90% threshold with respect to regulatory coverage. The purpose of including this approximation is to better gauge the extent to which a substantial share of transactions are covered by regulation across jurisdictions. This 90% threshold has been incorporated in the tables that follow.

10 **Argentina** recently enacted a law establishing the legal status and obligations of TRs and TR-like entities. In line with the provisions of the Law, on 13 August 2018 the National Securities Commission (CNV) published a Resolution for consultation which, once in force, will impose reporting obligations with regard to OTC derivative including the minimum set of data that must be reported. **South Africa** finalised a regulatory framework for trade reporting and trade repositories during the reporting period, and trade reporting requirements will take effect from a date to be determined. See https://www.fsca.co.za/Notices/Final%20Reporting%20obligations%20published%20Oct%202018.pdf. In **Turkey**, a regulation on operating principles of trade repositories was published and entered into force on 19 September 2018. OTC derivatives reporting has been started in September 2018, additionally reporting obligation fully compatible with EMIR is planned to enter into force and start with all OTC derivative products as of 30 November 2018.

11 In **Switzerland**, in September 2018, the transition period for the trade reporting obligation applicable to small non-financial counterparties was extended until 1 January 2024. However, this extension does not affect the obligation of other counterparties to report a transaction entered into with a small non-financial counterparty.

12 The term “TR-like entity” as used in this report means an entity, facility, service, utility, government authority, etc. that is not an authorised TR but that is used by market participants to report OTC derivatives trade data, or provides TR-like services.

13 See http://www.dtcc.com/derivatives-services/global-trade-repository/gtr-switzerland.

14 The **Netherlands** mentioned that trade reporting is still relatively new (especially the implementation of MIFIR) and that ESMA has taken various steps (revised RTS on EMIR trade reporting per 1 November 2017, on-going TR-supervision and Q&A documents) to improve the quality, quantity and frequency of the data that need to be reported. The Netherlands reported that the reporting and the implementation of these new rules are still an operational burden to most financial institutions. As well as these issues, **Spanish** authorities mentioned that as the business of contract reporting evolves, new

- On 1 December 2017 the EU launched a public consultation to gather feedback from stakeholders on the benefits, unintended effects, consistency, and coherence of the EU regulatory framework for financial services. It will also assess whether there are any opportunities to streamline reporting requirements while ensuring that they continue to provide supervisors and regulators with sufficient and high quality data to allow them to carry out their tasks effectively. The consultation was closed on 14 March 2018 and received 391 responses sent by respondents from 15 EU Member States. The European Commission will carry out a further in-depth assessment of the responses received and will conduct other analysis to complete the fitness check of supervisory reporting, which will be published as a Staff Working Document in early 2019.[15]
- In South Africa, availability and access to trade reporting infrastructure may affect the commencement date for reporting: reporting cannot commence unless there is a TR licensed.

The Tables in Appendix B set out current and expected implementation progress by jurisdiction; the scope of trade reporting requirements; and the availability of TRs across jurisdictions.

2.2. Use and aggregation of TR data by authorities

TR data is being utilised by authorities to support their mandates for a number of different uses, including assessing systemic risks; regulating or supervising markets, trading venues, financial market infrastructures and market participants; analysing product and market structure analysis, conducting event studies, and making new policy or recalibrating policy (see figure 2 below for an overview of authorities' "use cases" for TR data as of end-June 2018).

Authorities in many jurisdictions reported aggregating data among TRs; however, in this regard practices vary widely. For example, in some jurisdictions such as Hong Kong, India, Saudi Arabia and Singapore, a single TR or TR-like entity is present locally and data is not sourced from foreign TRs. In Japan, the Japan Financial Services Agency (JFSA) aggregates data reported to the JFSA with data reported to a locally licensed TR. Authorities in Australia and Russia each aggregate data from two TRs. In Canada, aggregation of data received from three TRs is done at a provincial level, but not a national level. In the US, the CFTC aggregates and uses swaps transaction data reported pursuant to CFTC regulations by swaps counterparties to four TRs.[16] In the EU, ESMA's TRACE system provides contributing member jurisdictions with comprehensive and centralised access to aggregated data from eight registered TRs.[17] In

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entities emerge to provide services as TRs, and this involves moving positions from one TR to another. Such processes have also led to operational difficulties in the reporting of contracts. Similarly, difficulties have also arisen in reporting contracts or keeping previously reported positions updated following the conclusion of corporate transactions such as mergers or takeovers of existing entities. The November 2017 implementation of the updated reporting rules in the EU posed some issue for **UK** firms (as well as TRs), but this was expected by UK authorities with a systems upgrade of this magnitude. The first few weeks saw a higher number of rejection statistics but they were quickly remediated. One of the main issues that was encountered was the mandatory requirement for a legal entity identifier (LEI) for the "other counterparty" under the new rules. Under the previous rules a client code was accepted. This saw a large number of last-minute applications by firms to LOUs to obtain an LEI in order to be compliant with the rules by November 2017.

[15] See the Summary Report of the Public Consultation on the Fitness Check on Supervisory Reporting: https://ec.europa.eu/info/sites/info/files/2017-supervisory-reporting-requirements-summary-report_en.pdf.

[16] BSDR, LLC; Chicago Mercantile Exchange, Inc.; DTCC-DDR; and ICE Trade Vault.

[17] For transaction data, ESMA has put in place an IT project (TRACE) to ensure collection and better aggregation of TR data by using single access point and standardised ISO 20022 xml files. The TRACE project allows authorities to connect to it to easily pull out data from the eight registered TRs in the EU. The European Commission has also adopted ESMA's

addition, ESMA as supervisor and regulator of TRs is carrying out several additional initiatives aimed at better aggregation of data across TRs.[18]

Figure 2

Uses of TR data made by FSB member jurisdictions/authorities

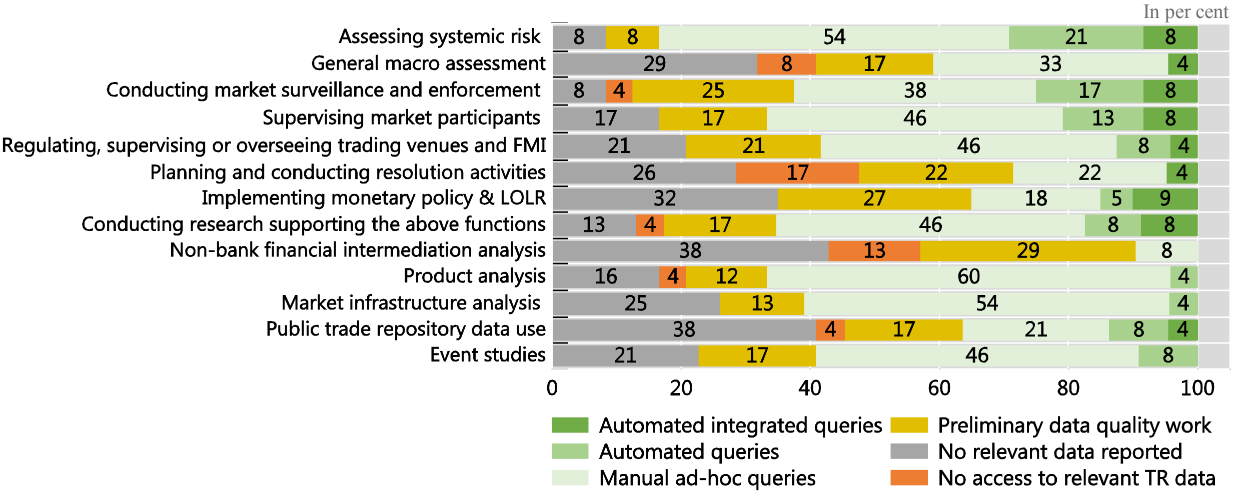

Chart shows percentage of jurisdictions reporting, for each type of TR data use, the respective type of use being made of TR data, or other status. EU-wide authorities' consolidated answers are counted as one jurisdiction and included alongside answers from national EU jurisdictions. "No relevant data reported" means that no relevant data is currently reported to TRs. For some questions, up to 3 jurisdictions did not choose among the choices available; those answers are not counted. Source: FSB member jurisdictions/authorities.

2.3. International workstreams related to trade reporting implementation issues

Although implementation has progressed in recent years, challenges to the effectiveness of trade reporting remain, including a lack of harmonisation of data formats and other data quality issues, and the impact of various legal barriers to reporting and to authorities' access to data. A number of international workstreams, and follow-up work to earlier workstreams, are underway that aim to address implementation issues affecting the effectiveness of trade reporting, as set out below.

proposed amendments to the legal framework in order to ensure that the data aggregation can be performed by authorities in the EU with or without the TRACE project.

[18] In March 2018 ESMA published Guidelines on calculation of positions by TRs under EMIR, available at: https://www.esma.europa.eu/sites/default/files/library/esma70-151-1272_guidelines_on_p(CMosition_calculation_by_trade_repositories_under_emir_final_report.pdf. With regard to the aggregate position data, ESMA instructed the TRs in the past how to harmonise the output files that they publish on their websites. This allows for easy aggregation of aggregate position data. In addition, ESMA provided the EC with proposed amendments to the RTS on aggregate position data so that greater granularity and standardisation is achieved. Please see the final report available at https://www.esma.europa.eu/sites/default/files/library/esma70-151-370_final_report_tr_public_data_under_emir.pdf. In addition, under the EMIR Refit proposal, ESMA is mandated to develop technical standards specifying procedures for the reconciliation of data between TRs and thus ensure a higher level of data harmonisation across TRs.

2.3.1. *Follow up to trade reporting legal barriers*

The FSB's November 2015 report of a thematic peer review of FSB member jurisdictions' implementation of OTC derivatives trade reporting [19] made several recommendations to jurisdictions in order to address barriers to reporting OTC derivatives transactions to TRs and to authorities' access to TR-held data (the 2015 Recommendations), and stated that jurisdictions should report by June 2016 the actions that they planned to take to address these legal barriers by due dates in-2018 at the latest.

The FSB published a follow-up report on trade reporting legal barriers contemporaneously with this report.[20] That report details progress by the FSB member jurisdictions in implementing the 2015 Recommendations.

2.3.2. *Work on data harmonisation*

The joint CPMI–IOSCO working group on the harmonisation of key OTC derivatives data elements has been tasked to develop guidance regarding the definition, format, and usage of key OTC derivatives data elements that are reported to TRs and are important for the aggregation of data by authorities. This includes the Unique Transaction Identifier (UTI) and the Unique Product Identifier (UPI). The group has completed most of its work; CPMI–IOSCO issued technical guidance on the UTI in February 2017, on the UPI in September 2017, and on critical data elements other than the UTI and UPI (CDE) in April 2018.[21] On 16 August, CPMI–IOSCO published a consultation report on governance arrangements for critical data elements other than UTI and UPI. The consultation period ended on 27 September and CPMI–IOSCO expects to conclude its work in early 2019.

In early 2016, the FSB established a working group to develop governance arrangements for the UTI and UPI. After a consultation paper issued in April 2017, the FSB published conclusions and an implementation plan for governance arrangements for the UTI in December 2017, recommending implementation of the UTI in all FSB member jurisdictions by end-2020 and setting out governance arrangements for the UTI.[22] The FSB also published a consultation paper on aspects of UPI governance in October 2017 and a further consultation paper in April 2018. In July 2018, the FSB published a self-assessment questionnaire for prospective UPI

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[19] FSB (2015), *Thematic Peer Review on OTC Derivatives Trade Reporting – Peer Review Report*, November, available at, http://www.fsb.org/wp-content/uploads/Peer-review-on-trade-reporting.pdf.

[20] FSB (2018a), *Trade reporting legal barriers: Follow-up of 2015 peer review recommendations,* available at https://www.fsb.org/2018/11/trade-reporting-legal-barriers-follow-up-of-2015-peer-review-recommendations.

[21] CPMI-IOSCO (2017), *Harmonisation of the Unique Transaction Identifier: Technical Guidance*, available at http://www.bis.org/cpmi/publ/d158.pdf and http://www.iosco.org/library/pubdocs/pdf/IOSCOPD557.pdf; CPMI-IOSCO (2017), *Harmonisation of the Unique Product Identifier: Technical Guidance*, available at https://www.bis.org/cpmi/publ/d169.pdf; CPMI-IOSCO (2018), *Harmonisation of the critical OTC derivatives data elements (other than UTI and UPI): Technical Guidance*, available at https://www.bis.org/cpmi/publ/d175.pdf.

[22] FSB (2017c), *Governance arrangements for the unique transaction identifier (UTI): Conclusions and implementation plan,* available at http://www.fsb.org/wp-content/uploads/P291217.pdf.

service providers.[23] The FSB expects to finalise governance arrangements and an implementation plan for the UPI and to identify one or more service providers in 2019.[24]

2.3.3. *Legal entity identifier*

The legal entity identifier (LEI), which provides verified data on legal entities, is now referenced or required in the rules of some 45 jurisdictions, of which 16 are FSB member jurisdictions.[25] LEI coverage has grown in recent years, and as of mid-July 2018, over 1.2 million entities from 200 countries had obtained LEIs; the figure for the 24 FSB member jurisdictions is 830,600.[26] Beginning in May 2017, the Global LEI System[27] started to request and publish information on the direct and ultimate parents of legal entities. As of 7 June 2018, about 1 million LEI registrants representing over 80% of the total LEI population reported information on direct and ultimate parents (or an exception, primarily the absence of a parent meeting the definition).[28]

The LEI ROC continues to monitor progress in the uptake and renewal of LEIs. The Global LEI System also is using registration agents,[29] facilitating renewals,[30] monitoring lapsed LEIs and better distinguishing entities that have ceased to operate.[31]

The EU reports that EU counterparties face challenges using the LEI to identify counterparties outside of the EU, because there are still counterparties in other jurisdictions which do not have an LEI. To some extent, this may be a transitional issue as more jurisdictions and market participants consider use of the LEI.

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[23] FSB (2018b), "FSB invites responses from prospective UPI service providers", media release and questionnaire, 16 July, available at http://www.fsb.org/2018/07/self-assessment-questionnaire-for-prospective-upi-service-providers/.

[24] FSB (2017d), *Governance arrangements for the unique product identifier (UPI): key criteria and functions*, available at http://www.fsb.org/wp-content/uploads/P031017.pdf and FSB (2018), *Governance arrangements for the unique product identifier (UPI): Second consultation document*, available at http://www.fsb.org/wp-content/uploads/P260418-1.pdf.

[25] FSB (2012), *A Global Legal Entity Identifier for Financial Markets*, June; available at: http://www.fsb.org/2012/06/fsb-report-global-legal-entity-identifier-for-financial-markets/; LEI Regulatory Oversight Committee (2015); *Progress Report by the Legal Entity Identifier Regulatory Oversight Committee*, available at http://www.leiroc.org/publications/gls/lou_20151105-1.pdf#27. A list of regulatory uses of the LEI compiled by the LEI Regulatory Oversight Committee (LEI ROC) from LEI ROC members and observers can be found in the LEI ROC Progress report of April 2018 (https://www.leiroc.org/publications/gls/roc_20180502-1.pdf), which shows that jurisdictions having introduced the LEI for derivative reporting in their regulatory frameworks include Australia, Canada, members of the European Union (and European Economic Area), Hong Kong, India, Mexico (from September 2018), Japan, Russia, Singapore, Switzerland and the United States. Draft LEI rules on derivatives were being considered in South Africa (final standards were subsequently published in October 2018 with an effective date to be determined).

[26] Global Legal Entity Identifier Foundation (GLEIF) statistics page at https://www.gleif.org/en/lei-data/global-lei-index/lei-statistics#; total for FSB members does not include the non-FSB EU members.

[27] The Global LEI System (GLEIS) is composed of the LEI ROC, an international standard setting body, together with an operational component of the GLEIF, operating the Central Operating Unit, and the federated Local Operating Units (LOUs) providing LEI registration and other services. The LEI ROC has a mission to uphold the governance principles of and to oversee the GLEIS.

[28] The absence of parent information is primarily due to LEIs that have not been renewed for more than one year (15.5% of LEIs), showing the importance of timely renewals by entities.

[29] See https://www.gleif.org/en/about-lei/how-to-get-an-lei-find-lei-issuing-organizations/registration-agents#.

[30] For instance, LOUs are implementing measures such as sending reminders ahead of the renewal date.

[31] For better distinguishing entities that have ceased to operate, the LEI ROC has conducted in 2017 a public consultation on corporate actions and data history including additional ways to detect entities that have not reported corporate actions affecting their existence such as mergers. The resulting policy is expected to be published by end-2018.

2.3.4. *Other international workstreams*

CPMI–IOSCO have an ongoing programme to monitor the implementation of the *Principles for Financial Market Infrastructures* (PFMI), covering TRs and CCPs, as well as other types of financial market infrastructure.[32] A review of Canada (for all types of financial market infrastructures, including TRs) was published in August 2018.[33] Reviews of Switzerland and Brazil (for all types of financial market infrastructures, including TRs) are expected to be published at the end of 2018 and in the second quarter of 2019, respectively.

IOSCO has approved work for its Committee on Derivatives to better understand the interaction of the OTC derivatives reforms and whether they work together in the most efficient way to achieve enhanced financial system resiliency. The IOSCO Committee on Derivatives plans to conduct both a fact finding and an analysis regarding the impact of the OTC derivatives reforms on market structure as well as the practical effects of different trade reporting schemes on private sector and public sector actors. With respect to the practical effects of trade reporting schemes, the IOSCO Committee on Derivatives is expected to consider whether different reporting schemes capture data that is reliable and useful and whether they impose unintended burdens on reporting parties, trade repositories and authorities that seek to use such data. In each case, the Committee expects to submit internal reports to the IOSCO Board by end-2019. The IOSCO Committee on Derivatives will inform IOSCO's involvement and contributions in other international workstreams related to derivatives reforms.

The OTC Derivatives Regulators' Forum (ODRF)[34] and its technical working group further complements the above workstreams by focusing on TR data quality and data usage. The technical working group meets regularly including via conference calls and provides a forum for authorities to discuss their use of data, share experiences and support further standardisation of data fields. In 2018, the technical working group has considered the use of TR data to support market liquidity analysis.

3. Central clearing

3.1. Implementation progress and challenges

Jurisdictions continue to make some progress in implementing changes to regulatory frameworks to promote central clearing of standardised OTC derivatives transactions. Overall, the implementation of this reform area is relatively well advanced across FSB member jurisdictions. In 18 jurisdictions, a legislative framework or other authority, and comprehensive standards/criteria for determining when products should be centrally cleared, are in force; up by one since end-June 2017. In South Africa, regulations were finalised in February 2018 setting out criteria for the authorities to take into account when making clearing determinations.[35]

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[32] CPMI–IOSCO (2012), *Principles for Financial Market Infrastructures*, April; available at: http://www.bis.org/cpmi/publ/d101a.pdf and http://www.iosco.org/library/pubdocs/pdf/IOSCOPD377-PFMI.pdf. Additional information on the PFMI implementation monitoring programme, including links to all reports published to date, is available at http://www.bis.org/cpmi/info_mios.htm and https://www.iosco.org/about/?subsection=cpmi_iosco.

[33] Canada assessment report: available at http://www.iosco.org/library/pubdocs/pdf/IOSCOPD608.pdf and https://www.bis.org/cpmi/publ/d180.pdf.

[34] For more information on the ODRF, see: http://www.otcdrf.org.

[35] See http://www.treasury.gov.za/otc/41433_9-2_NationalRegulation_DS.pdf.

In terms of requirements to centrally clear specific OTC derivatives product types, at end-September 2018, 16 jurisdictions had such requirements in force; by end-2018 Singapore and Switzerland also expected to have such requirements in force (see Appendix C, Table L).

Jurisdictions reported a number of other implementation steps taken.

- In Australia, in March 2018, the Australian Securities and Investments Commission (ASIC) granted temporary relief extending the deadline for mandated central clearing of AUD-denominated forward rate agreements (AUD FRAs), originally scheduled to come into effect on 2 April 2018. The exemption covers a period of 12 months, from 2 April 2018 to 1 April 2019. The principal reason for the granting of relief was to give entities sufficient time to gain access to clearing services for AUD FRAs, or migrate activity into a cleared substitute product (single period swap).
- In Canada, a mandatory clearing rule has been in force since April 2017. The Canadian Securities Administrators (CSA) subsequently determined that the scope of a small subset of counterparties, (e.g., certain affiliates of clearing members) needed to be clarified and has temporarily relieved this group from the requirement to clear.[36]
- In Hong Kong, in March 2018, the Hong Kong Monetary Authority (HKMA) and the Securities and Futures Commission (SFC) jointly issued a consultation paper on enhancements to the OTC derivatives regulatory regime for Hong Kong including to expand the clearing obligation to possibly include certain standardised AUD interest rate swaps (IRS). Due to required legislative changes, they do not anticipate the implementation timeline to be earlier than Q4 2019. The regulators also have decided to update the Financial Services Providers (FSP) list annually. The new FSP list after the current update will come into effect on 1 January 2019.
- In India, the regulator had already approved the central clearing of MIFOR (Mumbai Interbank Forward Offered Rate) based IRS; this will be operationalised by CCIL from 19 November 2018.

3.2. Availability of CCPs

Furthermore, the availability and use of CCPs has continued to expand, including through new authorisations of existing CCPs in Canada, Mexico and Switzerland, and continued broadening of the asset class offerings of existing CCPs (see figure 3 below, and Table M in Appendix C). During the reporting period, one CCP (CME Clearing Europe) was de-authorised.

A number of jurisdictions (Indonesia, Saudi Arabia, and Turkey) are in the process of establishing local CCPs ahead of implementing mandatory clearing.[37]

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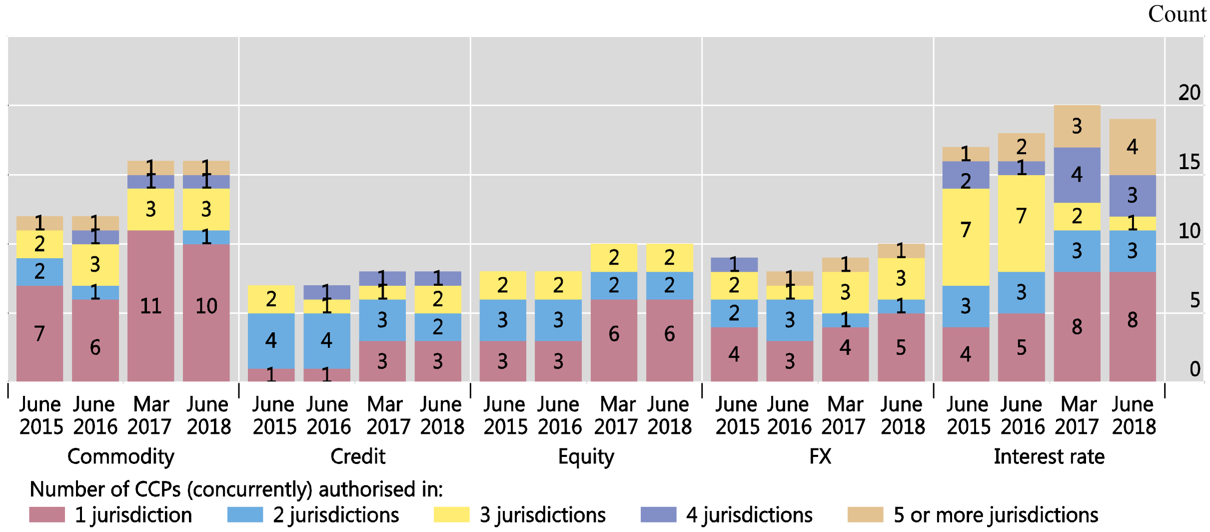
[36] See https://lautorite.qc.ca/fileadmin/lautorite/reglementation/instruments-derives/avis-acvm/2018/2018mai31-94-303-avis-acvm-en.pdf.

[37] In **Indonesia**, a Task Force comprising inter-authorities' representatives was established in October 2017 mandated to design, and promote the establishment of a CCP for OTC derivative transactions. In **Saudi Arabia**, creating the legal infrastructure for central clearing is currently a work in progress. The target date for launch of a securities CCP was announced by the Saudi Stock Exchange as H2 2019.See http://bit.ly/2J9zj6L In **Turkey**, Takasbank (a CCP) has been working on a software project that would allow OTC derivatives to be centrally cleared.

Figure 3

Number of CCPs concurrently authorised in one or more jurisdictions



Each bar indicates the number of CCPs authorised (i.e. licensed, registered, recognised, or operating pursuant to an exemption) and operating to centrally clear at least some OTC derivatives sub-products in one or more FSB member jurisdictions in the indicated asset class. The colours indicate the numbers of CCPs authorised in the respective numbers of FSB member jurisdictions. No CCP is currently available in more than eight FSB member jurisdictions in a given asset class. Source: FSB member jurisdictions. See also Table M in Appendix C.

3.3. Central clearing rates

The Bank for International Settlements (BIS) has collected information on global derivatives markets, including exposures to CCPs, since the mid-2000s. After processing, this data shows a significant increase in the notional amount outstanding of centrally cleared OTC derivatives since the crisis. The estimated clearing levels for interest rate and credit derivatives were around 24% and 5% respectively in 2009; by June 2018 these levels had risen to approximately 62% and 37%.[38] In contrast, rates of central clearing in OTC FX and equity derivatives classes remain relatively low.

In terms of individual jurisdictions, estimated rates of central clearing for FSB member jurisdictions are given in Table N in Appendix C. It can be seen that in ten jurisdictions, estimated central clearing rates have increased in a number of asset classes since the 12th progress report.

[38] See BIS (2018), *Statistical release: OTC derivatives statistics at end-June 2018*, Graph A.8, available at https://www.bis.org/publ/otc_hy1810.pdf.

3.4. International developments

3.4.1. Joint workplan for CCP international policy work

With the expanded role of CCPs in OTC derivatives markets, the international regulatory community continues to emphasise that the design and operation of resilient CCPs support systemic risk mitigation in the global financial system.[39]

On **resilience and recovery**, in addition to the 'Level 2' peer reviews on the PFMI of individual jurisdictions mentioned in section 2.3.4, 'Level 3' peer reviews assess consistency in the outcomes of implementation of the PFMI across financial market infrastructures and implementation of the responsibilities across jurisdictions. In May 2018, CPMI–IOSCO published a follow-up Level 3 report on CCPs' progress in addressing the most serious issues of concern identified in a first Level 3 report published in August 2016, namely on CCP recovery planning, coverage of financial resources and liquidity stress testing.[40]

In July 2017, CPMI–IOSCO published a report on **CCP resilience** which provides further guidance to the PFMI regarding financial risk management for CCPs[41] as well as a report on further guidance to the PFMI regarding recovery of financial market infrastructures, including CCPs.[42]

In April 2018, CPMI–IOSCO published a framework for **supervisory stress testing of CCPs.**[43] This framework is designed to support supervisory stress tests conducted by one or more authorities that examine the potential macro-level impact of a common stress event affecting multiple CCPs.

On **CCP resolution,** the FSB is working to support its 2017 commitment to continue work on the adequacy of financial resources to support resolution, and the treatment of CCP equity in resolution. A discussion paper on these two topics was published on 15 November 2018.[44] This work follows the 2017 FSB publication of specific guidance for CCPs on Resolution and Resolution Planning.[45]

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[39] See FSB and others (2015), *CCP Workplan*: http://www.fsb.org/wp-content/uploads/Joint-CCP-Workplan-for-2015-For-Publication.pdf. See also FSB-CPMI-IOSCO-BCBS (2017), *Chairs' Report on the Implementation of the Joint Workplan for Strengthening the Resilience, Recovery and Resolvability of Central Counterparties*, July; available at https://www.bis.org/cpmi/publ/d165.pdf.

[40] CPMI-IOSCO (2018), *Implementation monitoring of PFMI: follow up Level 3 assessment of CCPs' recovery planning, coverage of financial resources and liquidity stress testing* available at https://www.bis.org/cpmi/publ/d177.pdf and http://www.iosco.org/library/pubdocs/pdf/IOSCOPD601.pdf.

[41] CPMI-IOSCO (2017), *Resilience of central counterparties (CCPs): Further guidance on the PFMI - consultative report*, July; available at https://www.bis.org/cpmi/publ/d163.pdf. The report on CCP resilience sets out guidance in the following main areas: (i) governance and disclosure relating to the CCP's risk management framework; (ii) credit and liquidity stress testing; (iii) coverage of credit and liquidity resource requirements; (iv) margin; and (v) a CCP's contribution of its financial resources to losses; (v) coverage of credit and liquidity resource requirements.

[42] CPMI-IOSCO (2017), *Recovery of financial market infrastructures (revised July 2017)*, July; available at https://www.bis.org/cpmi/publ/d162.pdf.

[43] CPMI-IOSCO (2018), *Framework for supervisory stress testing of central counterparties,* April*; available at https://www.bis.org/cpmi/publ/d176.pdf.*

[44] FSB (2018), *Financial resources to support CCP resolution and the treatment of CCP equity in resolution*, available at http://www.fsb.org/2018/11/financial-resources-to-support-ccp-resolution-and-the-treatment-of-ccp-equity-in-resolution/.

[45] FSB (2017), *Guidance on Central Counterparty Resolution and Resolution Planning*, July, available at www.fsb.org/2017/07.guidance-on-centralcounterparty-resolution-and-resolution-planning-2/.

As part of the joint CCP workplan, and in support of the above workstreams, a joint BCBS–CPMI–FSB–IOSCO study group was established to identify, quantify and analyse **interdependencies** between CCPs, major financial institutions and key CCP participants and any resulting systemic implications. The results of the group's work were published in August 2017, and a further follow-up report was published in August 2018.[46]

3.4.2. Incentives to centrally clear OTC derivatives

In mid-2017, the FSB, BCBS, CPMI and IOSCO reconvened the Derivatives Assessment Team (DAT) to re-examine whether adequate incentives to centrally clear OTC derivatives are in place. The evaluation's findings were set out in a report published in November 2018.[47]

Overall, the report finds the reforms, in particular to capital, margin and clearing, are achieving their goals of promoting central clearing, especially for the most systemic market participants at the core of the derivatives network of CCPs, i.e. for dealers/clearing service providers and larger, more active clients. This is consistent with the goal of reducing complexity and improving transparency and standardisation in the OTC derivatives markets. The report also observes that the incentives to centrally clear are less strong for some categories of participant, particularly smaller firms with lower levels of derivatives activity, who may also experience difficulties in establishing access to clearing services. Further, it observes that provision of client clearing services for OTC derivatives remains generally concentrated, which could amplify the consequences of the failure or withdrawal of a major provider. In particular, the report notes that concerns have been expressed about the ability to port client positions and collateral in such a situation. The report also notes that some regulations aimed at improving institutional resilience may in some circumstances be discouraging individual firms from providing client clearing services. These include the leverage ratio's treatment of client initial margin for cleared derivatives; and the feedthrough of this to the size category of the G-SIB methodology. The BCBS issued a consultation paper on the leverage ratio treatment of client cleared derivatives in October 2018.[48]

The findings from the report will inform relevant standard-setting bodies regarding any subsequent policy efforts and potential adjustments, bearing in mind the original objectives of the reforms. This does not imply a scaling back of those reforms or an undermining of FSB members' commitment to implement them.

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[46] BCBS, CPMI, FSB and IOSCO (2017), *Analysis of central clearing interdependencies,* July, available at http://www.fsb.org/wp-content/uploads/P050717-2.pdf and BCBS, CPMI, FSB and IOSCO (2018), *Analysis of central clearing interdependencies,* August, available at http://www.fsb.org/wp-content/uploads/P090818.pdf.

[47] See BCBS, CPMI, FSB and IOSCO (2018), *Incentives to centrally clear over the counter derivatives: A post implementation evaluation of the effects of the G20 financial regulatory reforms,* November, available at http://www.fsb.org/2018/11/incentives-to-centrally-clear-over-the-counter-otc-derivatives-2.

[48] See BCBS (2018), *Leverage ratio treatment of client cleared derivatives*, October, available at https://www.bis.org/bcbs/publ/d451.htm.

4. Margin requirements for non-centrally cleared derivatives

4.1. Implementation progress and challenges

The BCBS and IOSCO set out standards for the exchange of variation and initial margin for NCCDs in 2015.[49] Under the recommended international implementation schedule for these reforms, variation margin requirements were due to be fully phased-in by 1 March 2017, and initial margin requirements were due to begin on a phased basis, commencing 1 September 2016, with new phases each year, with the final phase due to commence 1 September 2020.

As at end-September 2018, 16 jurisdictions have such requirements in force, up from 14 jurisdictions at end-June 2017; the additional two jurisdictions were Brazil[50] and Korea.[51] A further four jurisdictions (China, India, Mexico and Russia) made some progress in implementation leading to a change in reported implementation status during the reporting period. [52]

Those jurisdictions which have not yet finalised margin requirements should redouble efforts to do so. As shown in the DAT's evaluation findings, margin requirements, particularly requirements for the exchange of initial margin, are a key driver of incentives to centrally clear.[53]

Jurisdictions reported a range of incremental actions toward implementation, including the continued phase-in or refinement of margin requirements in those jurisdictions that have finalised the reforms. See Table P in Appendix D for details.

Some jurisdictions reported several implementation challenges and issues. For example:

- In India, a lack of industry readiness and a lack of collateral management infrastructure are the implementation issues for an initial margin framework. With respect to variation margin due to the ambiguity of legal enforceability of bilateral netting agreements, each

[49] See BCBS-IOSCO (2015), *Margin requirements for non-centrally cleared derivatives*, March, https://www.bis.org/bcbs/publ/d317.htm

[50] In May 2018, the Conselho Monetário Nacional (CMN – National Monetary Council) published the Resolution 4.662 and Banco Central do Brasil (BCB – Central Bank of Brazil) published the Circular 3.902, which regulate bilateral margin requirements for NCCDs.

[51] In **Korea**, the guideline on margin requirement for non-centrally cleared derivatives has to be extended yearly by approval of the administrative guidance committee. Since the guideline from March 2017 ended in February 2018, the guideline was extended for one more year in March 2018. The revision of the regulation to stipulate related matters, is scheduled to be completed before September 2020. The change in implementation status reflects the fact that, as of Q3 2017, the requirements came to cover 90% or more of transactions in Korea.

[52] In **China**, there are no specific margin requirements for equity NCCDs so far. But in the documents published by CSRC and SAC in May 2018, option price and initial margin are limited below 30% of product amounts if a security companies' counterparty is a product.
In **India**, based on feedback received from market participants on the Discussion Paper on margin requirements for non-centrally cleared derivatives (containing standards/requirements), an internal process for finalising the guidelines is in progress. The link to the discussion paper is: https://rbidocs.rbi.org.in/rdocs/Content/PDFs/DPMR02052016ACC458CF292D4F5C876057C8BD2835D5.PDF.
In **Mexico**, market participants reached an agreement on the methodology that should be applied to price interest rate derivatives, depending on the type of collateral used to back the transaction. This agreement facilitates eventually requiring the exchange of variation margins.
In **Russia**, the report "On mandatory margining of non-centrally cleared OTC derivatives" was published in December 2017. See http://cbr.ru/Content/Document/File/32974/Final_Report_171222_eng.pdf.

[53] BCBS-CPMI-FSB-IOSCO (2018), *op. cit.*

NCCD trade will be considered individually without the benefit of netting which may increase the capital requirements for banks.

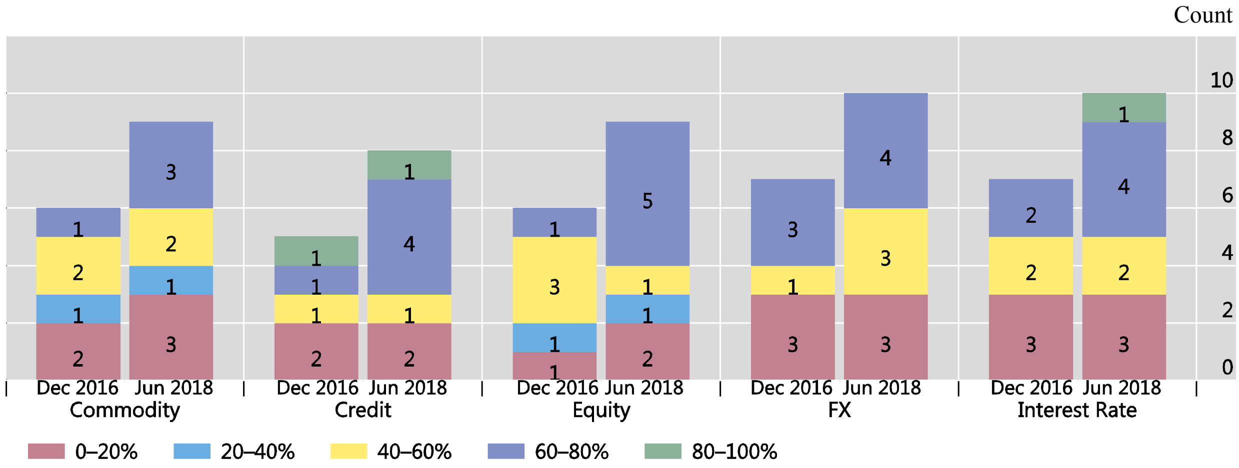
- Japanese authorities reported that the reforms of interest rate benchmarks lead some market participants to have concerns about whether their legacy transactions might be regarded as new ones which will be subject to margin requirements.[54]
- Dutch authorities reported that some derivatives have become more expensive when traded in the OTC market. If standardised instruments, like interest rate swaps, are not centrally cleared, they are becoming illiquid and more difficult to price.
- South Africa reported significant implementation issues include defining covered entities, determining appropriate levels for the thresholds, alignment with exclusions in other jurisdictions i.e. pension funds, equity index options, effecting requirements for "immediate realisation of margins" with different insolvency laws, treatment of cross-border transactions, implementing without alternative avenues for clearing OTC derivatives.

4.2. Collateralisation rates

When compared with answers given as at end-2016, estimates of collateralisation rates for OTC derivatives are both more available and also higher overall (see Figure 4).

Figure 4

Estimates of rates of collateralisation, end-2016 and end-June 2018



Each bar indicates the number of jurisdictions providing estimates of the respective collateralisation rates indicated for new OTC derivatives transactions in each asset class, as at end-December 2016 and end-June 2018.

4.3. Work of the BCBS-IOSCO monitoring group

A monitoring group was established by the BCBS and IOSCO in 2014 to assess the state of implementation, readiness, efficacy and appropriateness of the standards for margin requirements across jurisdictions.[55]

[54] See further section 4.3 on the work of the BCBS-IOSCO working group on monitoring requirements.

[55] See FSB (2017a), p. 28, for details of implementation issues identified by the monitoring group.

As the implementation of the standards for margin requirements proceeds towards the end of phase-in arrangements by September 2020, the BCBS–IOSCO Working Group on Margin Requirements will continue to assess implementation and market developments and report to its parent committees as appropriate.

As implementation proceeds toward full phase-in of the standards, the monitoring group proposes to focus its efforts in late 2018/early 2019 on conducting stocktakes and/or study of the following themes: developments in substituted compliance and equivalence assessments; the range of practice in treatment and segregation of initial margin; the scope of application of the margin requirements to different derivative products (particularly FX products) and different types of firms; initial margin implementation considerations for the full phase-in of initial margin requirements in September 2020; the role of custodians in holding initial margin assets; noteworthy institution-specific implementation of initial and variation margin requirements; and consideration of which amendments to legacy derivatives contracts do and do not qualify as a new derivatives contracts in the context of other regulatory changes.

5. Higher capital requirements for non-centrally cleared derivatives

The goals for higher capital requirements for NCCDs were developed by the BCBS as interim and final standards. The interim standard for bank exposures to CCPs was published in July 2012.[56] The interim standards were due to be implemented by 1 January 2013, while the final BCBS standards (comprising the standardised approach to counterparty credit risk (SA-CCR) and final standards for bank exposures to CCPs) were due to be implemented by 1 January 2017.[57]

Interim standards for higher capital requirements for non-centrally cleared derivatives are in force in 23 of the 24 FSB member jurisdictions, unchanged over the reporting period; the exception is the US.

However, the number of jurisdictions having implemented the final BCBS higher capital requirements is much lower. In that regard, the BCBS reported that as at end-March 2018, only some FSB member jurisdictions had published final rules or had final rules in force as at end-March 2018.[58] Having regard to the 1 January 2017 implementation deadline, jurisdictions are urged to implement those requirements without further delay.

Key developments with regard to implementation of these standards are detailed on a jurisdictional basis in Table R of Appendix E.

Three jurisdictions reported implementation issues with respect to higher capital requirements for NCCDs, one noting the information technology and other operational challenges derived from the complexity of the requirements, and two jurisdictions reporting concerns expressed

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56 Available at http://www.bis.org/publ/bcbs227.pdf.

57 In March 2014, the BCBS published the final standard on SA-CCR, with an associated recommended implementation deadline of 1 January 2017 (http://www.bis.org/publ/bcbs279.pdf). SA-CCR replaces both the Current Exposure Method (CEM) and the Standardised Method (SM) in the risk-based capital framework, while the IMM (Internal Model Method) shortcut method has also been eliminated from the framework. The final standard for bank exposures to CCPs was published in April 2014, with a recommended implementation date of 1 January 2017 (http://www.bis.org/publ/bcbs282.pdf).

58 BCBS (2018), *Fifteenth progress report on adoption of the Basel regulatory framework*, October, p. 6, available at https://www.bis.org/bcbs/publ/d452.pdf.

by the banks in their jurisdiction regarding global inconsistency and uncertainty in timing of implementation across different jurisdictions for SA-CCR.

6. Platform trading and transparency of OTC derivatives transactions

6.1. Implementation progress and challenges

During the reporting period, some progress was made by FSB member jurisdictions in implementing the platform trading mandate. Thirteen jurisdictions now have in force comprehensive assessment standards or criteria for determining when products should be platform traded, such that an appropriate authority regularly assesses transactions against these criteria, one up from 12 at end-June 2017. During the reporting period, in Hong Kong the HKMA and SFC concluded in June 2018 to formally adopt a trading determination process for identifying which products are appropriate to be subject to a platform trading obligation and set out the factors that would be taken into account.

As for implementation progress elsewhere, in India, draft directions were issued by the Reserve Bank of India regarding a Framework for Authorisation of Electronic Trading Platforms. Final guidelines were issued on 5 October 2018.[59] No other jurisdiction reported a positive change in implementation status; in South Africa progress was negative relative to that reported in 2017. Several jurisdictions note that domestic authorities continue to monitor market conditions, with further steps related to trading requirements not seen as appropriate at this time.

The number of jurisdictions having made determinations specifying products for mandatory platform trading increased by six to 12, with the coming into force of the MiFID 2 regulatory package in January 2018 (Table T in Appendix F).[60] The trading obligation under Article 28 of MiFIR came into effect in the EU on 3 January 2018 with different implementation periods by category of counterparty. Several classes of interest rate derivatives denominated in EUR, GBP and USD as well as several classes of credit derivatives denominated in EUR are required to be traded on regulated markets (RMs), multilateral trading facilities (MTFs), or organised trading facilities (OTFs).

In some jurisdictions, multiple trading platforms are available for executing transactions across a range of OTC derivatives products, though availability appears to be more limited for the majority of jurisdictions (Table U in Appendix F).

Further information can be found in Appendix F, which sets out the actual and expected status of implementation; trade execution determinations; and the availability of trading venues.

6.2. Transparency of information about OTC derivatives transactions

The transparency of OTC derivatives transactions continues to differ between FSB member jurisdictions; however, during the reporting period there was appreciable progress in making OTC derivatives markets more transparent. On 3 January 2018, the MiFID 2 regime came into

[59] Available at URL: https://www.rbi.org.in/Scripts/bs_viewcontent.aspx?Id=3406. The final directions are available at: https://rbi.org.in/Scripts/NotificationUser.aspx?Id=11385&Mode=0.

[60] Counting the EU as six jurisdictions for these purposes: see footnote 1.

force, imposing pre- and post-trade transparency obligations in respect of derivatives (including OTC derivatives) traded on trading venues, subject to certain exceptions and thresholds.[61]

Table E sets out the information required to be published in FSB member jurisdictions about OTC derivatives transactions, either by TRs, trading platforms, CCPs or authorities, as at end-June 2018. The number of jurisdictions where trade-by-trade information was required to be published on a (close to) real time basis is seven. The number of jurisdictions reporting that aggregate information had to be published at least daily is 13.

Table E

Post-trade transparency requirements: Aggregates or trade-by-trade information

Information required to be published in FSB member jurisdictions about OTC derivatives transactions, either by TRs, trading platforms, CCPs or authorities

Information required to be published	Answers as at end-June 2018
No information	3
Aggregate information on a monthly basis (or less than weekly)	8
Aggregate information on a weekly basis (or less than daily)	12
Aggregate information on a daily basis	13
Aggregate information on an intra-day basis	2
Trade-by-trade information on a daily basis	1
Trade-by-trade information on a (close to) real time basis	7
Other	7

In terms of pricing information, 10 jurisdictions reported that no price or spread information was required to be published (Table F). In 10 jurisdictions, pricing or spread information of individual trades is required to be published either by TRs, trading platforms, CCPs or authorities.

Table F

Post-trade transparency requirements: prices or spreads

Information about prices or spreads about OTC derivatives transactions required to be published in FSB member jurisdictions, either by TRs, trading platforms, CCPs or authorities

Details about prices or spreads	Answers as at end-June 2018
No price or spread information is required to be published	10
Average prices or spreads of new transactions per asset class	2
Pricing or spread information of individual trades	10
Other	10

7. Cross-border coordination and issues

In line with the agreement of G20 Leaders reached at the St Petersburg Summit in 2013, jurisdictions and regulators should be able to defer to each other when it is justified by the

[61] It should be noted that MiFID requires OTC derivatives to be so reported only where they are traded on a trading venue (TOTV), among other conditions.

quality of their respective regulatory and enforcement regimes, based on similar outcomes, in a non-discriminatory way, paying due respect to home country regulation regimes.

During the reporting period, 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.

In terms of broad legal powers to exercise deference, Brazil and South Africa reported progress in this field (Table V in Appendix G). In the case of South Africa, a legislative framework is in place to establish supervisory cooperative arrangements between the relevant authorities and foreign supervisory authorities in an equivalent jurisdiction, as specified in section 6C of the Financial Markets Act.

Jurisdictions also continued to be active in exercising powers of deference. Notably, the EU and US (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.

New and existing deference powers and decisions are summarised in Tables V and W in Appendix G.

Appendix A General

Table G

Jurisdictional reform implementation classification scheme

Red	No existing authority to implement reform and no steps taken to adopt such authority.
1	*All reform areas:* **Legislative framework** or **other authority** is **in force**[62] or has been published for consultation or proposed.
2	*Trade reporting:* Legislative framework or other authority is in force and, with respect to at least some transactions, **standards / requirements** have been **published for public consultation** or proposal. *Central clearing and platform trading:* Legislative framework or other authority to implement reform is in force and, with respect to at least some transactions, **standards / criteria for determining** when transactions should be centrally cleared / platform traded have been **published for public consultation or proposal**. *Capital and margins for non-centrally cleared derivatives:* Legislative framework or other authority is in force and, with respect to at least some transactions, **standards / requirements** have been **published for public consultation or proposal**.
3	*Trade reporting:* Legislative framework or other authority is in force and, with respect to at least some transactions, public **standards / requirements have been adopted**. *Central clearing and platform trading:* Legislative framework or other authority is in force and, with respect to at least some transactions, public **standards / criteria for determining** when products should be centrally cleared / platform traded **have been adopted**. *Capital and margins for non-centrally cleared derivatives:* Legislative framework or other authority is in force and, with respect to at least some transactions, public **standards / requirements have been adopted**.
Blue	*Trade reporting:* Legislative framework or other authority is in force and, with respect **to over 90% of transactions, standards / requirements are in force**. *Central clearing and platform trading:* Legislative framework or other authority is in force and, with respect **to over 90% of transactions**, **standards / criteria for determining** when products should be centrally cleared / platform traded **are in force**. An appropriate authority regularly assesses transactions against these criteria. *Capital for non-centrally cleared derivatives:* Legislative framework or other authority is in force and, with respect **to over 90% of transactions**, **standards / requirements** are **in force**. *Margins for non-centrally cleared derivatives:* Legislative framework or other authority is in force and, with respect **to over 90% of the transactions** covered consistent with the respective WGMR phase in periods, **standards / requirements are in force**.

[62] Throughout this report, the term "in force" means a final statute/regulation/rule/policy statement/standard/etc. is operative and has effect as at the indicated date; in contrast, where a final statute/regulation/etc. has been enacted or published but it is not yet operative and does not have effect, for the purposes of this report this is treated as not yet in force.

Appendix B Trade reporting

Table H

Status of trade reporting regulatory implementation[63]

	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	*Q4 2018*	*H1 2019*	*H2 2019*
AR	3	3	3	3	3	3	Blue	Blue
AU	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
BR	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
CA	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
CN	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
EU	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
HK	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
IN	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
ID	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
JP	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
KR	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
MX	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
RU	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
SA	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
SG	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
ZA	3	3	3	3	3	3	3	Blue
CH	3	Blue	Blue	Blue	Blue	Blue	Blue	Blue
TR	2	2	2	2	2	Blue	Blue	Blue
US	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue

Table I

Availability of TRs and TR-like entities

TRs and TR-like entities authorised in FSB member jurisdictions, as at end-June 2018

TR name	Location	Jurisdictions in which TR is authorised[(a)] to operate	CO	CR	EQ	FX	IR
TRs							
1. Bloomberg Trade Repository Ltd	UK	EU					
2. B3[(b)] (new)	Brazil	BR					
3. BSDR LLC	US	US					
4. CCIL	India	IN					
5. Central Registry Agency (new)	Turkey	TR					
6. Chicago Mercantile Exchange Inc.	US	AU, CA, US					
7. CME European Trade Repository	UK	EU					
8. DTCC-DDR	US	AU, CA, US					
9. DTCC Data Repository – Japan	Japan	AU, JP					
10. DTCC-DDRL	UK	AU, EU					
11. DTCC Data Repository – Singapore	Singapore	AU, SG					

[63] Implementation status in this report is shown as actual (to Q3 2018) and expected (Q4 2018 and after), as reported by FSB member jurisdictions end-Q3 2018. For legend see Appendix A. The status in each period represents the actual or expected status at end of the quarter or half-year referred to. For jurisdiction codes, see Table A.

TR name	Location	Jurisdictions in which TR is authorised[(a)] to operate	CO	CR	EQ	FX	IR
12. HKMA-TR	Hong Kong	AU, HK					
13. ICE Trade Vault	US	CA, US					
14. ICE Trade Vault Europe	UK	EU					
15. KDPW Trade Repository	Poland	EU					
16. Korea Exchange (KRX)	Korea	KR					
17. NEX Abide Trade Repository AB (new)	Sweden	EU					
18. CJSC National Settlement Depository (NSD)	Russia	RU					
19. REGIS-TR	Luxembourg	EU, CH					
20. OJSC "Saint-Petersburg Exchange" (SPBEX)	Russia	RU					
21. UnaVista	UK	AU, EU					
22. SIX Trade Repository AG	Switzerland	CH					
Sub-total			**19**	**21**	**19**	**21**	**22**
TR-like entities							
23. Argentina Clearing	Argentina	AR					
24. Banco de México	Mexico	MX					
25. Bank Indonesia	Indonesia	ID					
26. Bank of Korea	Korea	KR					
27. Bolsas y Mercados Argentinos	Argentina	AR					
28. CFETS	China	CN					
29. China Securities Internet System	China	CN					
30. Financial Supervisory Service	Korea	KR					
31. Mercado a Término de Buenos Aires	Argentina	AR					
32. Mercado Abierto Electrónico	Argentina	AR					
33. Mercado Argentino de Valores	Argentina	AR					
34. ROFEX	Argentina	AR					
35. SAMA TR	Saudi Arabia	SA					
Sub-total			**7**	**5**	**8**	**10**	**8**
Total: TRs and TR-like entities			**26**	**26**	**27**	**31**	**30**

CO = commodity, CR = credit, EQ = equity, FX = foreign exchange, IR = interest rate. For jurisdiction codes see Table A in Appendix A. (new) denotes new entry in table since end-June 2017. SAMA TR was formerly listed as a TR not a TR-like entity. (a) Figures for Australia include prescribed TRs, which can only be used by foreign reporting entities in certain circumstances. (b) B3 was established in March 2017 when BM&FBovespa and Cetip combined their activities. (c) In Turkey, the Central Registry Agency was established as a TR in 2015. As yet it is not authorised to accept reports of transactions in any asset classes.

Table J

Estimated regulatory coverage of reporting requirements

Percent of all new transactions that are required to be reported, as at end-September 2018

	Commodity					Credit					Equity					FX					Interest Rate				
	0 20	20 40	40 60	60 80	80 100	0 20	20 40	40 60	60 80	80 100	0 20	20 40	40 60	60 80	80 100	0 20	20 40	40 60	60 80	80 100	0 20	20 40	40 60	60 80	80 100
AR	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
AU	-	-	-	-	⦿	-	-	-	-	⦿	-	-	-	-	⦿	-	-	-	-	⦿	-	-	-	-	⦿
BR	-	-	-	-	⦿	-	-	-	-	⦿	-	-	-	-	⦿	-	-	-	-	⦿	-	-	-	-	⦿
CA	-	-	-	-	⦿	-	-	-	-	⦿	-	-	-	-	⦿	-	-	-	-	⦿	-	-	-	-	⦿

	Commodity					Credit					Equity					FX					Interest Rate				
	0 20	20 40	40 60	60 80	80 100	0 20	20 40	40 60	60 80	80 100	0 20	20 40	40 60	60 80	80 100	0 20	20 40	40 60	60 80	80 100	0 20	20 40	40 60	60 80	80 100
CN	-	-	-	-	-	-	-	-	-	◉	-	-	-	-	◉	-	-	-	-	◉	-	-	-	-	◉
EU	-	-	-	-	◉	-	-	-	-	◉	-	-	-	-	◉	-	-	-	-	◉	-	-	-	-	◉
HK[(a)]	-	-	-	-	◉	-	-	-	-	◉	-	-	-	-	◉	◉	-	-	-	◉	-	-	-	-	◉
IN	-	-	-	-	-	-	-	-	-	◉	-	-	-	-	-	-	-	-	-	◉	-	-	-	-	◉
ID[(b)]	-	-	-	-	◉	-	-	-	-	-	-	-	-	-	-	-	-	-	-	◉	-	-	-	-	◉
JP	-	-	-	-	-	-	-	-	-	◉	-	-	-	-	◉	-	-	-	-	◉	-	-	-	-	◉
KR	-	-	-	-	◉	-	-	-	-	◉	-	-	-	-	◉	-	-	-	-	◉	-	-	-	-	◉
MX	-	-	-	-	◉	-	-	-	-	-	-	-	-	-	◉	-	-	-	-	◉	-	-	-	-	◉
RU	-	-	-	-	◉	-	-	-	-	◉	-	-	-	-	◉	-	-	-	-	◉	-	-	-	-	◉
SA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	◉	-	-	-	-	◉
SG[(c)]	-	-	-	-	-	-	-	-	-	◉	-	-	-	-	-	-	-	-	-	◉	-	-	-	-	◉
ZA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CH	-	-	-	-	◉	-	-	-	-	◉	-	-	-	-	◉	-	-	-	-	◉	-	-	-	-	◉
TR[(d)]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
US[(e)]	-	-	-	-	◉	-	-	-	◉	-	-	-	-	-	◉	-	-	-	-	◉	-	-	-	-	◉
	0 20	20 40	40 60	60 80	80 100	0 20	20 40	40 60	60 80	80 100	0 20	20 40	40 60	60 80	80 100	0 20	20 40	40 60	60 80	80 100	0 20	20 40	40 60	60 80	80 100

Estimates based on each jurisdiction's assessment of the regulatory coverage of its reporting requirements, using information available as at end-June 2018. ◉ indicates a new estimate, and ◉ indicates previous estimate (where applicable). Includes reporting to TRs and TR-like entities. ▯ = no reporting requirements in force for OTC derivatives transactions in this asset class. ▯ = not applicable/no OTC derivatives transactions in this asset class. ▯ = reporting requirements are in force but data not able to be provided (for instance, due to data quality, access and/or aggregation challenges). (a) In Hong Kong, the second phase of reporting commenced in July 2017, covering all five asset classes. (b) In Indonesia, OTC commodity derivatives are required to be reported to an exchange and registered with a clearing house. (c) In Singapore commodity and equity derivatives will be reportable from Q4 2018. (d) In Turkey all asset classes are planned to be reportable from Q4 2018. (e) US data is not available to assess the CFTC's and SEC's respective market share in the OTC derivatives equity market. Accordingly, the US categorisation for the equity asset class reflects only CFTC data.

Appendix C Central clearing

Table K

Status of central clearing regulatory implementation

	Q3 2017	*Q4 2017*	*Q1 2018*	*Q2 2018*	*Q3 2018*	*Q4 2018*	*H1 2019*	*H2 2019*
AR	3	3	3	3	3	3	3	3
AU	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
BR	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
CA	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
CN	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
EU	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
HK	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
IN	3	3	3	3	3	3	3	3
ID	3	3	3	3	3	3	3	3
JP	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
KR	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
MX	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
RU	3	3	3	3	3	3	3	Blue
SA	1	1	1	1	1	1	1	1
SG	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
ZA	3	3	Blue	Blue	Blue	Blue	Blue	Blue
CH	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
TR	1	1	1	1	1	3	Blue	Blue
US	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue

Table L

Central clearing determinations

Determinations made as at end-September 2018[a]

AU	*Interest rate:* certain fixed-floating and basis swaps, forward rate agreements (FRAs) and overnight indexed swaps (OIS) denominated in AUD, EUR, GBP, JPY and USD
CA	*Interest rate:* certain fixed-to-floating swaps denominated in CAD, USD, EUR and GBP; certain basis swaps denominated in USD, EUR and GBP; certain OIS denominated in CAD, USD, EUR and GBP; certain FRAs denominated in USD, EUR, and GBP
CN	*Interest rate*: fixed-floating swaps denominated in CNY
EU	*Credit:* selected European (iTraxx) indices *Interest rate:* certain fixed-floating, and basis swaps, FRAs and OIS denominated in EUR, GBP, JPY and USD *Interest rate:* certain fixed-floating swaps and FRAs denominated in NOK, PLN and SEK
HK	*Interest rate:* certain fixed-floating and basis swaps denominated in EUR, GBP, HKD, JPY and USD and OIS denominated in EUR, GBP and USD[b]

IN	*FX*: INR-USD forwards *Interest rate:* Overnight indexed swaps (OIS) and Mumbai Interbank Forward Offer Rate (MIFOR)
ID	*Commodity*: OTC commodity derivative transactions are required to be registered at the clearing house.
JP	*Credit*: selected Japan (iTraxx) indices *Interest rate*: fixed-floating and basis swaps denominated in JPY
KR	*Interest rate*: fixed-floating swaps denominated in KRW
MX	*Interest rate*: certain fixed-floating swaps denominated in MXN
SG (new) (soon)	*Interest rate:* fixed-floating swaps denominated in SGD and USD
CH (new) (soon)	*Credit:* selected European indices (iTraxx) *Interest rate:* certain fixed-to floating swaps and basis swaps, in each case denominated in EUR, GBP, JPY, USD; certain FRAs and OIS in each case denominated in EUR, GBP, USD
US	*Credit*: selected North America (CDX) and Europe (iTraxx) indices *Interest rate*: certain fixed-floating, basis swaps, FRAs and OIS denominated in EUR, GBP, JPY (ex-OIS) and USD. Swaps in such currencies other than fixed-floating and basis swaps, FRAs, and OIS denominated in EUR, GBP and USD with terms between 2 and 3 years. *Interest rate*: certain fixed-floating swaps denominated in AUD, CAD, HKD, MXN, NOK, PLN, SGD, SEK, and CHF; certain basis swaps denominated in AUD; FRAs in NOK, PLN, and SEK; and certain OIS denominated in AUD and CAD.

(new) indicates that the determination was made after end-June 2017. (soon) indicates that as at end-September 2018 the determination had been made and was due to come into force on 1 October 2018 (SG and CH) or Q4 2018 (RU). (a) For more details on mandatory clearing requirements currently in force, see IOSCO information repository available at: http://www.iosco.org/publications/?subsection=information_repositories. (b) HK authorities also proposed to include certain fixed-floating and basis swaps, and OIS denominated in AUD. Due to legislative changes required, they anticipate implementation to be no earlier than Q4 2019.

Table M

Cross-border availability of CCPs for OTC derivatives by asset class

CCP name	Location	Jurisdictions in which CCP is authorised to operate[a]	CO	CR	EQ	FX	IR
1. Asigna	Mexico	MX					1
2. ASX Clear	Australia	AU; EU			2		
3. ASX Clear (Futures)	Australia	AU; EU; US; CH (new)					4
4. B3[b]	Brazil	BR	1	1	1	1	1
5. BME Clearing	Spain	EU	1				1
6. CDCC	Canada	CA; EU			2		
7. NBCI National Clearing Centre	Russia	RU				1	1
8. Clearing Corporation of India Ltd (CCIL)	India	EU; IN		1		2	2

CCP name	Location	Jurisdictions in which CCP is authorised to operate[(a)]	CO	CR	EQ	FX	IR
9. CME Group Inc.	US	AU; CA; EU; HK; JP; MX; SG; US	4	4	1	3	8
10. European Commodity Clearing	Germany	EU; CH (new); SG (new)	3				
11. Eurex Clearing	Germany	AU; EU; CH; US, CA (new)					5
12. ICE Clear Credit LLC.	US	CA; EU; US	1	3		1	1
13. ICE Clear Europe Ltd.	UK	EU; US	1	2		1	1
14. ICE Clear Netherlands	The Netherlands	EU			1		
15. Indonesia Clearing House	Indonesia	IN	1				
16. JSCC	Japan	AU; EU; HK; JP; US ; CH (new)		2			6
17. KDPW CCP	Poland	EU					1
18. Kliring Berjangka Indonesia	Indonesia	IN	1				
19. Korea Exchange	Korea	EU; KR; JP, US					4
20. LCH.Clearnet LLC	US	CA; US					2
21. LCH Ltd	UK	AU; CA; EU; HK; JP; SG; CH; US ; MX (new)	5	1	3	6	9
22. LCH SA	France	EU; US; CH (new)		3			
23. LME Clear Ltd	UK	EU; CH (new)	2				
24. Nasdaq OMX Stockholm	Sweden	AU; EU	1		1		2
25. Natural Gas Exchange	Canada	CA; EU; US	3				
26. OCC	US	CA; EU; US	1		3		
27. OMI Clear	Portugal	EU	1				
28. OTC Clearing Hong Kong Limited	Hong Kong	AU; EU; HK; US				3	4
29. SGX Derivatives Clearing Limited	Singapore	EU; SG; US	3		1	3	3
30. Shanghai Clearing House	China	CN	1			1	1
31. SIX x-clear AG	Switzerland[(c)]	EU			1		
Total CCPs currently in operation in asset class			**16**	**8**	**10**	**10**	**19**
Number of jurisdictions authorising each CCP in each asset class			**30**	**15**	**16**	**22**	**46**

(a) As at end-June 2018. Includes cases where an application or exemption request is pending or under consideration in indicated jurisdiction. In some cases authorisation in a particular jurisdiction is only for a subset of products, and/or for only direct participation or only client clearing. For Australia, includes CCPs in respect of which a prescription is in place; such CCPs are only authorised to be used to satisfy Australian mandatory central clearing obligations in certain circumstances. The EU is treated as one FSB member jurisdiction for these purposes. (b) B3 was previously known as BM&F BOVESPA. (c) Although located in Switzerland, SIX x-clear AG does not clear OTC derivatives in any asset class in Switzerland. X indicates number of jurisdictions for which indicated CCP is authorised and operating for that asset class. (new) and a corresponding X indicates change in authorisation status since June 2017. For asset class codes, see Table I in Appendix B.

Table N

Estimated existing scope for central clearing and central clearing rates of new OTC derivatives that are centrally clearable [(a)]

Of all new transactions, estimated percent that can be centrally cleared (given current clearing offerings in jurisdiction)

	Commodity					Credit					Equity					FX					Interest Rate				
	0–20	20–40	40–60	60–80	80–100	0–20	20–40	40–60	60–80	80–100	0–20	20–40	40–60	60–80	80–100	0–20	20–40	40–60	60–80	80–100	0–20	20–40	40–60	60–80	80–100
AR	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
AU	●	-	-	-	-	●	-	-	-	-	●	-	-	-	-	●	-	-	-	-	-	-	-	○	◉
BR	-	-	◉	○	-	-	-	-	-	-	-	-	-	○	◉	-	-	-	-	●	-	-	-	○	◉
CA	●	-	-	-	-	-	-	●	-	-	●	-	-	-	-	●	-	-	-	-	-	-	-	●	-
CH	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	●	-	-	-	-	-	-	-	●
EU	-	-	-	-	-	-	-	●	-	-	-	-	-	-	-	○	-	◉	-	-	-	-	○	-	◉
HK	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	○	-	◉	-	-	-	-	○	-	◉
ID	-	-	-	-	●	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IN	-	-	-	-	-	●	-	-	-	-	-	-	-	-	-	-	-	-	○	◉	-	-	○	◉	-
JP	-	-	-	-	-	-	●	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	○	◉
KR	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	○	◉	-	-	-
MX	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	○	◉	-
RU	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	●
SA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SG	-	-	-	-	-	-	●	-	-	-	-	-	-	-	-	-	●	-	-	-	-	-	-	-	●
TR	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
US[(b)]	●	-	-	-	-	-	-	-	-	●	●	-	-	-	-	●	-	-	-	-	-	-	-	-	●
ZA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	0–20	20–40	40–60	60–80	80–100	0–20	20–40	40–60	60–80	80–100	0–20	20–40	40–60	60–80	80–100	0–20	20–40	40–60	60–80	80–100	0–20	20–40	40–60	60–80	80–100

Of all new transactions that can be centrally cleared (given current clearing offerings in jurisdiction), estimated percent that has been centrally cleared

	Commodity					Credit					Equity					FX					Interest Rate				
	0–20	20–40	40–60	60–80	80–100	0–20	20–40	40–60	60–80	80–100	0–20	20–40	40–60	60–80	80–100	0–20	20–40	40–60	60–80	80–100	0–20	20–40	40–60	60–80	80–100
AR	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
AU	●	-	-	-	-	●	-	-	-	-	●	-	-	-	-	●	-	-	-	-	-	-	-	○	◉
BR	●	-	-	-	-	-	-	-	-	-	-	-	○	-	◉	●	-	-	-	-	○	◉	-	-	-
CA	●	-	-	-	-	-	-	-	●	-	●	-	-	-	-	●	-	-	-	-	-	-	-	-	●
CH	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	●	-	-	-	-	-	●
EU	-	-	●	-	-	-	-	●	-	-	●	-	-	-	-	●	-	-	-	-	-	-	-	●	-
HK	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	●	-	-	-	-	-	-	●	-	-
ID	-	-	-	-	●	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IN	-	-	-	-	-	●	-	-	-	-	-	-	-	-	-	-	-	-	○	◉	-	○	-	◉	-
JP	-	-	-	-	-	-	●	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	●	-
KR	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	●
MX	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	●	-
RU	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	●	-	-	-	-
SA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SG	-	-	-	-	-	●	-	-	-	-	-	-	-	-	-	○	◉	-	-	-	-	○	◉	-	-
TR	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
US[(b)]	●	-	-	-	-	-	-	-	○	◉	●	-	-	-	-	●	-	-	-	-	-	-	-	-	●
ZA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	0–20	20–40	40–60	60–80	80–100	0–20	20–40	40–60	60–80	80–100	0–20	20–40	40–60	60–80	80–100	0–20	20–40	40–60	60–80	80–100	0–20	20–40	40–60	60–80	80–100

(a) Estimates provided by FSB member jurisdictions, of the percentage of new transactions that can be centrally cleared, based on current clearing offerings, as at end-June 2018. ◉ indicates a new estimate, and ○ indicates previous estimate (where applicable). (b) For the US, no data is available to assess the CFTC's and SEC's respective market share in the OTC derivatives equity market. However, given limited CCP offerings in equity swaps, an estimate of 0–20% has been made.

not applicable/no OTC derivatives transactions in this asset class. no CCPs authorised to operate in jurisdiction to clear OTC derivatives transactions in this asset class. CCPs operating, but data not able to be provided (typically because trade reporting requirements are not yet in force in this asset class, or due to data aggregation challenges). For jurisdiction codes see Table A in Annex 1. Source: FSB member jurisdictions.

Appendix D Margin requirements for non-centrally cleared derivatives

Table O

Status of regulatory implementation of margin requirements for NCCDs

	Q3 2017	*Q4 2017*	*Q1 2018*	*Q2 2018*	*Q3 2018*	*Q4 2018*	*H1 2019*	*H2 2019*
AR	1	1	1	1	1	1	1	1
AU	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
BR	2	2	2	Blue	Blue	Blue	Blue	Blue
CA	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
CN[(a)]	Red	Red	1	1	1	1	1	1
EU	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
HK	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
IN	2	2	2	2	2	2	2	2
ID	1	1	1	1	1	1	1	1
JP	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
KR	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
MX	1	1	1	1	2	2	3	3
RU	2	2	3	3	3	3	3	Blue
SA	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
SG	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
ZA	2	2	2	2	2	2	3	Blue
CH	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
TR	1	1	1	1	1	1	2	3
US	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue

Table P

Margin requirements for NCCDs – key developments since end-June 2017[64]

AU	In August 2017, the Australian Prudential Regulation Authority (APRA) reviewed and approved its first initial margin model application for an APRA regulated institution for the 1 September 2017 phase in date. The bank used the ISDA standard initial margin model (SIMM) as the basis for calculating initial margin amounts with other in-scope counterparties. A second bank is currently being reviewed for the 1 September 2018 phase in date.
HK	In Hong Kong, the SFC consulted in June 2018 on proposals to impose on licensed corporations (LCs) margin requirements for non-centrally cleared OTC derivatives for certain transactions, if the notional amount of its outstanding non-centrally cleared OTD derivatives exceeds specified thresholds. The proposed effective date of the initial margin requirements will be phased in starting from 1 September 2019, with the variation margin requirements also taking effect from 1 September 2019. The proposal also consults on the scope of physically settled FX forwards and FX swaps that would be exempted from the margin requirements.
KR	In Korea, two no-action letters were issued relating to covered bonds and to credit card companies.
CH	In Switzerland, a limited technical amendment of the Swiss margining framework for OTCDs entered into force on 1 August 2017, aimed at bringing the Swiss requirements on the exchange of collateral into line with the corresponding EU regulations.[65]

64 Jurisdictions not reporting key developments not listed separately.

65 See https://www.efd.admin.ch/efd/en/home/dokumentation/nsb-news_list.msg-id-67435.html.

ZA	In South Africa, the standards for margin requirements for NCCDs were published for public comment in July 2017 and were published[66] during August 2018 for a final round of public comment; the standards are expected to be effective in H1 2019.
US	In October 2018, US prudential regulators published a final rule regarding the Amendment to Definition of Eligible Master Netting Agreement (EMNA). The final rule amends the definition of "Eligible Master Netting Agreement" in the Swap Margin Rule so that it remains harmonised with the amended definition of "Qualifying Master Netting Agreement" in the QFC Rules applicable for capital and liquidity regulations and provides a relief for legacy swaps subject to the bilateral margin requirements that are amended solely to comply with the QFC Rules. In May 2018, the US CFTC approved the publication of a proposal seeking public comment regarding amendments to its margin requirements for uncleared swaps for swap dealers and major swap participants for which there is no prudential regulator.[67] The CFTC approved this proposal in order to seek continued alignment with the margin rules, and the recent amendments to those rules, as proposed by the US prudential regulators.[68] In October 2018, the US SEC voted to reopen the comment period and request additional comment on the proposed rules and amendments for capital, margin, and segregation requirements for security-based swap dealers and major security-based swap participants and capital requirements for broker-dealers.[69]

66 See https://www.fsca.co.za/Regulatory%20Frameworks/Documents%20for%20Consultation/Final%20Draft%20Joint%20Standard%20on%20Margin%20Requirements_Aug%202018.pdf.

67 Available at https://www.gpo.gov/fdsys/pkg/FR-2018-05-23/pdf/2018-10995.pdf

68 Available at https://www.gpo.gov/fdsys/pkg/FR-2018-02-21/pdf/2018-02560.pdf

69 Available at: https://www.sec.gov/news/press-release/2018-233.

Appendix E Higher capital requirements for non-centrally cleared derivatives

Table Q

Status of regulatory implementation of interim higher capital requirements for NCCDs

	Q3 2017	*Q4 2017*	*Q1 2018*	*Q2 2018*	*Q3 2018*	*Q4 2018*	*H1 2019*	*H2 2019*
AR	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
AU	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
BR	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
CA	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
CN	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
EU	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
HK	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
IN	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
ID	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
JP	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
KR	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
MX	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
RU	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
SA	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
SG	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
ZA	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
CH	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
TR	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
US	3	3	3	3	3	3	3	3

Table R

Higher capital requirements – key developments since end-June 2017[70]

AU	In April 2018, APRA finalised its Prudential Standards (APS 180 Capital Adequacy: Counterparty Credit Risk) in relation to SA-CCR and bank exposure to CCPs consistent with the final standards published by the BCBS. The finalisation also incorporates additional FAQs that were published by the BCBS in March 2018. APS 180 will be in-force from 1 July 2019 with the more complex and risk sensitive SA-CCR applying to larger internationally active banks (that are subject to APRA capital rules) and an adjusted version of the Current Exposure Method applying to smaller domestic banks for which CCR exposure is much simpler and less material. Until the 1 July 2019 implementation date, the banks will continue to apply Prudential Standards which use the interim standards for bank exposures to CCPs and the Current Exposure Method for CCR exposure measurement.
BR	In Brazil, the material change in derivative regulation was the introduction of The Standardised Approach for Measuring Counterparty Credit Risk Exposures through Circular 3,904 published on 6 June 2018, which will be adopted by internationally active banks, starting in June 2019, to calculate the value of exposure to counterparty credit risk, both for derivatives transacted through central counterparty and OTC market. The risk-weight factor assigned to each counterparty remains the same as that informed in the 12th progress report at end-June 2017. The final standards for bank exposures to CCPs – as per the document published by BCBS in April 2014 – has been in force since January 2018 and is applicable to all banks (Circular BCB 3,644, published in 2013 and amendments)

[70] Jurisdictions not reporting key developments not listed separately.

CA	The CSA published for comment on 19 April 2018 Regulation 93-102 respecting Derivatives: Registration. It is intended that this rule in a future publication will include capital requirements for derivatives dealers. OSFI has recently proposed changes to its Capital Adequacy Requirements (CAR) Guideline in order to reflect the implementation of the Standardized Approach for measuring Counterparty Credit Risk (SA-CCR) methodology. The SA-CCR will be replacing the Current Exposure Method (CEM). The changes will be effective Q1 2019. Of note, for Canadian DSIB banks with fiscal year ending 31 October, this means 1 November 1 2018. For all other institutions with fiscal years ending 31 December, it means 1 January 2019.
HK	In July 2017, the SFC concluded a consultation on a capital regime designed to enhance the regulation of cleared and non-cleared OTC derivative activities of Licensed Corporations (LCs). Separately, the legislation for implementing the final standards (i.e. SA-CCR and the final standard for bank exposures to CCPs) in Hong Kong is already at an advanced stage of drafting. Detailed requirements that will be part of the legislation were issued by the HKMA in August 2018 for consultation.
ID	In September 2017, OJK issued regulation (Circular Letter Number 48/SE.OJK.03/2017) imposing higher capital requirement for non-centrally cleared FX and IR derivative transactions. In Indonesia, banks are not allowed to enter into equity and commodity derivative transactions. Thus, this regulation represents the implementation of higher capital requirement for non-centrally cleared derivatives in the banking sector. OJK regulation is effective since 1 January 2018.
JP	With regard to the SA-CCR, final rule was implemented in March 2018. [71] In order to prevent "distortion" in cross-border transactions, the Japanese authorities permit the CEM-based calculations for the moment as a transitional measure. It is a kind of cross-border issue in Japan as to how long should we permit the CEM-based calculations. As for final standards for bank exposures to CCPs, regardless of the publication of the above rule, the Japanese authorities permit the CEM-based calculation for the moment as a transitional measure.
KR	In order to introduce the final standard on SA-CCR published by BCBS, the amendment of banking supervision regulations was completed on 29 December 2016, and the implementation date was delayed from January 1, 2018 to January 1, 2019 to meet the timing of introduction to major Basel countries.
MX	CNBV is currently working on amendments to the capital requirements for banks to implement the SA-CCR and CCP standards. It is expected that final rules will be published and in force by H2 2019.
NL	The new counterparty credit risk framework (comprising the BCBS standards on SA-CRR) is to be implemented via the CRR2. The new credit valuation adjustment standards from Basel 3 (Dec. 2017) will be implemented through the CRR3. For both frameworks, we refer to the EC response.
ZA	Implementation dates of the final standards yet to be determined.
CH	The transition period for banks to implement the SA-CCR and the final standard for exposures to CCPs has been extended to 1 January 2020. Until this date, banks may continue to use the CEM and the interim standards instead.

[71] https://www.fsa.go.jp/en/newsletter/weekly2018/287.html

TR	For intermediary institutions (brokerage houses), regulatory work related to higher capital requirements for NCCDs has continued since June 2017. The draft version of the final rules comprising the standardised approach to counterparty credit risk (SA-CCR) and final standards for bank exposures to CCPs were issued in January, 2018. They will likely be effective by the beginning of 2019. For intermediary institutions (brokerage houses), implementation phase has not been experienced yet. For banks, no significant implementation issue has emerged since June 2017.
US	The Board of Governors of the Federal Reserve System (Federal Reserve Board), Federal Deposit Insurance Corporation (FDIC) and Office of the Comptroller of the Currency (OCC): The agencies are in the process of developing a regulation to implement SA-CCR.

Appendix F Exchange and electronic platform trading

Table S

Status of exchange or electronic platform trading regulatory implementation

	Q3 2017	*Q4 2017*	*Q1 2018*	*Q2 2018*	*Q3 2018*	*Q4 2018*	*H1 2019*	*H2 2019*
AR	3	3	3	3	3	3	3	3
AU	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
BR	1	1	1	1	1	1	2	3
CA	2	2	2	2	2	2	2	2
CN	3	3	3	3	3	3	3	3
EU	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
HK	1	2	2	2	Blue	Blue	Blue	Blue
IN	1	1	2	2	3	Blue	Blue	Blue
ID	3	3	3	3	3	3	3	3
JP	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
KR	1	1	1	1	1	1	1	1
MX	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
RU	2	2	2	2	2	2	2	2
SA	1	1	1	1	1	1	1	1
SG	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
ZA	1	1	1	1	1	1	1	2
CH	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
TR	1	1	1	1	1	2	3	Blue
US	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue

Table T

Trade execution determinations

Determinations in force as at end-September 2018

CN	Bond forward, RMB/FX forward, RMB/FX swap, RMB cross currency swap, RMB/FX option
EU	*Credit:* Certain Index CDS credit derivatives. The entry into force for other categories is phased in. (new) *Interest rate:* Certain fixed-to-float single currency interest rate swaps denominated in EUR, USD and GBP (new)
IN	*Interest rate:* Overnight Index Swap (OIS) referenced to Overnight Mumbai Interbank offer rate (MIBOR) and Mumbai Inter-bank Overnight Index Swap (MIOIS) benchmark
ID	*Equity*: all derivative products related to capital market (in particularly equity derivatives) are required to be traded on exchange and centrally cleared. *Commodity*: platform trading through exchange and electronic trading system is required for commodity derivative products.
JP	*Interest rate*: selected fixed-floating swaps denominated in JPY
MX	*Interest rate*: certain fixed-floating swaps denominated in MXN

US	*Credit*: selected North America (CDX) and Europe (iTraxx) indices *Interest rate*: selected fixed-floating and basis swaps, FRAs and OIS denominated in EUR, GBP, JPY and USD

(new) denotes new since end-June 2017.

Table U

Trading venues for OTC derivatives[72]

Argentina

Mercado Abierto Electrónico

Australia

BGC Brokers LP: IR, CR, FX
Bloomberg SEF LLC: IR, CR, FX, CO
Bloomberg Tradebook Australia Pty Ltd : IR, CR, FX, CO
Bloomberg Trading Facility Limited: IR, CR, FX, EQ
BrokerTech Europe Limited: FX
Creditex Brokerage LLP: CR
Currenex Inc: FX, CO
EBS Service Company Limited: FX
EquiLend LLC: EQ
FEX Global Pty Ltd: CO
GFI Group Pte Ltd: IR, CR, FX, CO, EQ
ICAP Brokers Pty Ltd: CR, IR
Integral Development Corp: FX, IR
MarketAxess Europe Limited: CR
MarketAxess Corporation: CR
Mercari Pty Ltd: IR, CO, FX
OTCX Trading Limited: IR, EQ
State Street Bank & Trust Company: FX
State Street Global Markets International Limited – Currenex MTF and FX Connect MTF: FX
SwapEx, LLC: FX
Thomson Reuters (SEF) LLC: FX
Thomson Reuters Transaction Services Pte Limited: IR, FX
TradeWeb Europe Limited: IR, CR, EQ
Tullett Prebon (Australia) Limited: IR, CR, FX
TW SEF LLC: IR, CR
Yieldbroker Pty Ltd: IR, CR, FX, CO
360 Trading Networks Inc: FX
360 Treasury Systems AG: IR, FX, CO

Canada

BGC Derivatives Markets, L.P. (IR, CR, FX, EQ, CO)
Bloomberg SEF LLC (IR, CR, FX, CO)
GFI Swaps Exchange LLC (IR, CR, FX, EQ, CO)
ICAP SEF (US) (IR, CR, FX, EQ, CO)
ICAP Global Derivatives Ltd. (IR)
ICE Swap Trade LLC (CR, CO)
INFX SEF Inc. (FX)
Javelin SEF LLC (IR)
LatAm SEF LLC (FX)
MarketAxess SEF Corporation (CR)
NEX SEF Limited (FX)
Norexeco ASA (CO)
SwapEx LLC (FX)
Tera Exchange LLC (IR, CR, FX)
Thomson Reuters (SEF) LLC (FX)
tpSEF Inc. (IR, CR, FX, EQ, CO)
Tradition SEF, Inc. (IR, CR, FX, EQ, CO)
trueEX LLC (IR)
TW SEF LLC (IR, CR)
360 Trading Networks, Inc. (FX)

China

China Foreign Exchange Trade System – IR, FX, CR

EU

A list of regulated markets, MTFs and OTFs in the EU can be found here: https://registers.esma.europa.eu/publication/searchRegister?core=esma_registers_upreg#

Italy

Chicago Mercantile Exchange, Inc.
New York Mercantile Exchange – NYMEX
New York Commodities Exchange – COMEX
Chicago Board of Trade (CBOT)
NYSE Liffe
ICE Futures U.S.

[72] Exchanges and trading platforms for execution of OTC derivatives transactions in FSB member jurisdictions

Hong Kong

None[73]

India

Anonymous System for Trading in Rupee OTC Interest Rate Derivatives (ASTROID)

Japan

BGC Capital Markets, LLC. (Tokyo branch)
Bloomberg Tradebook Japan Limited
Clear Markets Japan, Inc.
Totan ICAP Co., Ltd.
Tradeweb Europe Ltd. (Tokyo branch)
Tullett Prebon ETP (Japan) Limited
Ueda Tradition Securities Ltd.

Mexico

Enlace Int, S.A de C.V. (IR, FX)
Remate Lince, SAPI de C.V. (IR, FX)
SIF Icap, S.A. de C.V. (IR, FX)
Tradition Services, S.A. de C.V. (IR, FX)
GFI Group México, S.A. de C.V. (IR)
Mercado Electrónico Institucional, S.A. de C.V. (IR)
Tullett Prebon México, S.A. de C.V. (IR, FX)
MexDer Mercado Mexicano de Derivados S.A de C.V.
(CO, IR, EQ, FX)
TruEx LLC (IR)
Bloomberg SEF LLC (CO, EQ, FX)
Enlace New York Int. (FX, IR)
tpSEF Inc. (IR, EQ, FX, CO)
Remate (USA) Inc. (FX, IR)
Tullett Prebon Americas Corp (IR, CR, EQ, FX)

Russia

Moscow Exchange MICEX-RTS (MOEX)
Non-Banking Credit Institution National Clearing Centre (member of the Moscow Exchange Group)

Switzerland

None[74]

US

Registered Swap Execution Facilities SEFs

360 Trading Networks, Inc. (FX)
BGC Derivatives Markets, L.P. (IR, CR, FX, EQ, CO)
Bloomberg SEF LLC (IR, CR, FX, CO)
Cboe FX SEF, LLC (FX)
Chicago Mercantile Exchange, Inc. (CO)
Clear Markets North America, Inc. (IR)
DW SEF LLC (IR, CR, EQ)
FTSEF LLC (FX)
GFI Swaps Exchange LLC (IR, CR, FX, EQ, CO)
GTX SEF LLC (FX)
ICAP Global Derivatives Limited (IR)
ICE Swap Trade LLC (CR, CO)
LatAm SEF, LLC (FX)
LedgerX LLC (CO)
MarketAxess SEF Corporation (CR)
NEX SEF (FX)
Seed SEF LLC (expected to list CO)
SwapEx LLC (FX)
TeraExchange LLC (IR, CR, FX, EQ, CO)
Thomson Reuters (SEF) LLC (FX)
tpSEF Inc. (IR, CR, FX, EQ, CO)
Tradition SEF, Inc. (IR, CR, FX, EQ, CO)
trueEx LLC (IR)
TW SEF LLC (IR, CR)

No-action relief

The CFTC has also granted conditional relief to Yieldbroker Pty Ltd (IR).[75]

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73 Currently, some entities offer platform trading services to clients in Hong Kong, probably for the purpose of assisting their clients to meet trading obligations under overseas trading requirements or for voluntary use of the services. These platforms are not authorised in Hong Kong for providing platform trading of OTC derivatives.

74 Certain non-Swiss trading platforms have obtained FINMA recognition to offer certain services to certain Swiss financial institutions: https://www.finma.ch/en/~/media/finma/dokumente/bewilligungstraeger/pdf/bourses.pdf?la=en. However, as these are neither Swiss platforms, nor do these necessarily offer OTC derivatives services in Switzerland, they are not included.

75 The responses provided above apply only to designated contract markets (DCMs) and SEFs that are subject to the jurisdiction of the CFTC. Although the Dodd-Frank Act requires certain security-based (SB) swaps to be traded on either an exchange or a SB SEF, the SEC has issued a general exemption from complying with these requirements until the SEC adopts and implements rules governing the registration and compliance requirements for SB SEFs. The SEC does not require the markets relying on this exemption to provide notice of their intent to do so; therefore the SEC does not have a list of the trading platforms that are currently trading security-based swaps under this exemption. Trading Platforms that trade security-based swaps currently operate pursuant to this exemption.

Appendix G Deference

Table V

Legal capacity to apply deference within OTC derivatives regulatory framework

Selected regulatory requirements, FSB member jurisdictions, as at end-June 2018

	Trade reporting		Central clearing and non-centrally cleared transactions			Exchange/platform trading	
	Regulatory regime for TRs	Reporting requirements	Regulatory regime for CCPs	Central clearing requirements	Margin requirements	Regulatory regime for exchanges/platforms	Trading requirements
AR							
AU							
BR					(new)		
CA							
CN							
EU							
HK							
IN							
ID							
JP							
KR							
MX							
RU		#		#	#		#
SA							
SG							#
ZA	(new)	(new)	(new)	(new)	(new)	#	#
CH							
TR							
US	SEC	CFTC SEC	CFTC SEC	CFTC SEC#	CFTC SEC#	CFTC SEC#	CFTC SEC#

indicates legal capacity to apply deference was in force at end-June 2018

\# indicates reforms in progress to establish legal capacity to apply deference. (new) indicates new entry since end-June 2017. For jurisdiction codes see Table A in Annex 1. Source: FSB member jurisdictions.

Table W

OTC derivatives reforms related deference decisions

FSB member jurisdictions, as at end-June 2018

Jurisdiction making deference decision	**Regulatory requirement category**	**Jurisdiction receiving deference**
AU	Regulatory regime for CCPs	EU, US (CFTC)
	Regulatory regime for market participants	Germany, Hong Kong, Singapore, UK, US
	Margin requirements for non-centrally cleared derivatives (new)	US, EU, Japan, HK, Singapore, Canada, Switzerland

Jurisdiction making deference decision	Regulatory requirement category	Jurisdiction receiving deference
CA	Regulatory regime for CCPs	UK, EU , US (CFTC)
	Regulatory regime for market participants	EU, US (CFTC)
EU	Regulatory regime for CCPs	Australia, Brazil, Canada, Hong Kong, India, Japan, Japan (commodities), Korea, Mexico, New Zealand, Singapore, South Africa, Switzerland, US (CFTC)
	Regulatory regime for trading venues (new)	Australia Japan, Canada, Singapore, US (CFTC)
HK	Regulatory regime for market participants	Australia, Brazil, Canada, EU, Japan, Singapore, Switzerland, US
	Regulatory regime for market participants (margin)	HKMA: Australia, Canada, the European Union, Hong Kong (SFC), India, Japan, Republic of Korea, Mexico, Russia, Singapore, Switzerland, US[(b)]
JP	Regulatory regime for market participants (margin)	Australia (new), Canada, Hong Kong (new), Singapore (new), US (CFTC)
MX	Regulatory regime for CCPs	US (CFTC), UK)
SG	Regulatory regime for CCPs	UK, US (CFTC)
	Regulatory regime for market participants (margin)	Australia, Canada, the European Union, Hong Kong, India, Japan, Republic of Korea, Mexico, Russia, Switzerland, US (CFTC) [(c)]
CH[(a)]	Regulatory regime for market participants	EU
US (CFTC)	Regulatory regime for CCPs	Australia, EU, Hong Kong, Japan, Korea
	Regulatory regime for trading venues (new)	EU
	Regulatory regime for market participants	Australia, Canada, EU, Hong Kong, Japan, Switzerland
	Regulatory regime for market participants (margin)	EU (new), Japan

(a) FINMA has recognised the relevant EU regulations as provisionally equivalent and will in due course provide information about the decision regarding definitive recognition of the equivalence of the European regulations. (b) From the date of entry into force of the respective margin standards in the jurisdictions listed above and until further notice, the HKMA deems the margin standards of the respective jurisdictions as comparable. (c) MAS is currently of the view that compliance with the margin requirements implemented by WGMR member jurisdictions (listed) are comparable and deemed to be in compliance with MAS' margin requirements for non-centrally cleared derivatives transactions. (new) indicates new deference decisions since end-June 2017. Regulatory regimes for market participants can include transaction-level requirements (such as certain clearing requirements) or entity-level requirements (such as certain supervision/oversight requirements, or general business conduct requirements). Specific requirements, and deference decisions, under each broad category vary across jurisdictions.

Appendix H Selected official papers

Studies or papers relating to the implementation or effectiveness or broader effects of OTC derivatives reforms, or citing trade repository (TR) data about OTC derivatives transactions or positions, published by FSB member authorities since the publication of the 12th progress report.

	BCBS, CPMI, FSB and IOSCO (2018), *Incentives to centrally clear over-the-counter (OTC) derivatives: A post-implementation evaluation of the effects of the G20 financial regulatory reforms*, November[76] BIS (2018), *Central banks and trade repositories derivatives data*, October[77] FSB (2018a), *Trade reporting legal barriers: Follow-up of 2015 peer review recommendations*, November[78]
AU	RBA (2018), *The Australian OTC Derivatives Market: Insights from New Trade Repository Data*, June[79] RBA (2017), *Central Counterparty Margin Frameworks*, December[80]
DE	Acharya, Viral V., Y. Gündüz, and T. Johnson (2018), "Bank use of sovereign CDS in the Eurozone crisis: hedging and risk incentives." Deutsche Bundesbank Discussion Paper 26/2018. Gündüz, Y. (2018), Mitigating counterparty risk." Deutsche Bundesbank Discussion Paper 35/2018. Gündüz, Y., S. Ongena, G. Tümer-Alkan, and Y. Yu (2017), "CDS and credit: Testing the small bang theory of the financial universe with micro data." Deutsche Bundesbank Discussion Paper 16/2017.
EU	ESMA (2018), *ESMA Annual Statistical Report: EU Derivatives Markets*, October ESRB (2018), Working Paper No. 72, "Clearinghouse Five: determinants of voluntary clearing in European derivatives markets" by Pawel Fiedor, March ESRB (2017), Working Paper No. 62, "The demand for central clearing: to clear or not to clear, that is the question" by Bellia, Panzica, Pelizzon, Peltonen, December ESRB (2017), Working Paper No. 61, "Discriminatory pricing of over-the-counter derivatives" by Hau, Hoffmann, Langfield, Timmer, December ESMA (2017), *EU derivatives markets – a first time overview*, October ESRB (2017), Working Paper No. 54, "Networks of counterparties in the centrally cleared EU-wide interest rate derivatives market" by Fiedor, Lapschies, Orszaghova, September [81]
HK	HKMA (2018), *Understanding Foreign Exchange Derivatives Using Trade Repository Data: The Non-deliverable Forward Market*, March.

[76] http://www.fsb.org/2018/11/incentives-to-centrally-clear-over-the-counter-otc-derivatives-2
[77] https://www.bis.org/ifc/publ/ifc_report_cb_trade_rep_deriv_data.pdf
[78] https://www.fsb.org/2018/11/trade-reporting-legal-barriers-follow-up-of-2015-peer-review-recommendations
[79] http://www.rba.gov.au/publications/bulletin/2018/jun/pdf/the-australian-otc-derivatives-market-insights-from-new-trade-repository-data.pdf
[80] http://www.rba.gov.au/publications/bulletin/2017/dec/pdf/bu-1217-10-central-counterparty-margin-frameworks.pdf
[81] https://www.esma.europa.eu/sites/default/files/library/esma50-165-639_esma-rae_asr-derivatives_2018.pdf (October 2018); https://www.esrb.europa.eu/pub/pdf/wp/esrb.wp72.en.pdf?87d519a1fd278d359b6d5a33499d0e26 (March 2018); https://www.esrb.europa.eu/pub/pdf/wp/esrb.wp62.en.pdf?38f89ae77c322088e31601b862b6cb42 (December 2017); https://www.esrb.europa.eu/pub/pdf/wp/esrb.wp61.en.pdf?3a730a4155a853c30d2523f6a387159f (December 2017); https://www.esma.europa.eu/sites/default/files/library/esma50-165-421_eu_derivatives_markets_-_a_first-time_overview.pdf (October 2017); https://www.esrb.europa.eu/pub/pdf/wp/esrb.wp54.en.pdf (September 2017.

MX	Banco de México (2018), Main indicators on OTC IRS traded by domestic brokerage houses, commercial and development banks, July[82] Banco de México (2017), First annual report of all financial market infrastructure in Mexico, including key developments in the implementation of OTC derivatives reforms (Spanish version only), November[83]
NL	Dutch Central Bank (DNB), (2018), "Counterparty credit risk and the effectiveness of banking regulation," DNB Working Papers, June[84] DNB (2018), "CDS market structure and risk flows: the Dutch case", DNB Working Papers, May[85] A DNB working paper (not yet published) on trade repository data and the use of interest rate swaps is under preparation by Iman van Lelyveld and Dennis Mimpen.
RU	Central Bank of Russia (2017), "On mandatory margining of non-centrally cleared OTC derivatives," December[86] Aggregated information on OTC contracts from the repository of CJSC National Settlement Depository[87] Aggregated information on OTC contracts from the repository of OJSC Saint-Petersburg Exchange[88]
SG	MAS (2017), "Singapore's US Dollar Foreign Exchange Swap Market Structure and Resilience" (Box L, *MAS Financial Stability Review*), November[89] MAS (2017), "Evaluating the Effects of Post-Crisis Regulatory Reforms" (Box M, *MAS Financial Stability Review,* November[90]
UK	Acosta-Smith, J., Ferrara, G. and Rodriguez-Tous, F. (2018), "The impact of the leverage ratio on client clearing", Bank of England Staff Working Paper, No. 735, June Bardoscia, M., Bianconi, G., and Ferrara, G. (2018), "Multiplex network analysis of the UK OTC derivatives market," Bank of England Staff Working Paper, No. 726, May Benos, E., Payne, R. and Vasios, M. (2018), "Centralized trading, transparency and interest rate swap market liquidity: evidence from the implementation of the Dodd-Frank Act", Bank of England Staff Working Paper No. 580, May (updated version) Morrison, A., Vasios, M., Wilson, M., and Zikes, F. (2017), "Identifying contagion in a banking network." (a revised version of Bank of England Staff Working Paper No. 642) FCA (2017), "Analysing the impact of EMIR variation margin requirements," 30 June FCA (2017), "Research Note: EMIR data and derivatives market policies", 6 August
US	CFTC (2018), *Swaps Regulation Version 2.0: An Assessment of the Current Implementation of Reform and Proposals for Next Steps*, April[91] CFTC (2017), *Roadmap to Achieve High Quality Swaps Data*, July[92] Federal Reserve Board (2017), Working Paper in the Finance and Economics Discussion Series 2017-082, August

[82] http://www.banxico.org.mx/SieInternet/consultarDirectorioInternetAction.do?sector=19&accion=consultarCuadro&idCuadro=CF792&locale=en
[83] http://www.banxico.org.mx/sistemas-de-pago/informacion-general/politica-del-banco-de-mexico-respecto-de-las-infra/%7BFFFA230F-52FD-5B96-96D5-DA44C94979B0%7D.pdf
[84] https://www.dnb.nl/en/news/dnb-publications/dnb-working-papers-series/dnb-working-papers/Workingpapers2018/dnb377142.jsp
[85] https://www.dnb.nl/nieuws/publicaties-dnb/dnb-working-papers-reeks/dnb-working-papers/Workingpapers2018/dnb375871.jsp
[86] http://cbr.ru/Content/Document/File/32974/Final_Report_171222_eng.pdf
[87] https://www.nsd.ru/ru/about/csd_disclosure/repos_stat/
[88] http://spbexchange.ru/ru/about/raskrytie_informacii/obp_rep/
[89] http://www.mas.gov.sg/~/media/resource/publications/fsr/microsite/FSR_2017_box_L.pdf
[90] http://www.mas.gov.sg/~/media/resource/publications/fsr/microsite/FSR_2017_box_M.pdf
[91] https://www.cftc.gov/PressRoom/PressReleases/7719-18
[92] https://www.cftc.gov/PressRoom/PressReleases/pr7585-17

Appendix I Members of the OTC Derivatives Working Group

as at date of publication

Co-Chairs	**Caren Cox** (representing CPMI) Officer Federal Reserve Bank of New York
	Carol McGee (representing IOSCO) Assistant Director and Head of Office of Derivatives Policy Division of Trading and Markets US Securities and Exchange Commission
	Patrick Pearson Head of Unit, DG FISMA European Commission
Australia	**Oliver Harvey** Senior Executive Leader, Markets Australian Securities and Investments Commission
Brazil	**Marcelo Barbosa** Chairperson Comissão de Valores Mobiliários (CVM)
Canada	**Ian Christensen** Senior Director, Financial Markets Department Bank of Canada
China	**Gao Fei** Director, Bonds Markets Supervision Division People's Bank of China
	Jiang Xiaolu Senior Staff Member China Securities Regulatory Commission
France	**Patrice Aguesse** Head, Markets Regulation Division Autorité des marchés financiers (AMF)
Germany	**Christian Sigmundt** Head of Unit WA 12, Securities Supervision Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)

Germany	**Martin Ockler** Senior Executive Officer, Financial Stability Department Deutsche Bundesbank
Hong Kong	**Kevin Cheng** Head of Financial Stability Surveillance Division Monetary Management Department Hong Kong Monetary Authority
	Daphne Doo Senior Director, Supervision of Markets Division Securities and Futures Commission
Japan	**Kazunari Mochizuki** Director, International Financial Markets (Settlements) International Affairs Office Financial Services Agency
Korea	**Yi Dong-Choon** Head of Derivatives Monitoring Team, Capital Market Supervison Financial Supervisory Service
Saudi Arabia	**Mohamed Wehliye Hussein** Advisor, General Directorate of Banking Control Saudi Arabian Monetary Authority
Singapore	**Ken Nagatsuka** Deputy Director, Markets Policy and Infrastructure Department Monetary Authority of Singapore
South Africa	**Roy Havemann** Chief Director, Financial Markets and Stability National Treasury
Switzerland	**Arie Gerszt** Deputy Head, Capital Markets and Infrastructure Swiss Federal Department of Finance (FDF) State Secretariat for International Finance (SIF)
Turkey	**Ipek Esen Altintas** Expert, Investment Services Department Capital Markets Board of Turkey (SPK)

UK	**David Macdonald** CCP Policy, Financial Market Infrastructure Directorate Bank of England
	Anne-Laure Condat Technical Specialist, Derivatives Reform Financial Conduct Authority
US	**Mauricio Melara** Associate Director, Office of International Affairs Commodity Futures Trading Commission
	Kateryna Imus Special Counsel, Office of Derivatives Policy Securities and Exchange Commission
	Erik Heitfield Assistant Director, Research and Statistics Division Federal Reserve Board of Governors
ECB	**Klaus Loeber** Head of Oversight, DG Market Infrastructure and Payments
IMF	**John Kiff** Senior Financial Sector Expert, Monetary and Capital Markets
BCBS	**Scott Nagel** Member of Secretariat
CPMI	**Morten Bech** Head of Secretariat
IOSCO	**Paul Andrews** Secretary General
FSB Secretariat	**Rupert Thorne** Deputy to the Secretary General
	Laurence White Member of Secretariat