

Press release

Press enquiries:
+41 61 280 8703

Press@bis.org

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FSB publishes progress report on OTC derivatives market reforms

The Financial Stability Board (FSB) published today its [eighth progress report](#) on implementation of OTC derivatives market reforms.

G20 Leaders agreed in 2009 to a comprehensive reform agenda for these markets, to improve transparency, mitigate systemic risk, and protect against market abuse.

To achieve these objectives, the G20 agreed that:

- all OTC derivatives contracts should be reported to trade repositories (TRs);
- all standardised contracts should be traded on exchanges or electronic trading platforms, where appropriate, and cleared through central counterparties (CCPs);
- non-centrally cleared contracts should be subject to higher capital requirements and minimum margining requirements should be developed.

The report published today finds that, although implementation of reforms to meet these commitments is not yet complete, progress has continued to be made in reform areas across the FSB member jurisdictions and further progress is anticipated for 2015. The main findings are:

- The adoption of legislation, where this has been a necessary first stage of the reform process, is nearing completion. While jurisdictions vary in their stage of implementation of detailed regulations, the greatest progress to date has been made in adopting regulations implementing higher capital requirements for non-centrally cleared derivatives and trade reporting requirements. Implementation in other reform areas is also proceeding, though timetables stretch well into 2015 and beyond. Measures to promote trading on exchanges or electronic trading platforms continue to take longer than those in other reform areas.
- International standards and guidance in key areas (such as bank capital requirements for central clearing exposures, and recovery and resolution for financial market infrastructures) have been finalised over the course of 2014.
- In addition, bilateral and multilateral discussions addressing outstanding cross-border issues have intensified over the course of 2014.
- Across jurisdictions, the availability of market infrastructure, and market participants' use of that infrastructure, continues to gradually broaden.

It is important that jurisdictions take remaining steps to implement the G20 reform commitments and to help resolve implementation issues that are being identified by

authorities as they move forward with their reforms. Full implementation of the reforms can help ensure that the objectives of the reforms set out by the G20 Leaders – improved transparency, systemic risk mitigation and protection against market abuse – are met.

The FSB will continue to report on OTC derivatives reform implementation in 2015, monitoring jurisdictional progress and considering the effectiveness of reforms in meeting the underlying G20 objectives.

The FSB welcomes feedback from the public on this report. Feedback should be submitted by 7 December 2014 by e-mail (fsb@bis.org) or post (Secretariat of the Financial Stability Board, c/o Bank for International Settlements, CH-4002, Basel, Switzerland). Feedback will be posted on the FSB website unless respondents request otherwise.

Notes to editors

In October 2010 the FSB published [21 recommendations for implementing the G20 commitments](#). The [first FSB progress report](#) on implementation was published in April 2011, the [second FSB progress report](#) in October 2011, the [third progress report](#) in June 2012, the [fourth progress report](#) in October 2012, the [fifth progress report](#) in April 2013, the [sixth progress report](#) in September 2013, and the [seventh progress report](#) in April 2014.

The FSB has been established to coordinate at the international level the work of national financial authorities and international standard-setting bodies and to develop and promote the implementation of effective regulatory, supervisory and other financial sector policies in the interest of financial stability. It brings together national authorities responsible for financial stability in 24 countries and jurisdictions, international financial institutions, sector-specific international groupings of regulators and supervisors, and committees of central bank experts.

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