

## **OTC Derivatives Market Reforms**

### **Ninth Progress Report on Implementation**

24 July 2015

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## 1. Introduction and Executive Summary

Implementation of OTC derivatives market reforms is well underway, with the foundational authority needed to give effect to the full range of these reforms in place in most FSB member jurisdictions.<sup>1</sup> In terms of fully operationalising regulatory frameworks:

- Implementation of reforms is most advanced for trade reporting and for higher capital requirements for non-centrally cleared derivatives.
- There has been further incremental progress to promote central clearing of standardised OTC derivatives: as at end-June 2015, seven jurisdictions are actively assessing their markets against criteria to determine if certain products should be required to be centrally cleared, and five jurisdictions have central clearing requirements in effect for one or more specific product types. Over the next year, further progress is anticipated in many jurisdictions for assessing if certain products should be required to be centrally cleared.
- Four jurisdictions have regulatory frameworks in place to promote execution of standardised contracts on organised trading platforms; a few other jurisdictions anticipate taking steps in this reform area over the next year, with several jurisdictions noting that current market conditions do not support further steps. It continues to be important for jurisdictions to have frameworks in effect for assessing when it is appropriate for transactions to be executed on organised trading platforms.
- Most jurisdictions are only in the early phases of implementing the BCBS–IOSCO framework for margin requirements for non-centrally cleared derivatives (internationally agreed phase-in periods were recently delayed, and now begin in September 2016).
- Availability and use of trade repositories (TRs) and central counterparties (CCPs) continues to expand, and these infrastructures are most established for credit and interest rate derivatives. Challenges, such as authorities’ ability to access, use and aggregate TR data, persist.

Authorities continue to note a range of implementation issues, though international workstreams that aim to address most of these issues are underway, including: steps to harmonise transaction reporting and to agree to a framework for uniform trade and product identifiers; further coordinated consideration of CCP resilience, recovery and resolution, and interdependencies; and ongoing multilateral and bilateral discussions to address cross-border regulatory issues (with several additional steps recently taken by authorities in this regard).

The FSB will continue to monitor and report on OTC derivatives reform implementation progress, including the effects of OTC derivatives reforms over time.

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<sup>1</sup> In September 2009, G20 Leaders agreed in Pittsburgh that: “All standardised OTC derivative contracts should be traded on exchanges or electronic trading platforms, where appropriate, and cleared through central counterparties by end-2012 at the latest. OTC derivative contracts should be reported to trade repositories. Non-centrally cleared contracts should be subject to higher capital requirements. We ask the FSB and its relevant members to assess regularly implementation and whether it is sufficient to improve transparency in the derivatives markets, mitigate systemic risk, and protect against market abuse.” In November 2011, G20 Leaders in Cannes further agreed: “We call on the Basel Committee on Banking Supervision (BCBS), the International Organization for Securities Commission (IOSCO) together with other relevant organizations to develop for consultation standards on margining for non-centrally cleared OTC derivatives by June 2012.”

## **2. Progress in jurisdictional and market reform implementation**

### **2.1 Overview**

Most FSB member jurisdictions have the necessary legislative framework or other authority in place to give effect to the full range of the G20's OTC derivatives reform commitments. For trade reporting and for higher capital requirements for non-centrally cleared derivatives, the majority<sup>2</sup> of jurisdictions have in force frameworks and requirements, which cover more than 90% of OTC derivatives transactions.<sup>3</sup> Frameworks for central clearing of standardised OTC derivatives are also well advanced, though the degree of progress within those frameworks varies across jurisdictions and across asset classes. Most jurisdictions are only in the early phases of implementing the BCBS–IOSCO margin standards for non-centrally cleared derivatives, with few jurisdictions having taken detailed steps beyond proposing or adopting a legislative framework or other authority to implement requirements consistent with these standards; a delay in implementation was recently agreed and phase-in will now begin in September 2016. A small number of jurisdictions have taken some further implementation steps to promote the trading of standardised OTC derivatives on exchanges or electronic trading platforms (together, organised trading platforms), where appropriate, but otherwise no significant additional steps in this commitment area have been taken by jurisdictions since the November 2014 progress report.

The majority of jurisdictions have TRs available to accept transaction reports for at least one asset class; six jurisdictions currently have a TR authorised to operate in every asset class.<sup>4</sup> By end-2015 several jurisdictions expect to have expanded the coverage of trade reporting requirements, and by end-2016 almost all jurisdictions expect to have reporting requirements in force covering more than 90% of OTC derivatives transactions.

In the majority of jurisdictions, at least one CCP is authorised to clear at least some interest rate derivatives, although overall availability of CCPs for other asset classes is more limited. At a global level, the use of CCPs to clear OTC derivatives continues to grow, particularly across interest rate and credit derivatives asset classes. Some incremental steps in central clearing frameworks are expected in the year ahead, with over half of FSB member jurisdictions anticipating having a central clearing framework that applies to more than 90% of OTC derivatives transactions in effect by end-2016.

Several jurisdictions have taken the foundational steps to put in place a legislative framework or other necessary authority to promote organised platform trading. As at end-June 2015 four

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<sup>2</sup> Throughout this report, references to FSB member jurisdictions treat European Union member states as one jurisdiction, given that relevant regulatory reforms are being applied at an EU-wide level.

<sup>3</sup> 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.

<sup>4</sup> Authorities use different terms to describe the regulatory status of entities operating in their jurisdictions. For purposes of this report, 'authorised to operate' refers to entities that are under the supervisory or regulatory regime in a jurisdiction through an affirmative regulatory decision regarding an entity or an entity's home jurisdiction, including registering, licensing, or recognising an entity under the jurisdiction's framework or based on any relevant exemptions from the framework (including those based on substituted compliance, recognition, equivalence or reliance). Unless otherwise specified in the report, 'authorised' or 'authorised to operate' as used in this report is meant to include any and all of these possibilities.

jurisdictions have regulatory frameworks in place to promote execution of standardised contracts on organised trading platforms, where appropriate; however, several jurisdictions currently anticipate they will have regulatory frameworks in force in this area by end-2016.

Table 1 provides an overview of the status of reform implementation in each member jurisdiction as at end-June 2015. Note that a revised classification scheme for monitoring jurisdictional reform implementation has been adopted in this current report; see Appendix A for further detail on this new scheme. Figure 1 below indicates progress since end-2014 and where further progress is currently anticipated by end-2015.

Table 1  
**Summary of Jurisdictional Progress of OTC Derivatives Market Reforms**

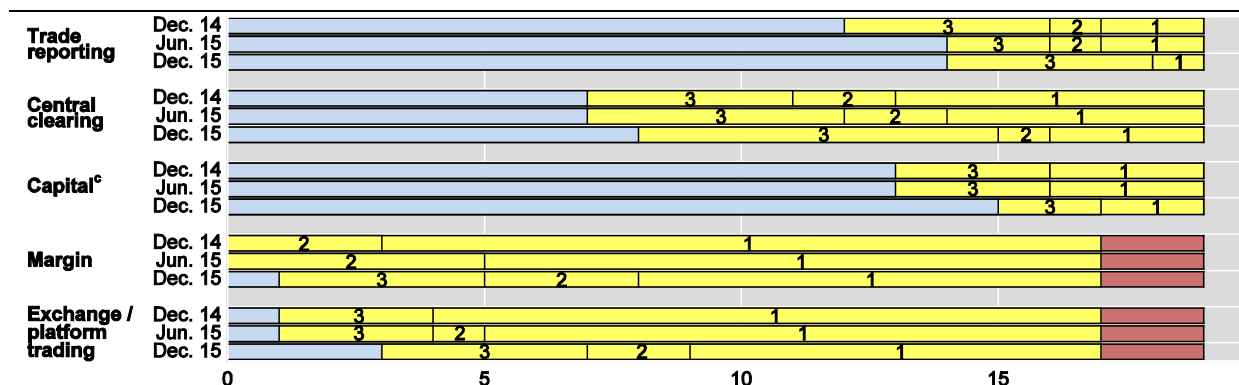
Reforms to jurisdictional frameworks, as at end-June 2015

		Trade Reporting	Central Clearing	Capital	Margin	Platform Trading
Argentina	AR	3	3		1	3
Australia	AU				1	1
Brazil	BR				1	1
Canada	CA		3		1	2
China	CN			1		3
European Union	EU				2	3
Hong Kong	HK	3	1		1	1
India	IN		3		1	1
Indonesia	ID		3	1	1	1
Japan	JP				2	1
Rep. of Korea	KR		3	3		
Mexico	MX		1	3	1	1
Russia	RU		2		2	
Saudi Arabia	SA		1		1	1
Singapore	SG				1	1
South Africa	ZA	2	2		2	1
Switzerland	CH	1	1		1	1
Turkey	TR	1	1	1	1	1
United States <sup>5</sup>	US			3	2	
<b>TOTALS</b>						
		-	-	-	2	2
1		2	5	3	12	12
2		1	2	-	5	1
3		2	5	3	-	3
		14	7	13	-	1

Source: FSB member jurisdictions.

<sup>5</sup> Information in the colour-coded tables in this section reflects the overall progress of US reforms undertaken by multiple regulatory authorities. See Appendix C through to Appendix G for specific information about regulatory progress made by different US agencies. For the purposes of the colour-coded tables in Section 2 of the report, note that the CFTC has rules in force with respect to trade reporting, central clearing and platform trading. For these three reform areas, the estimate of at least 90% regulatory coverage is based on the completion of rules by the CFTC which regulates over 90% of the US swaps market.

Figure 1  
**Regulatory Reform Progress<sup>a</sup>**  
Status across all 19 FSB member jurisdictions<sup>b</sup>



<sup>a</sup> Reforms to jurisdictional frameworks; Dec.15 is jurisdictions' anticipated status at that date based on current information. <sup>b</sup> EU member states counted as one jurisdiction (see footnote 2 of this report). <sup>c</sup> Adoption of Basel III standards for non-centrally cleared derivatives.

Source: FSB member jurisdictions.

### Legend:

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

## 2.2 Trade reporting

### 2.2.1 Jurisdictional progress on trade reporting

At end-June 2015, the majority of FSB member jurisdictions (14) have trade reporting requirements in force covering over 90% of OTC derivatives transactions in their jurisdictions. Further roll-out of trade reporting requirements is expected to continue over the course of 2015 and into 2016. In 2015, authorities anticipate expanding the reporting requirements in their respective jurisdictions by capturing transactions involving a wider range of products and/or market participants. By end 2016, almost all FSB member jurisdictions expect to have rules in place covering over 90% of the OTC derivatives transactions in their markets.

Table 2 below and Appendix C provide additional detail on progress in implementing trade reporting frameworks that jurisdictions have made and anticipate making through to end-2016.

Table 2  
Status of trade reporting regulatory implementation

	End-2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	H1 2016	H2 2016
AR	3	3	3	3	3	3	3
AU	3	3					
BR							
CA							
CN							
EU							
HK	3	3	3	3	3	3	
IN							
ID							
JP							
KR							
MX							
RU							
SA							
SG	3	3					
ZA	2	2	2	3	3	3	3
CH	1	1	1	1	1	3	
TR	1	1	1	1	3	3	
US <sup>5</sup>							

For jurisdiction codes and table legend, see Table 1 on page 3.

Source: FSB member jurisdictions.

Table 3 below illustrates the extent to which jurisdictions have reporting requirements in place for specific asset classes. Reporting requirements across asset classes have expanded since the November 2014 progress report, with jurisdictions continuing to phase-in requirements within and across asset classes and participant types. At end-June 2015, most jurisdictions have in force requirements that cover 90% or more of OTC derivatives



transactions in both FX and interest rate derivatives. Requirements to report OTC derivatives transactions in other asset classes are also relatively widespread, though commodity derivatives have a lower coverage than credit or equity derivatives.<sup>6</sup> In several instances where a jurisdiction's reporting requirements vary across asset classes, implementation of requirements is most advanced for asset classes that are more actively used within such jurisdiction – see Appendix B for an indication of the size of OTC derivatives asset classes in each jurisdiction.

Table 3  
**Status of trade reporting by asset class**

Status as at end-June 2015

	Commodity	Credit	Equity	FX	Interest Rate
AR	3	3	3	3	3
AU					
BR					
CA	3				
CN	2		3		
EU					
HK	1	1	1	3	3
IN	1		1		
ID		1			
JP	1				
KR					
MX		2			
RU	3	3	3		3
SA	1	1	1		
SG	1		1		
ZA	2	2	2	2	2
CH	1	1	1	1	1
TR	1	1	1	1	1
US <sup>5</sup>		3			

For jurisdiction codes and table legend, see Table 1 on page 3.

Source: FSB member jurisdictions.

<sup>6</sup> 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 is based solely on CFTC data.

### ***2.2.2 Availability and use of trade repositories***

TRs are authorised and operating, for at least some asset classes, in 12 FSB member jurisdictions; a total of 20 TRs are currently authorised and operating. In addition, in six jurisdictions, government authorities or other TR-like entities<sup>7</sup> are currently collecting OTC derivatives transaction reports (see Table 11 in Appendix I).

Three or more TRs are available to accept reports in each asset class in the EU and US, while for other jurisdictions there are typically one or two TRs available to accept reports in each asset class. In most cases each of these TRs is available only within a specific jurisdiction.

The status of jurisdictions' reporting requirements is to some extent associated with the availability of TRs in these jurisdictions. Specific reporting requirements are typically in force (or anticipated to be in force in the near future) where TRs are actually available in a jurisdiction to collect transaction data for a particular asset class (see Table 12 in Appendix I). TRs or TR-like entities are available and operating for products in at least some asset classes in all but two FSB member jurisdictions. Although a TR has been authorised in Turkey, it is not yet accepting transaction reports, while South Africa and Switzerland currently do not have any TR or TR-like entity authorised to accept reports in any asset classes within their jurisdiction. Nine jurisdictions have at least one TR or TR-like entity authorised to accept reports for each asset class. Across FSB member jurisdictions, availability is generally higher for OTC interest rate and FX derivatives, and lowest for OTC commodity derivatives.

#### ***Jurisdiction estimates – coverage of reporting requirements***

For this report, jurisdictions were asked to estimate the regulatory coverage of reporting requirements for different asset classes. Although the estimation methodologies employed varied across jurisdictions, and there were some challenges in collecting and interpreting relevant data, some broad indications of the regulatory coverage of reporting requirements can be drawn. Based on these estimates, a substantial share of new OTC derivatives transactions is covered by reporting requirements in many jurisdictions (Table 4). In most FSB member jurisdictions, an estimated 80–100% of all new interest rate and FX derivatives transactions are covered by reporting requirements. Reporting coverage for credit and equity derivatives transactions is uneven, though it is high in jurisdictions with the globally largest markets in these products (namely, the EU and US) as well as some smaller markets. Reporting coverage of commodity derivatives is more variable relative to other asset classes. As indicated in Table 2, further implementation of reporting requirements is anticipated in the year ahead, which should see an expansion in the regulatory coverage of requirements relative to that shown in Table 4.

Appendix I provides more detail on the availability of specific TRs and TR-like entities across FSB member jurisdictions, and Section 3.2 discusses some of the challenges to the usability of data currently being collected.

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<sup>7</sup> In some jurisdictions, reporting of OTC derivatives transactions is facilitated by means of an entity, facility, service, utility, government authority, etc. that is not established as an authorised TR but that is used by market participants to report OTC derivatives trade data, or provides TR-like services.

Table 4

**Estimated regulatory coverage of reporting requirements**

Percent of all new transactions that are required to be reported, April 2015

	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						-	-	-	-	●	-	-	-	-	●	-	-	-	-	●	-	-	-	-	●
CN						-	-	-	-	●	-	-	-	-	●	-	-	-	-	●	-	-	-	-	●
EU	-	-	-	-	●	-	-	-	-	●	-	-	-	-	●	-	-	-	-	●	-	-	-	-	●
HK																●	-	-	-	-	-	-	●	-	-
IN						-	-	-	-	●						-	-	-	-	●	-	-	-	-	●
ID	-	-	-	-	●											-	-	-	-	●	-	-	-	-	●
JP						-	-	-	-	●	-	-	-	-	●	-	-	-	-	●	-	-	-	-	●
KR	-	-	-	-	●	-	-	-	-	●	-	-	-	-	●	-	-	-	-	●	-	-	-	-	●
MX	-	-	-	-	●						-	-	-	-	●	-	-	-	-	●	-	-	-	-	●
RU																-	-	-	-	●					
SA																-	-	-	-	●	-	-	-	-	●
SG <sup>a</sup>						-	-	-	-	●						-	-	-	-	●	-	-	-	-	●
ZA																									
CH																									
TR																●	-	-	-	-					
US <sup>b</sup>	-	-	-	-	●	-	-	-	●	-	-	-	-	-	●	-	-	-	-	●	-	-	-	-	●
	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 April 2015. Includes reporting to TRs and TR-like entities.

■ indicates: not applicable / no OTC derivatives transactions in this asset class.

■ indicates: no reporting requirements in effect for OTC derivatives transactions in this asset class.

■ indicates: reporting requirements are in effect but data not able to be provided (for instance, due to data quality, access and/or aggregation challenges).

<sup>a</sup> For Singapore, categorisation for FX derivatives reflects regulatory coverage as at 1 May 2015, when FX derivatives reporting requirements came into effect. <sup>b</sup> 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.

For jurisdiction codes, see Table 1 on page 3.

Source: FSB member jurisdictions.

## 2.3 Central Clearing

### 2.3.1 Jurisdictional progress on central clearing

The majority of FSB member jurisdictions are still in the process of implementing regulatory reforms to ensure that standardised OTC derivatives transactions are centrally cleared (Table 5). At end-June 2015, seven jurisdictions have a legislative framework or other authority in force as well as standards or criteria for making specific central clearing determinations in place for at least 90% of the OTC derivatives transactions in their jurisdiction. Over H2 2015, some gradual progress in the overall status of jurisdictions'

central clearing frameworks is anticipated: Hong Kong, Mexico and South Africa expect to move forward with relevant rule-making, and Russia expects to have at least some of its framework in force. Further steps are anticipated over the course of 2016, such that by end-2016 over half of jurisdictions expect to have established and put into force a comprehensive framework to evaluate central clearing of standardised OTC derivatives and to require central clearing when appropriate.

Appendix D provides additional detail on specific regulatory steps taken by jurisdictions in implementing a central clearing framework for OTC derivatives.

Table 5  
**Central Clearing Commitment Implementation Timetable**

	End-2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	H1 2016	H2 2016
AR	3	3	3	3	3	3	3
AU							
BR							
CA	2	3	3	3	3	3	
CN							
EU							
HK	1	1	1	2	2	2	
IN	3	3	3	3	3	3	3
ID	3	3	3	3	3	3	3
JP							
KR	3	3	3	3	3	3	
MX	1	1	1	2	3		
RU	2	2	2				
SA	1	1	1	1	1	1	1
SG							
ZA	1	1	2	2	3	3	3
CH	1	1	1	1	1	3	
TR	1	1	1	1	1	1	3
US <sup>5</sup>							

For jurisdiction codes and legend, see Table 1 on page 3.

Source: FSB member jurisdictions.

At end-June 2015, five jurisdictions (China, India, Japan, Korea and US) have made central clearing determinations and have requirements in effect for one or more specific product types (Table 6). For four of these jurisdictions, a determination applies to one or more classes of interest rate derivatives, likely reflecting the significant share of these jurisdictions' derivatives market represented by interest rate derivatives transactions, the relatively high degree of standardisation of products, and greater availability of CCPs in this asset class (availability of CCPs is discussed further in the next section of the report). In the case of Japan and the US, central clearing determinations have also been made with respect to certain types of credit derivatives, and in India with respect to certain types of FX derivatives.

Mandatory central clearing obligations for certain interest rate derivative products are expected to come into effect in Australia, the EU and Mexico by mid-2016.

Table 6  
Central clearing determinations

	Determinations in force as at end-June 2015 <sup>a</sup>	Determinations that have been made and are anticipated to be in force by H1 2016 <sup>b</sup>
AU		<b>Interest rate:</b> in Q3 2015: certain fixed-floating and basis swaps, FRAs and OIS denominated in AUD, EUR, GBP, JPY and USD
CN	<b>Interest rate:</b> fixed-floating swaps denominated in CNY	
EU		<b>Interest rate:</b> in Q3 2015 certain fixed-floating and basis swaps, FRAs and OIS denominated in EUR, GBP, JPY and USD <b>Credit:</b> in Q3 2015 selected Europe (iTraxx) indices
IN	<b>FX:</b> INR-USD forwards	
JP	<b>Credit:</b> selected Japan (iTraxx) indices <b>Interest rate:</b> fixed-floating and basis swaps denominated in JPY	
KR	<b>Interest rate:</b> fixed-floating swaps denominated in KRW	
MX		<b>Interest rate:</b> by Q1 2016 certain fixed-floating swaps denominated in MXN.
US	<b>Credit:</b> selected North America (CDX) and Europe (iTraxx) indices <b>Interest rate:</b> fixed-floating and basis swaps, FRAs and OIS denominated in EUR, GBP, JPY and USD	

<sup>a</sup> For more details on mandatory clearing requirements currently in force, see IOSCO information repository available at: <https://www.iosco.org/library/information-repositories/zip/20141028-Information-repository-for-central-clearing-requirements.zip>.

<sup>b</sup> For EU and Mexico, final determinations have been made and compliance is required as at the indicated dates; for Australia, rules to give effect to the determination have been consulted on, with a ministerial determination expected in Q3 2015 and compliance expected in Q1 2016.

For jurisdiction codes and table legend, see Table 1 on page 3.

Source: FSB member jurisdictions.

Where jurisdictions are well advanced in establishing a regulatory framework for central clearing of OTC derivatives, there is a fair degree of similarity in the criteria used to determine when particular products should be centrally cleared. In particular, these criteria are in line with Recommendation 5 of the FSB's October 2010 report *Implementing OTC Derivatives Market Reforms*,<sup>8</sup> which set out the following factors authorities should take into account when determining whether an OTC derivative product is standardised and therefore suitable for central clearing:

- the degree of standardisation of a product's contractual terms and operational processes;
- the depth and liquidity of the market for the product in question;
- the availability of fair, reliable and generally accepted pricing sources; and

<sup>8</sup> Available at: [http://www.financialstabilityboard.org/publications/r\\_101025.pdf](http://www.financialstabilityboard.org/publications/r_101025.pdf).

- whether the risk characteristics of the product can be measured, financially modelled, and managed by a CCP that has appropriate expertise.

Appendix H gives more detail on the specific criteria used by FSB member jurisdictions in making clearing determinations.

## **2.3.2 Availability and use of central counterparties**

### **2.3.2.1 Availability of CCPs**

As with previous reports, the availability of CCPs clearing OTC derivatives remains uneven across FSB member jurisdictions; see Table 13 in Appendix J for a detailed listing of CCPs currently authorised and operating in FSB member jurisdictions. Only in Brazil, the EU, Russia and the US is central clearing currently available for at least some sub-products in every OTC derivatives class (Table 14 in Appendix J). Still, the majority (14) of jurisdictions have at least one CCP authorised to operate in the jurisdiction for clearing at least some OTC interest rate derivatives. The availability of central clearing for other asset classes is more limited at present, and it is notable that five jurisdictions do not currently have any CCPs authorised to operate in their jurisdiction that clear OTC derivatives.

The connection between the availability of CCPs in a given jurisdiction and specific central clearing requirements in effect in that jurisdiction is less apparent than is the case for trade reporting requirements. While in all cases of mandatory clearing requirements, having a CCP authorised to clear a specific asset class has preceded a jurisdiction implementing clearing requirements in this asset class, the existence of authorised CCPs *per se* has not always immediately translated into clearing requirements; that is, not all OTC derivatives products that are being offered for clearing by an authorised CCP are necessarily being required to be cleared. At the same time, the availability of CCPs is also likely determined by the level of activity in OTC derivatives markets across jurisdictions, which is also a factor in jurisdictions' decisions regarding the need for specific central clearing requirements.

Based on information provided by FSB member jurisdictions on which CCPs are authorised to operate in their jurisdiction, it remains the case that the cross-border availability of CCPs is fairly limited at present (Table 15 in Appendix J). In the majority of cases, CCPs are authorised to clear products in a given asset class in only one or two jurisdictions. Only in the case of interest rate derivatives are there a couple of CCPs that are concurrently authorised in four or more jurisdictions. The limited extent of cross-border availability of CCPs is a potential challenge for the further expansion of central clearing of OTC derivatives, given that most jurisdictions require that a given CCP be locally authorised if it is to be used for meeting that jurisdiction's central clearing requirements.<sup>9</sup>

### **2.3.2.2 Usage of CCPs**

As with trade reporting, for this progress report jurisdictions were asked to estimate the availability and use of CCPs for different asset classes. Although the estimation methodologies employed varied across jurisdictions, given some challenges in collecting and interpreting relevant data, some broad indications of CCP usage may be drawn.

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<sup>9</sup> See Footnote 4 for further discussion of the term 'authorisation', which may include the application of exemptions or the exercise of deference arrangements.

### *Jurisdiction estimates – interest rate derivatives*

Consistent with the fairly widespread availability across jurisdictions of CCPs clearing OTC interest rate derivatives, jurisdictions estimate quite a high potential for, and uptake of, central clearing offerings in this asset class (Table 7). Several jurisdictions estimate that 60% or more of new interest rate derivative transactions are able to be centrally cleared, given current central clearing offerings in their jurisdiction (left-hand panel). The extent of actual uptake of OTC interest rate derivatives offerings varies widely by jurisdiction (right-hand panel): a small number of jurisdictions estimate that the bulk of transactions that can be centrally cleared are in fact being centrally cleared, whereas the estimated central clearing uptake rate is lower for other jurisdictions. This suggests that overall there is some potential for further increases in the extent of central clearing in this asset class at a global level, all else being equal.

Table 7  
**Estimated existing scope for central clearing of OTC interest rate derivatives**

April 2015

	Percent of all new transactions that can be centrally cleared (given current clearing offerings in jurisdiction)					Percent of all new transactions that can be centrally cleared (given current clearing offerings in jurisdiction), that have been centrally cleared				
	0 – 20	20 – 40	40 – 60	60 – 80	80 – 100	0 – 20	20 – 40	40 – 60	60 – 80	80 – 100
AR										
AU	–	–	–	●	–	–	–	–	●	–
BR	–	–	–	●	–	–	●	–	–	–
CA	–	–	–	●	–	–	–	–	–	●
CN	–	–	–	–	●	–	–	–	–	●
EU	–	–	–	●	–	–	–	●	–	–
HK	–	●	–	–	–	–	●	–	–	–
IN	–	–	●	–	–	●	–	–	–	–
ID	●	–	–	–	–	●	–	–	–	–
JP	–	–	●	–	–	–	–	●	–	–
KR	–	–	–	–	●	–	–	–	–	●
MX	●	–	–	–	–	●	–	–	–	–
RU	●	–	–	–	–	●	–	–	–	–
SA	●	–	–	–	–	●	–	–	–	–
SG	–	●	–	–	–	●	–	–	–	–
ZA										
CH										
TR	●	–	–	–	–	●	–	–	–	–
US	–	–	–	–	●	–	–	–	–	●
	0 – 20	20 – 40	40 – 60	60 – 80	80 – 100	0 – 20	20 – 40	40 – 60	60 – 80	80 – 100

Estimates provided by FSB member jurisdictions, using information available as at April 2015. Where it is understood that there is at least some OTC interest rate derivatives activity in a given jurisdiction, but no CCP is authorised to clear such transactions in this jurisdiction, a response of “0–20 %” is indicated.

■ indicates: data not able to be provided (typically because trade reporting requirements are not yet in effect in this asset class).

For jurisdiction codes, see Table 1 on page 3.

Source: FSB member jurisdictions.

### Jurisdiction estimates – other asset classes

For other asset classes, however, estimates suggest that only a small share of new transactions are eligible to be cleared given the current availability of central clearing offerings across jurisdictions. Data availability is more limited across jurisdictions for these asset classes, for a variety of reasons (Table 8). In the case of credit derivatives, only the EU and the US estimate that 40% or more of credit derivatives are eligible to be cleared given current offerings by CCPs authorised in these jurisdictions. For commodity, equity and FX derivatives, estimates suggest that the share of transactions currently eligible to be cleared is in most cases very limited, for both small and large markets.

Table 8

#### **Estimated existing scope for central clearing of other OTC derivatives asset classes**

Percent of all new transactions that can be centrally cleared  
(given current clearing offerings in jurisdiction), April 2015

	Commodity					Credit					Equity					FX				
	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	●	-	-	-	-	-	●	-	-	-	●	-	-	-	-	●	-	-	-	-
CN						●	-	-	-	-						-	-	●	-	-
EU						-	-	●	-	-						●	-	-	-	-
HK																●	-	-	-	-
IN						●	-	-	-	-						-	-	-	●	-
ID	●	-	-	-	-											●	-	-	-	-
JP						●	-	-	-	-	●	-	-	-	-	●	-	-	-	-
KR	●	-	-	-	-	●	-	-	-	-	●	-	-	-	-	●	-	-	-	-
MX	●	-	-	-	-	●	-	-	-	-	●	-	-	-	-	●	-	-	-	-
RU																●	-	-	-	-
SA	●	-	-	-	-	●	-	-	-	-	●	-	-	-	-	●	-	-	-	-
SG						●	-	-	-	-	●	-	-	-	-					
ZA																				
CH																				
TR	●	-	-	-	-	●	-	-	-	-	●	-	-	-	-	●	-	-	-	-
US <sup>a</sup>	●	-	-	-	-	-	-	-	●	-	●	-	-	-	-	●	-	-	-	-
	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 provided by FSB member jurisdictions, using information available as at April 2015. Where it is understood that there is at least some activity in a given asset class in a given jurisdiction, but no CCP is authorised to clear transactions in this asset class in this jurisdiction, a response of “0–20 %” is indicated.

<sup>a</sup> 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.

■ indicates: not applicable / no OTC derivatives transactions in this asset class.

■ indicates: data not able to be provided (typically because trade reporting requirements are not yet in place in this asset class, or because of data aggregation challenges).

For jurisdiction codes, see Table 1 on page 3.

Source: FSB member jurisdictions.



Increased central clearing might be facilitated, for instance, by an expansion in the number of jurisdictions in which existing CCPs are authorised, or by the entry of new CCPs or expansion of existing CCPs' clearing offerings where products are already sufficiently standardised for central clearing to be viable. In other cases, it may be that further progress in the standardisation of particular products should be a focus, in order to facilitate the expansion of the universe of products for which central clearing can be viably offered.

### Other indicators

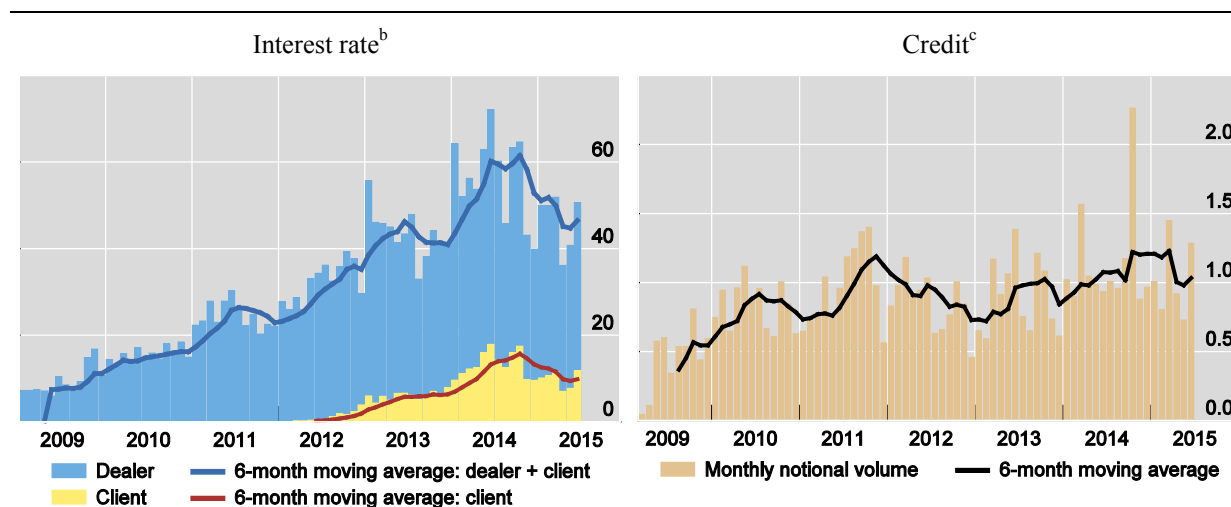
A range of other data sources suggest that, at a global level, there is quite extensive usage of CCPs for OTC interest rate derivative transactions. Aggregate clearing volumes for transactions in this class has averaged around US\$47 trillion per month over H1 2015 for two of the largest CCPs currently authorised to offer central clearing in several jurisdictions (Figure 2). This average monthly volume is three times greater than that seen in the comparable period five years ago for these CCPs.

While the bulk of these CCPs' activity in OTC interest rate derivatives is clearing of inter-dealer transactions, clearing of client transactions in OTC interest rate derivatives has also grown strongly over recent years. Over H1 2015, average monthly volumes cleared on behalf of clients at these two CCPs have been around twice as high as was seen in the comparable period two years ago. For smaller jurisdictions, however, growth in client clearing may not be as strong, due in part to some restricted availability of client clearing offerings (discussed further in Section 3.3).

Central clearing volumes for credit derivatives have also grown in recent years, albeit at a more moderate pace than for interest rate derivatives.

Figure 2  
**Central Clearing Volumes in OTC Derivatives for Selected EU and US CCPs**

Monthly notional amounts<sup>a</sup>, USD trillions



<sup>a</sup> Newly cleared transactions, gross of subsequent netting or compression. <sup>b</sup> All OTC interest rate derivative transactions cleared by CME Clearing and LCH.Clearnet Ltd (SwapClear); assumes all CME Clearing figures are buy-side transactions. <sup>c</sup> All credit derivative transactions cleared by ICE Clear Credit and ICE Clear Europe; all counterparty types.

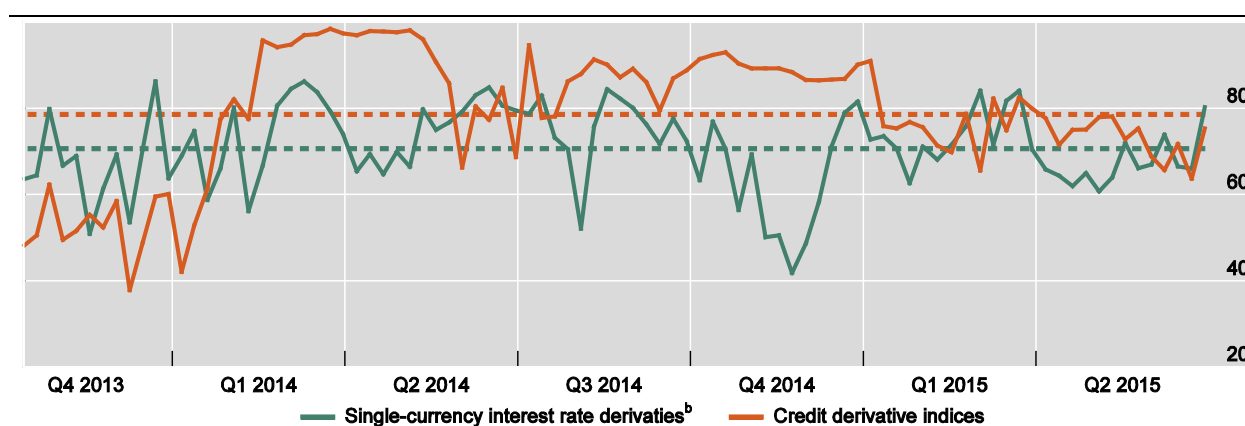
Sources: CME Group; ICE Clear, LCH.Clearnet.

Public information on newly transacted OTC derivatives in the US indicates that, of single-currency interest rate OTC derivatives transactions reported under CFTC trade reporting rules, centrally cleared trades as a percentage of weekly aggregate transaction volume have averaged 71% from Q4 2013 to Q2 2015 (Figure 3). The rate of central clearing of OTC credit derivative indices is even higher, with the equivalent average figure being 79% for the same period.

Figure 3

### Central Clearing of New OTC Derivatives Transactions in the US

Centrally cleared trades as percentage of weekly aggregate transaction volume<sup>a</sup>



Dotted line indicates average from October 2013 to June 2015.

<sup>a</sup> Transactions reported to CME Group SDR, DTCC Data Repository and ICE Trade Vault in accordance with CFTC trade reporting rules. Amounts cleared include both transactions subject to CFTC mandatory clearing requirements and those cleared voluntarily. <sup>b</sup> Excludes cross-currency transactions.

Source: CFTC.

Evidence also suggests wide use of central clearing for interest rate derivatives when measured in terms of notional outstanding amounts, i.e., considering the ‘stock’ rather than the ‘flow’. Based on transactions reported to DTCC by a group of large dealers<sup>10</sup> as at end-June 2015, the gross notional outstanding amount of centrally cleared positions was estimated to be US\$175 trillion across all sub-product types (Figure 4). This represented around 60% of the estimated notional outstanding amount of transactions that could theoretically be centrally cleared, based on the current availability of CCPs that offer clearing services for OTC interest rate derivatives transactions globally, and 48% of all estimated notional outstanding amounts.<sup>11</sup>

<sup>10</sup> The group of dealers voluntarily reporting interest rate derivatives information to DTCC Derivatives Repository Ltd.’s Global Trade Repository for OTC interest rate derivatives products is: Barclays Capital; BNP Paribas; Bank of America – Merrill Lynch; Citibank; Credit Suisse; Deutsche Bank; Goldman Sachs; HSBC; J.P. Morgan; Morgan Stanley; Nomura Securities; Royal Bank of Canada; Royal Bank of Scotland; Société Générale; UBS; and Wells Fargo Bank. Information sourced from: <http://www.dtcc.com/repository-otc-data.aspx?tbid=0#rates>.

<sup>11</sup> These figures have been adjusted for the double-counting of centrally cleared transactions. Comparisons between periods of the relative share of transactions that have been centrally cleared are complicated by a number of factors: for example, the outstanding amount of centrally cleared and of non-centrally cleared transactions at any point in time may be reduced by periodic trade compression (whereby economically redundant transactions can be ‘torn up’ and replaced with a

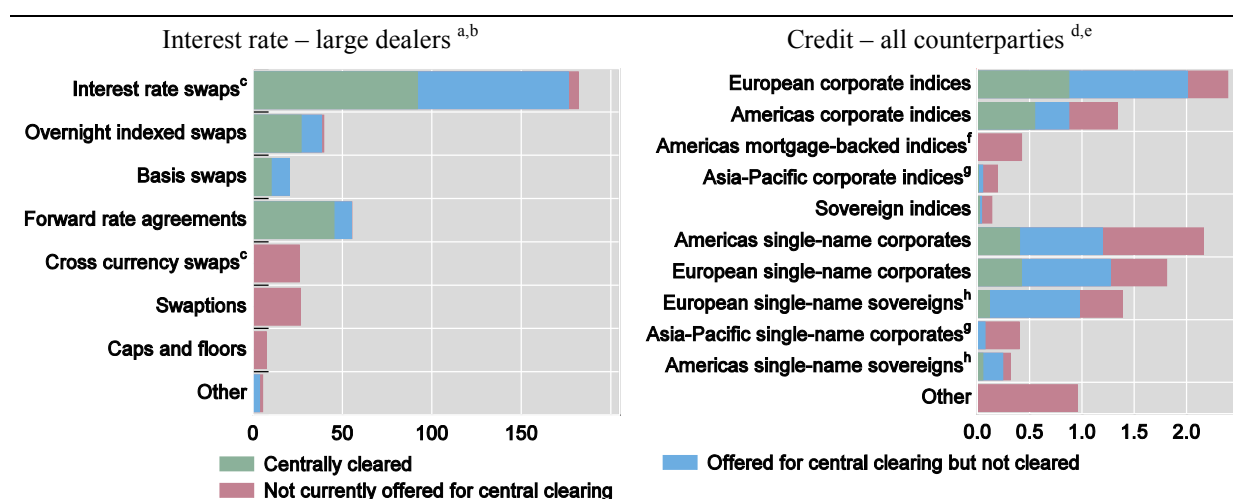
For four of the largest sub-product categories (namely, single-currency interest rate swaps, overnight indexed swaps, basis swaps and forward rate agreements), the current product offerings of CCPs cover more than 95% of notional outstanding amounts; most other sub-product groups (which account for around 20% of these dealers' aggregate notional outstanding amounts) are currently not offered for central clearing.

The gross notional outstanding amount of credit derivatives across all market participants (not just large dealers, and adjusted for double-counting) was an estimated US\$11.5 trillion at end-June 2015.<sup>12</sup> Around US\$6.7 trillion (58% of this total amount outstanding) was estimated to have been centrally clearable given existing credit derivatives clearing offerings of CCPs, while US\$2.4 trillion (21% of the total amount outstanding) had in fact been centrally cleared.

Figure 4

### Central Clearing of OTC Interest Rate and Credit Derivatives by Product Type

Outstanding notional amounts, USD trillions, as at end-June 2015



<sup>a</sup> Estimates based on public trade repository information and present central clearing offerings of Asigna, ASX, BM&F BOVESPA, CCIL, CME, Eurex Clearing, HKEx, JSCC, KDPW, KRX, LCH.Clearnet, Nasdaq OMX, Moscow Exchange, SCH and SGX. Amounts cleared include transactions subject to mandatory clearing requirements in certain jurisdictions and those cleared voluntarily. <sup>b</sup> Adjusted for double-counting of dealers' centrally cleared trades; amounts reported to DTCC by 16 large dealers. <sup>c</sup> Includes vanilla (> 98% of total) and exotic (< 2% of total) products as classified by DTCC. <sup>d</sup> Estimates based on public trade repository information and present central clearing offerings of CME, Eurex Clearing, ICE Clear Credit, ICE Clear Europe, JSCC and LCH.Clearnet. Amounts cleared include transactions subject to mandatory clearing requirements in certain jurisdictions and those cleared voluntarily. <sup>e</sup> Adjusted for double-counting of centrally cleared trades; amounts reported to DTCC for all counterparties. <sup>f</sup> Includes both residential and commercial mortgage-backed indices. <sup>g</sup> Includes corporates for Japan, Asia ex-Japan and Australia/NZ. <sup>h</sup> Includes sovereigns, sub-sovereign states and state-owned enterprises.

Sources: DTCC; various CCPs; FSB calculations.

smaller set of trades); and new CCP product offerings may become available over time, increasing the universe of transactions that could be centrally cleared. Note also that the CCPs used in these calculations are not necessarily authorised for use by all the market participants captured in these data.

<sup>12</sup> Credit derivatives information sourced from DTCC's Trade Information Warehouse, available at: <http://www.dtcc.com/repository-otc-data.aspx?tbid=0#tiw>.

## **2.4 Higher capital requirements for non-centrally cleared derivatives**

As noted in previous progress reports, most FSB member jurisdictions have made changes to their prudential frameworks to require higher capital requirements for non-centrally cleared derivatives. With progress in this area already well advanced, there are no significant regulatory steps to highlight in this commitment area since the November 2014 progress report. The Basel III standards for banks' counterparty credit risk-related capital treatment of centrally cleared and non-centrally cleared derivatives exposures, including final standards for the treatment of banks' exposures to CCPs (and related methodological changes) were published in April 2014. Requirements implementing these standards are expected to start to take effect at the start of 2017, and a number of jurisdictions have noted that they will begin the process of implementing rules consistent with these additional standards in the agreed timeframes. In general, these requirements cover all asset classes, except for a few cases where authority to implement requirements is limited in certain asset classes.

Looking forward, two jurisdictions, Mexico and Turkey, anticipate finalising their implementation in late 2015, bringing the total number of jurisdictions to implement the commitments for at least 90% of their market to 15.<sup>13</sup>

Appendix E provides additional detail regarding planned next steps in the implementation of this commitment area.

## **2.5 Margin requirements for non-centrally cleared derivatives**

The BCBS–IOSCO standards for margin requirements for non-centrally cleared derivatives had initially set out timelines to phase in requirements beginning in December 2015, but in March 2015 these standard-setting bodies delayed the beginning of the phase-in period to September 2016. The delay applies to exchanging both initial margin and variation margin. In addition, the BCBS and IOSCO recommended a phase-in for the exchange of variation margin. This delay provides additional time for market participants to prepare for implementation as well as time to allow for further international coordination in implementation. Market participants have noted that lead time is necessary to implement the national rules once they are finalised. To ensure timely phase-in of the BCBS–IOSCO standards for margin requirements, jurisdictions should finalize their rules taking into account the lead time necessary for market adoption.

Jurisdictions are generally at early stages of implementation of this reform area. An extension of the phase-in period was agreed, in part, to allow time to achieve international implementation of the margin standards consistent with the BCBS–IOSCO margin framework. Eleven member jurisdictions report that they have legislative frameworks or other authority in force or have published frameworks for consultation or proposal to implement this commitment. Several jurisdictions report developing their frameworks consistent with these revised timelines. Although the internationally agreed timetable for these requirements has been delayed by nine months, it is important that jurisdictions take the necessary regulatory steps to ensure these requirements are implemented consistent with the BCBS–IOSCO framework for margin requirements and according to the agreed schedule. As noted in

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<sup>13</sup> Rules are in effect for some market participants in Korea and the US.

prior progress reports, the BCBS and IOSCO established a monitoring group to assess the state of implementation, readiness, and efficacy and appropriateness of the margin requirements across jurisdictions, consistent with the goals set forth in the monitoring and evaluation section of the final margin framework. The monitoring group will continue to monitor ongoing developments in national implementation and update BCBS and IOSCO as necessary in 2015.<sup>14</sup>

Looking forward, most jurisdictions noted that implementation will be aligned with the agreed BCBS–IOSCO phase-in period. During the first half of 2016, for example, four jurisdictions report that they anticipate having requirements in effect consistent with the respective phase-in periods under the BCBS-IOSCO margin framework, and a further five jurisdictions anticipate having rules adopted. By end- 2016, 11 jurisdictions report that they anticipate having rules in force consistent with respective phase-in periods. Some jurisdictions that do not yet have next steps planned have noted that participants in their jurisdictions do not meet certain thresholds that would trigger some margin requirements.

Appendix F provides additional detail regarding jurisdictions’ plans for further implementation.

## **2.6 Exchange and electronic platform trading and market transparency**

### ***2.6.1 Organised trading platforms***

The progress in implementing reforms to require the trading of standardised OTC derivatives on organised trading platforms, where appropriate, continues to be quite uneven – both in the substance of the regulatory frameworks being put in place, and in the timing of implementation. While the majority of jurisdictions have adopted legislative frameworks to support increased use of organised trading platforms for OTC derivatives contracts, where appropriate, as has been the case in previous progress reports, the adoption of specific requirements continues to be limited.

At end-June 2015, only the US had standards or criteria for determining when products should be traded on organised trading platforms in place for over 90% of all transactions. The US has determined that certain specific OTC derivatives contracts (in the interest rate and credit asset classes) should be traded on organised trading platforms, and has requirements in force to ensure platform trading for these transactions. Switzerland reports taking additional steps in its legislative process: the Swiss Parliament has adopted a bill that lays out standards for determining which products should be traded on organised trading platforms. In Mexico, a specific determination was made in May 2015 to define certain MXN-denominated interest rate swaps as standardised, and therefore subject to trading through organised platforms.

Over 2015 and into 2016, a small number of jurisdictions report that they will take additional steps towards implementing legislation or standards for determining when products should be traded on organised trading platforms (Table 9). Specific steps indicated by jurisdictions are as follows: Mexico will publish for consultation proposed standards for determining when

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<sup>14</sup> For example, the monitoring group is monitoring issues related to: whether the margin regime is ‘post-and-collect’ or ‘collect-only’; what constitutes eligible collateral for variation margin; how firms will be phased-in across jurisdictions in a manner consistent with the BCBS–IOSCO margin framework; and how collateral settlement should be timed.

other products are sufficiently standardised and should be traded on organised trading platforms in the third quarter of 2015, and adopt them in fourth quarter of 2015; Japan has consulted on the mandatory use of organised trading platforms for a subset of yen-denominated interest rate swaps, with requirements expected to go into force by September 2015; in the EU, the procedure and criteria applied to determine which derivatives should be traded on trading platforms are in force, and it is expected that a first determination will be adopted in Q1 2016<sup>15</sup>; Singapore anticipates presenting to its Parliament in the first half of 2016 standards for determining when a product should be traded on organised trading platforms; and Australia plans to publish in the second half of 2015 criteria for determining when OTC products should be traded on organised trading platforms.

To ensure this element of the G20 commitment is implemented, 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 where appropriate – even where jurisdictions do not expect any time soon to make determinations to require particular transactions to be traded on organised trading platforms.

Table 9  
**Trade Execution Implementation Timetable**

	End-2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	H1 2016	H2 2016
AR	3	3	3	3	3	3	3
AU	1	1	1	3	3		
BR	1	1	1	1	2		
CA	1	2	2	2	2	2	3
CN	3	3	3	3	3	3	3
EU	3	3	3	3			
HK	1	1	1	1	1	1	1
IN	1	1	1	1	1	1	1
ID	1	1	1	1	1	1	1
JP	1	1	1				
KR						1	1
MX	1	1	1	2	3		
RU							
SA	1	1	1	1	1	1	1
SG	1	1	1	1	1	1	
ZA	1	1	1	1	1	1	1
CH	1	1	1	1	1	3	3
TR	1	1	1	1	1	1	2
US <sup>5</sup>							

For jurisdiction codes and legend, see Table 1 on page 3.

Source: FSB member jurisdictions.

<sup>15</sup> However, any trading obligation would not enter into force before beginning 2017, in line with the entry into force of most of the requirements imposed by MiFID II/MiFIR.

Appendix G provides additional detail on jurisdictions' anticipated regulatory progress in this commitment area. Overall, few significant additional steps are anticipated in the near future across the majority of FSB member jurisdictions. In some cases, authorities have indicated that they are waiting for frameworks to be fully established in the largest jurisdictions before moving ahead with detailed domestic implementation, in order to design domestic regimes that can operate with those in place in large jurisdictions. Several authorities have also noted that, at present, there is insufficient liquidity or market depth for platform trading to be appropriate, and imposing platform trading requirements may damage the functioning of an illiquid market.

### ***2.6.2 Market transparency***

Earlier progress reports have noted the importance of the commitment that standardised OTC derivatives contracts should be traded on organised trading platforms or exchanges, where appropriate, as a means for improving market transparency and assisting in protecting against market abuse.

Few jurisdictions report changes in this area since the November 2014 progress report. In February, the SEC adopted rules related to regulatory reporting and public dissemination (Regulation SBSR) and rules related to TRs; the SEC also proposed additional rules related to regulatory reporting and public dissemination. The European Commission is expected to adopt detailed rules on market transparency, as part of the implementation of MiFID II/MiFIR, by end-2015.

As recommended by the FSB in its October 2010 Report, authorities should explore the benefits and costs of requiring public price and volume transparency of all trades, including for non-standardised or non-centrally cleared products that continue to be traded over-the-counter. IOSCO published in November 2014 a consultation report on the potential impact of post-trade transparency in the credit default swap market and, on the basis of this work, will consider next steps in this area.

### **3. Implementation issues, market developments and international workstreams to meet reform objectives**

#### **3.1 Overview**

Authorities have noted several challenges to the effective implementation of OTC derivatives reforms. Most of these issues have been identified previously, and international workstreams are currently underway to address them, as discussed in prior progress reports. While some issues are specific to OTC derivatives reforms, others also relate to the broader effect of the post-crisis international regulatory reform agenda.

A number of common issues have been noted by authorities, in particular:

- the usability of TR data, including data quality and a capacity to aggregate across TRs; and
- establishing central clearing arrangements, particularly with respect to client clearing.

More generally, several authorities have noted the ongoing need for sufficient cross-border coordination, including regulatory cooperation to address differences in regulatory approaches that may be contributing to the potential for liquidity fragmentation.

The remainder of this section discusses the main issues that have been identified, and describes international workstreams that are underway to respond to these identified issues. Appendix K provides more detail on progress in international regulatory workstreams relevant for OTC derivatives reforms.

#### **3.2 Trade reporting-related issues**

Several authorities continue to note challenges in ensuring the efficacy of trade reporting.<sup>16</sup> These have been discussed in some detail in prior progress reports, and include:

- difficulties with TR data quality, such as the accuracy of information being received and processed by TRs, particularly associated with the absence of Unique Transaction Identifiers (UTI) and Unique Product Identifiers (UPI);
- challenges in aggregating data across TRs (both domestically and cross-border)
- the existence in some circumstances of legal barriers to reporting complete data into a TR (“input barriers”) (e.g. counterparty identity or other identifying data); and
- legal barriers to authorities’ access to TR-held data (“output barriers”).

A number of international workstreams are in place that should in large part address the issues identified above. To ensure adequate coordination of international work on trade reporting, the FSB has agreed on a workplan which includes the following key elements:

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<sup>16</sup> With respect to the credit derivatives asset class, some authorities have noted that reporting seems to have become more fragmented currently than it was when reporting was solely voluntary.



- the FSB will identify the barriers in member jurisdictions to reporting of counterparty information to TRs and to authorities' access to TR-held data, and recommend a deadline for jurisdictions to address them; and
- CPMI and IOSCO will propose for consultation guidance on a global UTI and UPI to help improve TR data quality and facilitate data aggregation.

### ***3.2.1 FSB peer review on trade reporting***

The FSB launched a thematic peer review of trade reporting in late 2014 with the main objectives being to review the comprehensiveness of reporting across jurisdictions, the usability of data, and identify any legal input barriers that prevent or hinder reporting of counterparty information or output barriers that limit authority access to information.

The peer review will also highlight good practices and lessons learned from experience to date, where appropriate, and make recommendations in response to peer review findings to address the identified barriers and practical challenges. The peer review will provide important foundational information for recommendation on changes needed to address input and output barriers as well as for further work on the specific legal and regulatory challenges around data aggregation.

The final report of this peer review is due to be published in October 2015, ahead of the 2015 G20 Leaders' Summit.

### ***3.2.2 CPMI-IOSCO Working group for harmonisation of key OTC derivatives data elements***

CPMI and IOSCO established in November 2014 a harmonisation working group to develop detailed guidance regarding the definition, format and usage of key data elements, which would assist in facilitating the aggregation of data. The guidance will include technical guidance on the form that UTIs and UPIs could take. Establishing identifiers and further standardisation of data is critical in effective monitoring of OTC derivatives transactions, and the FSB strongly supports this work.

In the next months, the harmonisation working group plans to issue consultative documents as follows:

- on guidance for UTIs in August 2015 (with final guidance by early-2016);
- on guidance for UPIs by November 2015 (with final guidance likely to be published in Q2 2016); and
- on the harmonisation of definitions for a first set of key data elements by September 2015 (a second consultative report should be issued by end-2016).

To complement this work, the FSB will begin work in Q3 2015 on potential governance issues related to the implementation of UTIs and UPIs.

### ***3.2.3 Additional international workstreams to address TR related issues***

As noted above, TR reporting-related issues are largely being addressed by the harmonisation working group and the TR peer review. Relatedly, work analysing options for the governance structure for a data aggregation mechanism also is scheduled to start by end-2015. TR peer

review findings on input barriers and output barriers will likely inform this work on governance structures, which will need to consider what potential changes would be needed to address those barriers and create an effective aggregation mechanism.

The OTC Derivatives Regulators Forum's (ODRF) technical working group further complements these workstreams by focusing on data quality and data usage. The technical working group provides a forum for regulators to discuss their use of data, share experiences and support further standardisation of data fields, where needed.

The ongoing implementation monitoring of the CPMI–IOSCO *Principles for Financial Market Infrastructures* (PFMI) also helps to address concerns around coordination needed in the oversight of TRs. The CPMI–IOSCO assessment of 'Responsibilities' under the PFMI covers, among other things, authorities' approaches to cross-border coordination. This assessment of responsibilities is expected to be published in H2 2015. Similarly, assessment of authorities' responsibilities with respect to coordination in CCP oversight is discussed in Section 3.3.3 below.

### **3.3 Central clearing-related issues**

A number of authorities continue to note issues related to central clearing, particularly regarding the availability of, and access to, central clearing. Some authorities have recently noted concerns over the interaction of regulatory requirements affecting central clearing. In addition, several authorities have noted the need to ensure the resilience of CCPs and the importance of adequate CCP recovery mechanisms and resolution regimes. As with trade reporting, international workstreams are largely in place to examine and address issues related to central clearing.

#### ***3.3.1 Availability and access to central clearing***

Some authorities continue to note concerns over the availability of central clearing services, particularly in jurisdictions with smaller OTC derivatives markets. For some jurisdictions with smaller OTC derivatives markets, authorities note that they are largely reliant on CCPs based in foreign jurisdictions – either because CCPs with the largest liquidity pools are based in other jurisdictions, or because the local market is of insufficient size to support a CCP for a particular product. However, given the small size of the markets in some jurisdictions, some authorities have noted that there might not be sufficient commercial incentive for CCPs to offer services in their jurisdiction (for instance, where the costs associated with being authorised and operating in a small jurisdiction outweigh the revenue that may be generated from offering services in that jurisdiction).

Smaller participants have a greater reliance on client clearing services in order to have any access to central clearing. This is particularly an issue in jurisdictions with smaller OTC derivatives markets, though it has also been noted in larger jurisdictions.

#### ***3.3.2 Interaction of regulatory requirements affecting central clearing***

Several authorities have highlighted the need to consider how a range of international regulatory requirements facing CCPs and banks may have an impact on the availability of central clearing. In particular, these authorities note that it is important that requirements operate in concert to meet the policy objectives related to increased uptake of central clearing

of OTC derivatives, while at the same time supporting the resilience, recovery and resolvability of CCPs and enhance the resilience of banks.

Some authorities note that banks are considering how the compound effect of the Basel III leverage ratio and other capital and liquidity requirements may impact existing client clearing business models. Capital requirements and the leverage ratio under the Basel III framework (designed to enhance the resilience of banks), and specific jurisdictional implementation of this framework, have been identified by some authorities as potentially having a dampening effect on the capacity of banks to support central clearing, and in particular client clearing. Some authorities, for example, note that the costs associated with the Basel III leverage ratio affect the cost structure of central clearing, thereby prompting firms to evaluate their business models for client clearing. The relative incentives to post cash versus other types of collateral to CCPs may also be affected. On the other hand, some authorities note that it is not clear what the potential marginal effect of the Basel III leverage ratio is on client clearing. The issues of client cash posted as initial margin and the treatment of segregated client margin under the leverage ratio framework is being reviewed by the BCBS, which expects to provide clarification on this matter during the course of 2015.

### ***3.3.3 International initiatives regarding central clearing***

The FSB, together with BCBS, CPMI and IOSCO, is implementing a workplan with regard to international policy work on resilience, recovery planning, resolvability, and interdependencies with respect to CCPs. These are particularly important as central clearing of OTC derivatives and other types of financial products becomes more widespread. A progress report on this workplan will be provided to the G20 in September 2015.

As part of this work plan, CPMI and IOSCO are carrying out a review of the adequacy of the CPMI–IOSCO PFMI with respect to CCP loss absorption capacity and liquidity, taking into account their implementation. This will cover stress testing of both credit and liquidity risks, initial margin requirements, coverage of the default fund and CCP resources. The review will, among other things, assess whether the standards contained in the PFMI for initial margin methodologies are sufficiently granular and robust.

CPMI–IOSCO are also conducting a stock-take of existing CCP recovery mechanisms to see whether there is a need for more granular standards or guidance for CCP recovery planning, taking into account the existing guidance in the PFMI and the CPMI–IOSCO report entitled, *Recovery of financial market infrastructures*.<sup>17</sup> The CCP workplan notes that CCP recovery plans should be designed to maximise the probability of successful recoveries, while mitigating the risk that recovery actions undertaken by CCPs could result in contagion to other parts of the financial system.

Likewise, to better understand jurisdictions' regulatory frameworks for CCP resolution, the FSB, in close cooperation with CPMI and IOSCO, is undertaking an initial stocktake of existing CCP resolution regimes and resolution planning arrangements. The results of this stocktake will be used as an input in considering the need for further measures in this area.

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<sup>17</sup> <http://www.bis.org/press/p141015.htm>.

Finally, CPMI and IOSCO are continuing their broader work on monitoring the implementation of the PFMI by all types of FMIs, including CCPs. As part of this monitoring, and closely related to (and feeding into) the above review of CCP loss absorption capacity and liquidity, the implementation of PFMI principles concerning the management of financial risks by CCPs is being assessed in detail. Similar to trade reporting (as noted in Section 3.2.3), the ongoing implementation monitoring of the PFMI also includes consideration of how authorities are approaching coordination in the oversight of CCPs.

### **3.4 Cross-border regulatory issues, deference, and related market developments**

#### ***3.4.1 Issues raised by authorities***

Authorities continue to report that satisfactory and timely resolution of cross-border regulatory issues is needed to ensure that reform implementation meets underlying G20 goals. Deference, where appropriate, has been identified as one tool that could help to address certain remaining cross-border conflicts, inconsistencies and duplication in regulatory requirements.<sup>18</sup> In their November 2014 Brisbane summit communiqué, the G20 Leaders stated: “We encourage jurisdictions to defer to each other when it is justified, in line with the St Petersburg Declaration.”<sup>19</sup> The FSB continues to encourage the use of deference as a tool to manage cross-border impacts of reform implementation, when it is justified, in line with the St. Petersburg G20 Leaders’ Declaration in September 2013.

At the time of the September 2014 FSB deference report few deference decisions had been made by jurisdictions.<sup>20</sup> There is a range of views among authorities as to the circumstances under which the use of deference would be justified. Some authorities continue to note that there are difficulties in understanding the processes in place in various jurisdictions for making deference determinations, highlighting the value of bilateral and multilateral discussions in understanding cross-border regulatory issues.

Some authorities continue to be of the view that there is an important relationship between deference and the potential for market fragmentation. In particular, they note that different rates in implementation progress may contribute to fragmentation and/or create opportunities for regulatory arbitrage in the short to medium term. Some authorities note that the absence of deference may contribute to market fragmentation. Other authorities however, note that decisions regarding deference will be conditional on the state of implementation (in substance

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<sup>18</sup> Some authorities take the view that deference is not an objective of reform, but, rather, one of several potential tools that may help cross-border implementation of OTC derivatives reforms better fit together.

<sup>19</sup> November 2014 G20 Leaders’ Brisbane summit communiqué available here: [https://g20.org/wp-content/uploads/2014/12/brisbane\\_g20\\_leaders\\_summit\\_communique1.pdf](https://g20.org/wp-content/uploads/2014/12/brisbane_g20_leaders_summit_communique1.pdf).

Paragraph 71 of the September 2013 G20 Leaders’ St. Petersburg Declaration stated: “We agree that jurisdictions and regulators should be able to defer to each other when it is justified by the 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.” Available at: [https://g20.org/wp-content/uploads/2014/12/Saint\\_Petersburg\\_Declaration\\_ENG\\_0.pdf](https://g20.org/wp-content/uploads/2014/12/Saint_Petersburg_Declaration_ENG_0.pdf).

<sup>20</sup> FSB (2014), *Jurisdictions’ ability to defer to each other’s OTC derivatives market regulatory regimes – FSB report to G20 Finance Ministers and Central Bank Governors*, September; available at: [http://www.financialstabilityboard.org/publications/r\\_140918.pdf](http://www.financialstabilityboard.org/publications/r_140918.pdf). As noted in that report, some jurisdictions reported that they did not yet have the relevant authority to exercise deference in some areas. As such, more work may be needed in some jurisdictions to put in place deference authority.

and/or timing) of another jurisdiction's regulatory regime, potentially limiting the cases where deference can be a tool for resolving cross-border regulatory issues. Some authorities have noted that the IOSCO cross-border regulatory toolkit sets out options, in addition to deference, for addressing cross-border impacts of regulation (described in further detail below).

### **3.4.2 Deference measures by FSB member jurisdictions in OTC derivatives regulation**

In the FSB's September 2014 report on deference, it was noted that several jurisdictions had taken concrete steps regarding deference policies and procedures. Of the 14 FSB member jurisdictions that reported having some authority to exercise deference, all reported that they had a framework for deference in place with respect to infrastructure providers. As of July 2014, three jurisdictions reported having some specific deference arrangements in place (Australia, Canada and the US (CFTC)).

Since the publication of the FSB's deference report in September 2014, Australia and Canada added additional deference arrangements and the European Commission granted deference to a number of jurisdictions with respect to regulatory regimes for CCPs. A list of deference arrangements authorised to date is set out in Table 10 below.

Table 10  
**FSB member jurisdictions' deference decisions**  
OTC derivatives-related regulatory arrangements as of end-June 2015

<b>Jurisdiction making deference decision</b>	<b>Regulatory requirement category</b>	<b>Jurisdiction receiving deference</b>
Australia	<i>Transaction reporting requirements</i>	<i>Canada, EU, Hong Kong, Japan, Singapore, US</i>
	Regulatory regime for CCPs	EU, US
	Regulatory regime for TRs	EU, Hong Kong, Japan, Singapore, US
	Regulatory regime for market participants	Germany, Hong Kong, Singapore, UK, US
Canada	<i>Transaction reporting requirements</i>	<i>EU</i>
	Regulatory regime for CCPs	UK, US
<i>EU</i>	<i>Regulatory regime for CCPs</i>	<i>Australia, Hong Kong, Japan, Singapore</i>
US (CFTC)	Regulatory regime for market participants	Australia, Canada, EU, Hong Kong, Japan, Switzerland

New deference decisions since publication of FSB September 2014 report indicated in italics. Specific requirements under each broad category vary across jurisdictions.

Source: FSB member jurisdictions.

In addition to these specific deference arrangements, in February 2015 the US SEC adopted rules that established a procedure for requests for substituted compliance for foreign regulatory regimes for reporting and public dissemination requirements.

More broadly, it remains the case that jurisdictions' capacity to defer to one another is uneven across jurisdictions and reform areas. Nine jurisdictions currently report that they have a capacity to defer to other jurisdictions with respect to a variety of regulatory arrangements associated with OTC derivatives markets – mainly authorisation of market infrastructure, and transaction-level derivatives requirements. On the other hand, five jurisdictions report that they do not currently have authority to exercise deference, though two of these (Russia and South Africa) are exploring where such authority could be put in place.

### ***3.4.3 International workstreams to promote cross border coordination***

#### ***3.4.3.1 IOSCO Task Force on Cross-Border Regulation***

As noted in previous progress reports, IOSCO has established a Task Force on Cross-Border Regulation, with a mandate to study, consider and describe cross-border regulatory tools with a view to:

- developing a Tool Kit (and common nomenclature) about regulatory options for use by IOSCO members;
- describing issues and experiences with the use of those techniques; and
- laying a foundation, if appropriate, for the development of guidance to achieve the co-ordinated use of the Tool Kit.

A consultation paper summarising and building on the findings of the survey and roundtables was issued in November 2014. The Task Force is currently reviewing feedback received and is drafting the final report, which is expected to be published by end-2015.

### ***3.4.4 OTC Derivatives Regulators Group***

The OTC Derivatives Regulators Group (ODRG) has continued to work on cross-border implementation issues. The ODRG provided a report on its progress to the G20 Leaders in November 2014.<sup>21</sup> That report discussed how the ODRG has addressed or intends to address identified cross-border issues since the St. Petersburg G20 Leaders' Summit, and outlines continuing areas of work for the ODRG. A focus of the ODRG has been the issue of deference, in line with the G20 Leaders' St. Petersburg and Brisbane declarations.

In the context of its work to implement understandings in the area of equivalence, substituted compliance, and other areas such as registration categories and exemptions, the ODRG has been considering how deference to foreign regimes may work in practice. The ODRG has been working on practical aspects of deference for CCPs, building on the survey work of the FSB. It also has identified differences in the legal authority, policy objectives and approaches to whether and how deference should be used.

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<sup>21</sup> Report of the OTC Derivatives Regulators Group (ODRG) to G20 Leaders on Cross-Border Implementation Issues, November 2014; available at [http://www.cftc.gov/ucm/groups/public/@internationalaffairs/documents/file/oia\\_odrgreport20\\_1114.pdf](http://www.cftc.gov/ucm/groups/public/@internationalaffairs/documents/file/oia_odrgreport20_1114.pdf).

There has been further substantial progress in implementing OTC derivatives reforms within ODRG jurisdictions, and continued bilateral progress in addressing cross-border issues among them.

The ODRG will report to the G20 Leaders on progress in cross-border implementation issues in connection with their November summit.

### 3.5 Other implementation issues

A number of authorities have noted areas where they consider it important for internationally consistent approaches, to help ensure effective implementation and to avoid cross-border regulatory frictions or opportunities for regulatory arbitrage.

- An example noted by an authority is the implementation of IOSCO's *Risk Mitigation Standards for Non-centrally Cleared OTC Derivatives*, which were finalised in January 2015.<sup>22</sup>
- Several authorities noted that it will be important that jurisdictions' implementation of margin requirements is consistent with the BCBS–IOSCO standards for margin requirements for non-centrally cleared derivatives, both in substance and timing. Absent coordinated implementation that is consistent with the BCBS–IOSCO standards for margin requirements, opportunities for arbitrage as well as market fragmentation can arise. Authorities report that some differences in approaches to implementing the BCBS–IOSCO margin framework already exist in the draft jurisdictional rules, though it may not be the case that every difference leads to issues such as noted above (i.e. different approaches may still result in outcomes consistent with the BCBS–IOSCO standards for margin requirements). One authority has also noted the importance of addressing the potential for pro-cyclicality in margin models. As described in Section 2.5, the BCBS–IOSCO monitoring group is actively monitoring ongoing developments in jurisdictional implementation, including the consistency of jurisdictions' implementation with the BCBS–IOSCO margin standards, as well as issues arising during this implementation process.

Some authorities continue to note the importance of increasing product standardisation, in order to expand the product universe that is sufficiently standardised to support central clearing and/or trading on organised trading platforms. To that end, authorities should continue to encourage the industry to voluntarily work towards promoting standardised products in advance of regulatory mandates. Banks may not be making sufficient strides, either internally or with counterparties, to explore and promote ways to increase the use of standardised products. It was noted that this lack of progress is holding back the expansion of the product universe that is sufficiently standardised to support central clearing and/or trading on organised trading platforms.

One authority noted that jurisdictions should consider how real-time reporting through TRs of certain products can be a significant benefit to the G20 reform objective of increased transparency in OTC derivatives markets.

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<sup>22</sup> See IOSCO (2015), *Risk Mitigation Standards for Non-centrally Cleared OTC Derivatives*, January; available at: <https://www.iosco.org/library/pubdocs/pdf/IOSCOPD469.pdf>.

It was also noted that, with regulatory changes, third-party vendors are beginning to provide new client services to firms (i.e. firms are outsourcing services), with respect to both centrally cleared and non-centrally cleared transactions. There is an increasing need to understand firms' underlying workflows as they utilise third-party vendors to meet regulatory requirements. Some authorities have called for increased monitoring for any new risks associated with the use of such outsourcing.



## Appendix A: Changes to classification scheme for monitoring jurisdictional regulatory reform implementation

For this ninth report on progress in OTC derivatives market reforms, a revised approach has been adopted in the presentation of jurisdictional regulatory reforms, as set out below, and used throughout Section 2.<sup>23</sup>

### Jurisdictional reform implementation classification scheme

As used in section 2 of this report

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

For the blue category, the threshold of 90% should be interpreted as an indication that requirements are in place that cover *substantially all* transactions, rather than a precisely calculated figure. Where jurisdictions are classified in this category, this reflects their self-assessment based on their understanding of the coverage of requirements *vis-à-vis* their local market, which in turn has been judged based on a variety of data sources and estimation techniques.

<sup>23</sup> An implementation monitoring sub-group was established to review the application of this revised approach across FSB member jurisdictions. This sub-group was chaired by the FSB secretariat, and comprised the following members: Tim Clausen (Bank of England); Melissa D'Arcy (US CFTC); Kateryna Imus (US SEC); John Kiff (IMF); Polly Lee (HKMA); Vanessa Lee (FRBNY); Hiroyuki Tsurino (Japan FSA); Matthias Wohlfahrt (BaFin).

For central clearing and platform trading, additional information is reported in Section 2 for jurisdictions where a determination has been made that certain transactions should be centrally cleared and/or traded on organised trading platforms, and requirements are in force to ensure central clearing and/or platform trading for these transactions. Similar information is not reported for trade reporting, or higher capital and margin requirements for non-centrally cleared transactions, since requirements in these areas are expected to apply to *all* OTC derivatives transactions.

The key differences in the revised scheme compared with the scheme used in the November 2014 progress report are as follows:

- overall fewer colours and regulatory steps, while still preserving capacity to differentiate status across jurisdictions in each reform area;
- the scheme is designed to have a straightforward application to both jurisdictions with large sophisticated OTC derivatives markets and to those with little OTC derivatives market activity.

This revision continues a pattern of evolution in how the FSB has been reporting on jurisdictional reform implementation since the first of its progress reports in 2011.

In addition to information on regulatory steps being taken within jurisdictions, for this progress report the FSB collected a range of quantitative indicators on reform progress, which are presented and discussed in Section 2. A key objective of these additional quantitative indicators is to advance the FSB's capacity to report on the effects of OTC derivatives reforms, as part of the FSB's broader efforts to regularly report to the G20 on financial regulatory reform implementation and the effects of reforms. Calculating such quantitative indicators would ideally be based on transactions reported to TRs. However, in several jurisdictions trade reporting is not yet in place or is still in initial phases. Even where trade reporting is more advanced, many jurisdictions have found it difficult to collate and analyse TR data for the purposes of calculating such quantitative indicators. As such, the quantitative indicators that have been presented reflect a range of data sources and estimation techniques, and are unlikely to be strictly comparable across jurisdictions and reform areas. Nevertheless, the quantitative indicators are useful in giving a broad sense of market developments, and form a basis for tracking trends over time. The FSB will work with jurisdictions to improve the quality of these quantitative indicators in subsequent reports.

## Appendix B: Estimated size of OTC derivatives markets across FSB member jurisdictions

Total notional outstanding amounts for all OTC derivatives, USD, April 2015

	Commodity					Credit					Equity					FX					Interest Rate				
	< 50 bn	50 bn to 500 bn	500 bn to 5 tn	5 tn to 50 tn	> 50 tn	< 50 bn	50 bn to 500 bn	500 bn to 5 tn	5 tn to 50 tn	> 50 tn	< 50 bn	50 bn to 500 bn	500 bn to 5 tn	5 tn to 50 tn	> 50 tn	< 50 bn	50 bn to 500 bn	500 bn to 5 tn	5 tn to 50 tn	> 50 tn	< 50 bn	50 bn to 500 bn	500 bn to 5 tn	5 tn to 50 tn	> 50 tn
AR											●	-	-	-	-										
AU	-	●	-	-	-	-	●	-	-	-	●	-	-	-	-	-	●	-	-	-	-	-	-	●	-
BR	●	-	-	-	-						●	-	-	-	-	-	●	-	-	-	-	●	-	-	-
CA	-	●	-	-	-	-	●	-	-	-	-	●	-	-	-	-	●	-	-	-	-	-	-	●	-
CN						●	-	-	-	-	●	-	-	-	-	-	●	-	-	-	-	●	-	-	-
EU	-	-	●	-	-	-	-	-	●	-	-	-	-	●	-	-	-	-	-	●	-	-	-	-	●
HK	●	-	-	-	-	●	-	-	-	-	-	●	-	-	-	-	-	●	-	-	-	-	●	-	-
IN						●	-	-	-	-						-	●	-	-	-	-	●	-	-	-
ID	●	-	-	-	-											-	●	-	-	-	-	●	-	-	-
JP						-	●	-	-	-	-	●	-	-	-	-	-	●	-	-	-	-	-	●	-
KR	●	-	-	-	-	-	●	-	-	-	-	●	-	-	-	-	-	●	-	-	-	-	●	-	-
MX	●	-	-	-	-						●	-	-	-	-	-	●	-	-	-	-	-	●	-	-
RU	●	-	-	-	-	●	-	-	-	-	●	-	-	-	-	-	-	●	-	-	-	●	-	-	-
SA																-	●	-	-	-	-	-	●	-	-
SG						-	●	-	-	-												-	-	●	-
ZA	●	-	-	-	-	●	-	-	-	-	●	-	-	-	-	-	●	-	-	-	-	●	-	-	-
CH	-	●	-	-	-	-	-	●	-	-	-	●	-	-	-	-	-	●	-	-	-	-	●	-	-
TR	●	-	-	-	-	●	-	-	-	-	●	-	-	-	-	-	●	-	-	-	-	●	-	-	-
US <sup>a</sup>	-	-	●	-	-	-	-	-	●	-	-	●	-	-	-	-	-	●	-	-	-	-	-	-	●
	< 50 bn	50 bn to 500 bn	500 bn to 5 tn	5 tn to 50 tn	> 50 tn	< 50 bn	50 bn to 500 bn	500 bn to 5 tn	5 tn to 50 tn	> 50 tn	< 50 bn	50 bn to 500 bn	500 bn to 5 tn	5 tn to 50 tn	> 50 tn	< 50 bn	50 bn to 500 bn	500 bn to 5 tn	5 tn to 50 tn	> 50 tn	< 50 bn	50 bn to 500 bn	500 bn to 5 tn	5 tn to 50 tn	> 50 tn

Estimates based on each jurisdiction's own assessment, using information available as at April 2015.

■ indicates: not applicable / no OTC derivatives transactions in this asset class.

■ indicates: data not able to be provided.

<sup>a</sup> The US categorisation for the equity asset class reflects only CFTC data.

For jurisdiction codes, see Table 1 on page 3.

Source: FSB member jurisdictions.

## Appendix C: Timetable for implementation of trade reporting commitment

Timetable for implementation of trade reporting commitment including descriptions of planned next steps (where provided)

	End-2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	H1 2016	H2 2016
AR	3 Legislative framework or other authority is in force and, with respect to at least some transactions, standards/requirements have been adopted.	3	3	3	3	3	3
AU	3 Reporting entities with ≥ \$50bn OTC notional outstanding required to report credit, interest rate, commodity, equity and FX derivatives.	3	Reporting entities with between \$5 and \$50bn OTC notional outstanding (Phase 3A) required to report credit and interest rate derivatives.		Phase 3A reporting entities required to report remaining determined asset classes (equity, FX and non-electricity commodity derivatives). Entities with less than \$5bn OTC notional (Phase 3B) outstanding, are the final group of reporting entities and, subject to eligible exceptions, will commence reporting in credit, interest, equity, FX and non-electricity commodity derivatives.		
BR							
CA	A reporting counterparty that is not a derivatives dealer or a recognized or exempt clearing agency is not required to report until June 30, 2015.						Reporting requirements in effect in remaining provinces.
CN							
EU							
HK	3 Issued consultation conclusion in Nov 2014; finalise the rules on reporting and related record keeping obligation in phase 1	3	3 Submit the finalised reporting and related record keeping rules for phase 1 for negative vetting by Legislative Council (LegCo)	3 Consultation on the expanded scope for reporting requirements	3	3	Reporting requirements on the expanded scope expected to commence

**Timetable for implementation of trade reporting commitment including descriptions of planned next steps (where provided)**

	End-2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	H1 2016	H2 2016
IN							
ID							
JP							
KR	Operating a Working Group for introducing TR				Review draft amendment of FSCMA for introducing TR		
MX		Regulation to require local CCPs to provide TR services for cleared transactions and to accept reports received from entities who voluntarily report to come into force February 2015.				The information requirement of Banco de México regarding credit derivatives is currently in place, and it will become effective in Q1 2016	
RU	Regulation regarding trade reporting of OTC derivatives is adopted (No. 3253-U, 3382-U). Since October 2014 TR is mandatory for all market participants specified by point 1.1 of Ordinance No. 3253-U, who is engaged in contracts under master agreement in asset class of FX swap (and REPO). Reports are to be sent to trade repositories in 10 days after trade conclusion, execution or termination. Trade repositories are requested to maintain register of OTC contracts. Regarding 3382-U, information on other unmatured OTC derivatives that started from August 11th 2011 but before TR agreement came in effect, should be also reported to trade repositories before April the 1st 2015.	Starting from 1 January 2015, LEI is a mandatory part of on-boarding process to TR. (An agreement on TR services between trade repository and market participant cannot be concluded without LEI.) Reporting to trade repository is mandatory for relevant market participants in FX swaps and REPO for contracts under general agreement. Regarding Ordinance No.3567-U, information on other unmatured OTC derivatives that started from August 11th 2011 but before TR agreement came in effect, should be also reported to trade repositories before October the 1st 2015.	Regarding Bank of Russia Ordinance No. 3567-U, the deadline of providing to a trade repository information on all the derivative contracts under master agreement is postponed from April, 1st 2015 to October, 1st 2015.	Regarding Bank of Russia Ordinance No. 3567-U, LEI is mandatory to trade reporting for entities specified by point 1.1. of Bank of Russia Ordinance No. 3253-U	Since October, 1st 2015 trade reporting is mandatory for all OTC derivative contracts under master agreement.		UTI is mandatory to trade reporting from July, 1st 2016.
SA							

**Timetable for implementation of trade reporting commitment including descriptions of planned next steps (where provided)**

	End-2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	H1 2016	H2 2016
SG	3	3	Reporting of FX derivatives commenced			Reporting of remaining asset classes (equity and commodity) to be effective.	
ZA	2 In addition to the draft OTC regulations of South Africa, a Board Notice has been drafted that addresses Reporting Obligation with regards to Trade Repository(s).	2	2	3	3	3 Anticipate reporting of interest rate derivatives will begin by March 2016. Phasing in of other transactions expected to be completed by H1 2017	3
CH	1 On trade reporting, the answers provided in question 2 refer to the new framework that will cover ALL derivatives transactions. Irrespective of this reform, there is a framework in place that covers some OTC transactions. For derivatives that are accepted for trade at a Swiss exchange, OTC transactions of those products have to be reported as well (to the exchange, not a TR). We cannot indicate what fraction of OTC derivatives is covered by the current framework, but it is clearly well below 90%.	1 The existing framework covering some OTC transactions is in force, the new bill was in parliament during the 2015 spring and summer sessions.	1 The new bill was in parliament during the 2015 spring and summer sessions.	1 The existing framework covering some OTC transactions is in force, the new bill is adopted.	1 The existing framework covering some OTC transactions is in force, the new bill is adopted and implementing regulation is anticipated to be adopted.	3 Legislation and implementing regulation anticipated to enter in force, replacing current framework	Reporting requirements anticipated to be phased in, replacing current requirements
TR	1 Legislative framework for TRs is in force but secondary regulations have not been finalized yet. Authorization of Central Registration Agency (CRA) to operate as TR has been assessed by CMB	1 Authorization of CRA to operate as a TR in Turkey has been submitted by CMB to National Financial Stability Board (NFSB) for consultation and the authorization of CRA has been received favourably by NFSB.	1 CRA has been authorized to operate as a TR as of 3rd of April 2015. It is planned to publish The Implementing Regulation on Procedures Concerning TR's Activities for public consultation or proposal.	1 It is planned to publish the Communiqué on Reporting Obligations to TRs for public consultation or proposal.	3 The Implementing Regulation on Procedures Concerning TR's Activities and The Communiqué on Reporting Obligations to TRs are planned to be finalized and adopted	3 Once The Implementing Regulation on Procedures Concerning TR's Activities and The Communiqué on Reporting Obligations to TRs are adopted, first reporting of transactions are expected to take place	Reporting requirements and standards are expected to apply to over 90 % of transactions.

**Timetable for implementation of trade reporting commitment including descriptions of planned next steps (where provided)**

	End-2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	H1 2016	H2 2016
US <sup>5</sup>	CFTC: As of end-2013, the CFTC had implemented reporting to trade repositories for all asset classes for both regulatory and real-time public reporting purposes.	SEC: In February the SEC adopted rules related to SB SDRs and rules related to regulatory reporting and public dissemination (Regulation SBSR). The SEC proposed rules and guidance related to compliance dates and reporting duty for transactions that result from clearing or trading platform execution.	SEC: Regulation SBSR enters into effect. Comment period for proposed rules and guidance related to compliance dates and reporting duty scheduled to close.			SEC: Compliance with SEC rules for TRs required by March 18, 2016.	

For jurisdiction codes and table legend, see Table 1 on page 3.

Source: FSB member jurisdictions.

## Appendix D: Timetable for implementation of central clearing commitment

Timetable for implementation of central clearing commitment, including descriptions of planned next steps (where provided)

	End-2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	H1 2016	H2 2016
AR	3	3	3	3	3	3	3
AU	In May 2013, the Australian regulators published a Statement on Assessing the Case for Mandatory Clearing Obligations. This statement sets out the factors that would be considered by the Australian regulators in providing advice to the Minister on the product and entity scope of any mandatory central clearing requirement.		In May 2015, the Australian Government released for consultation a draft Ministerial determination mandating central clearing for OTC interest rate derivatives denominated in Australian dollars, US dollars, euros, Japanese yen and British pounds and draft regulations introducing a mandatory central clearing regime in Australia. At the same time, ASIC released for consultation draft detailed rules in relation to the application of a clearing obligation on internationally active dealers in G4 currency and Australian dollar OTC interest rate derivatives transactions.	The final Ministerial Determination, regulations and ASIC rules are expected to be made.		Mandatory clearing obligations are expected to come into effect in H1 2016.	
BR	The Joint Decision n° 18, issued in 2013, created a working group where the BCB and CVM periodically assess the systemic risk posed by OTC derivatives not centrally cleared in order to decide whether these transactions should be centrally cleared or not. The analysis is based on the contagion effect in case of default of the counterparties of the derivative contract on the financial system. The assessment in this period deemed that these			The 2nd assessment report is expected to be concluded by the end of July.			



**Timetable for implementation of central clearing commitment, including descriptions of planned next steps (where provided)**

	End-2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	H1 2016	H2 2016
	transactions do not pose material risk to the financial system.						
CA	2	3 OSFI issued final version of Derivatives Sound Practices Guideline, which requires FRFIs to centrally clear standardized derivatives where practicable. The provincial securities regulators published Draft National Instrument 94-101 respecting Mandatory Central Counterparty Clearing of Derivatives for comment.	3	3	3 The provincial securities regulators anticipate publishing the final National Instrument 94-101 respecting Mandatory Central Counterparty Clearing of Derivatives	3 Provincial central clearing requirements in effect for the most active market participants in the derivatives market. Product determinations made, if necessary.	OSFI and provincial central clearing requirements in effect for all entities within scope of the respective standards. Product determinations in force and ongoing market assessment in effect.
CN	Shanghai Clearing House launched CCP clearing for RMB FX derivatives on 3 Nov 2014 as approved. Shanghai Clearing House launched CCP clearing services of RMB Iron & Ore Swap, and RMB Steam Coal Swap on Aug 2014	Shanghai Clearing House launched FCP (Free-trade-zone Copper-premium Swap) on Feb 2015.	Shanghai Clearing House launched CCP clearing service for standardised bond forward and IRS in April 2015				
EU	EMIR and relevant technical standards define the criteria to be taken into account by ESMA in order to determine whether a specific class of derivatives should be subject to a clearing obligation. ESMA has proposed to determine several IRS derivative classes suitable for a central clearing obligation on the first of October and consulted on CDS classes	ESMA decided not to propose a clearing obligation on FX non-deliverable forwards derivatives at this stage.	ESMA consults on the mandatory clearing of additional IRS classes.	Commission is expected to adopt a first clearing obligation on IRS and likely to adopt a clearing obligation on CDS. Depending on its assessment, ESMA could propose additional IRS classes for mandatory clearing		Entry into force of the clearing obligations, according to a phase-in by type of counterparty.	

**Timetable for implementation of central clearing commitment, including descriptions of planned next steps (where provided)**

	End-2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	H1 2016	H2 2016
HK	<p align="center">1</p> <p>The Securities and Futures (Amendment) Ordinance 2014 (SFAO) which gives the regulators the power to impose mandatory clearing obligation, was passed by the Legislative Council in March 2014, and gazetted in April 2014.</p>	1	1	<p align="center">2</p> <p>Hong Kong will introduce mandatory clearing obligations in phases by different types of market participants. Hong Kong aims to issue for consultation in Q3 2015 the draft rules and clearing determination of the first phase of clearing requirements which will apply to certain transactions between major dealers.</p>	<p align="center">2</p> <p>Hong Kong aims to issue consultation conclusions on the first phase of clearing requirements and draft clearing and related record-keeping rules around Q4 2015.</p>	<p align="center">2</p> <p>Hong Kong aims to submit the finalised clearing and related record keeping rules for phase 1 for negative vetting by Legislative Council (LegCo)</p>	Clearing requirements for certain transactions between major dealers to commence
IN	<p align="center">3</p> <p>Central Clearing in FX forwards was made mandatory in Q2 2014</p>	3	<p align="center">3</p> <p>For FX swaps, optional guaranteed central clearing facility is already in place.</p>	<p align="center">3</p> <p>Based on the experience of central clearing of IRS trades, a decision that will mandate this will be taken by 2015.</p> <p>With respect to currency, if the market develops for IRS in foreign currency and IRS option in foreign currency sufficiently by 2015, then mandatory CCP clearing will be introduced for this segment. The same applies to the CDS market as well. If the market develops adequately by 2015, then CCP based CDS contracts may be introduced by end-2015.</p> <p>Introduction of CCP clearing for FX options would be reviewed by March 2015, subject to improvement in liquidity</p>	3	3	3

**Timetable for implementation of central clearing commitment, including descriptions of planned next steps (where provided)**

	End-2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	H1 2016	H2 2016
ID	3	3	<p align="center">3</p> <p>An economic incentive in accordance with Basel III requirements remains the preferred approach to be introduced for non-cleared OTC derivatives transactions.</p> <p>A feasibility study on CCP requirements that are commensurate with the development level of OTC derivatives markets in Indonesia will be considered.</p>	3	3	3	3
JP		JFSA expanded the scope of entities subject to central clearing obligation to Financial Instruments Business Operators (FIBOs) and Registered financial Institutes (RFIs) with the outstanding transaction volume of no less than JPY 1 trillion from 1 December 2014.				JFSA will expand the scope of entities subject to central clearing obligation to FIBOs and Registered financial Institutes (RFIs) with the outstanding transaction volume of no less than JPY 300 billion from 1 December 2015.	
KR	<p align="center">3</p> <p>Launched CCP-clearing.</p>	3	3	3	3	3	
MX	1	1	<p align="center">1</p> <p>Regulation determining standardised OTC contracts and the central clearing mandate issued in April 2015</p>	<p align="center">2</p> <p>Standards criteria to be published for consultation with major stake holders.</p>	<p align="center">3</p> <p>Standards criteria to be published</p>	Mandatory central clearing for banks and brokerage firms' transactions between them and with local institutional investors expected to come into force.	Mandatory central clearing for banks and brokerage firms' transactions with foreign financial institutions and institutional investors expected to come into force
RU	2	2	<p align="center">2</p> <p>In accordance with Ordinance of the Bank of Russia No. 3459-U from 30.11.2014 that enters into force on 01.04.2015, non-credit CCP are obliged to provide data disclosures</p>				

**Timetable for implementation of central clearing commitment, including descriptions of planned next steps (where provided)**

	End-2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	H1 2016	H2 2016
			on OTC derivative contracts for members, affiliates, management structure, organizational structure and financial situation.				
SA	1	1	1	1	1	1	1
SG			MAS has consulted on implementing mandatory clearing for OTC interest rate derivatives denominated in SGD and USD, as well as draft regulations operationalising the regime. .		Central clearing requirements expected to commence.		
ZA	1	1 Ongoing market assessment to determine whether further obligations are required.	2	2	3	3	3
CH	1 The draft bill was submitted to parliament on 3 September	1 The new bill was in parliament during the 2015 spring and summer sessions	1 The new bill was in parliament during the 2015 spring and summer sessions.	1 The new bill is adopted	1 The new bill is adopted and implementing regulation is anticipated to be adopted	3 Legislation and implementing regulation anticipated to enter in force	Clearing requirements anticipated to be phased in
TR	1 Takasbank acts as a CCP in the Exchange Istanbul Futures and Options Market and Takasbank's Stock Borrowing and Lending Market.	1 The work in progress for which OTC product to require central clearing	1	1	1	1	3 The regulations are anticipated to be finalized and made public for consultation

**Timetable for implementation of central clearing commitment, including descriptions of planned next steps (where provided)**

	End-2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	H1 2016	H2 2016
US <sup>5</sup>	<p><u>CFTC</u>: As of end-2013, the CFTC had implemented mandatory clearing for certain classes of interest rate swaps denominated in USD, EUR, GBP, and JPY, as well as certain North American and European credit default swap indices.</p> <p><u>SEC</u>: In June 2012, the SEC adopted rules governing submission of information about security-based swaps that a CCP intends to accept for central clearing, which will aid the SEC in determining whether such security-based swaps are required to be centrally cleared. In October 2012 the SEC adopted rules governing operation and risk management standards for registered clearing agencies, including registered CCPs. In March 2014, the SEC proposed rules that would apply to the operation, governance and risk management of covered clearing agencies, which would include certain designated systemically important clearing agencies and clearing agencies that clear SBS swaps</p>						

For jurisdiction codes and legend, see Table 1 on page 3.

Source: FSB member jurisdictions.

## Appendix E: Timetable for implementing capital requirements for non-centrally cleared derivatives

Timetable for implementing capital requirements for non-centrally cleared derivatives, including descriptions of planned next steps (where provided)

	End-2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	H1 2016	H2 2016
AR							
AU							
BR		Revision of current requirements and drafting of new rules by the BCB for the implementation of the new counterparty credit risk framework SA-CCR				SA- CCR rules are expected to be in force for OTC derivatives transactions	
CA							
CN	1	1	1	1	1	1	1
EU							
HK	With respect to banks, develop policy proposals for implementation of the Basel final standards on standardised approach for measuring counterparty credit risk exposures and capital requirements for bank exposures to CCPs published in 2014  In respect of SFC-licensed corporations, develop policy proposals for applying higher capital requirements for non-cleared OTC derivative transactions.			In respect of banks, to issue policy proposals for consultation and propose legislative changes to local rules for implementation of the Basel final standards on standardised approach for measuring counterparty credit risk exposures and capital requirements for bank exposures to CCPs published in 2014, taking into account comments received  In respect of SFC-licensed corporations, to issue public consultation and to develop legislative amendments for applying higher capital requirements for non-cleared OTC derivative transactions.	In respect of banks, to issue policy proposals for consultation and propose legislative changes to local rules for implementation of the Basel final standards on standardised approach for measuring counterparty credit risk exposures and capital requirements for bank exposures to CCPs published in 2014, taking into account comments received  In respect of SFC-licensed corporations, to issue public consultation and develop legislative amendments for applying higher capital requirements for non-cleared OTC derivative transactions	Consultation on proposed legislative changes for both banks and SFC-licensed corporations.	Submit legislative changes to the Legislative Council for negative vetting for both banks and SFC-licensed corporations.
IN							

**Timetable for implementing capital requirements for non-centrally cleared derivatives, including descriptions of planned next steps (where provided)**

	End-2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	H1 2016	H2 2016
ID	1 Preliminary Study Conducted	1	1 A preliminary study of the requirement by BI has been completed in 2014 and has been presented to relevant authorities. Further deliberations will be conducted to discuss possible follow up options.	1	1	1 For the time being, an economic incentive in accordance with Basel III requirements is the preferred approach to be introduced for non-cleared OTC derivatives transactions. A feasibility study to introduce CCP requirements commensurate with the development level of OTC derivatives markets in Indonesia will be considered.	1
JP	Reduced regulatory capital required for CCP-clearing transactions						
KR	3 Rules on capital requirements for Banks exposures to Central Counterparties are scheduled to become effective from June 30	3	3	3	3	3	3.
MX	3 For banks, capital requirements for counterparty credit risk in derivatives were issued on December 31, in accordance with Basel III standards.	3	3	3	For banks, capital requirements for counterparty credit risk in derivatives are expected to be effective on October 1, in accordance with Basel III standards.  For brokerage firms, regulatory framework is expected for consultation.		For brokerage firms, regulatory framework is expected to be in force
RU							
SA							
SG							
ZA							

**Timetable for implementing capital requirements for non-centrally cleared derivatives, including descriptions of planned next steps (where provided)**

	End-2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	H1 2016	H2 2016
CH							
TR	1	1	1 BRSA prepared a secondary regulation on counterparty credit risk management which is in line with CRD IV. This regulation has been opened for public consultation in 2014 Q3. However, due to the results of EU RCAP Assessment, the BRSA has decided to update the draft. This new draft is expected to be opened for public consultation in 2015 Q2.	1 The draft is expected to take effect at the end of 2015.	The draft is expected to take effect at the end of 2015.		
US	3 CFTC: In April 2011, the CFTC issued proposed rules on capital requirements for swap dealers and major swap participants. SEC: In October 2012, the SEC proposed capital requirements for non-bank security-based swap dealers and major security-based swap participants. The proposed capital requirements are based on the capital requirements currently applicable to securities brokers and dealers.	3	3	3	3	3	3

For jurisdiction codes and legend, see Table 1 on page 3.

Source: FSB member jurisdictions.



## Appendix F: Timetable for implementing margin requirements for non-centrally cleared derivatives

Timetable for implementing margin requirements for non-centrally cleared derivatives, including descriptions of planned next steps (where provided)

	End-2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	H1 2016	H2 2016
AR	1 Legislative framework or other authority is in force or has been published for consultation or proposed	1	1	1	1	1	3
AU	1	1	1	1	1	2 APRA is expected to consult on changes to prudential standards to implement margin requirements for non-centrally cleared derivatives in early 2016.	2
BR	1 The authority given to the National Monetary Council - CMN to implement margin requirements for non-centrally cleared trades applies only to OTC Derivatives transactions entered into by financial institutions, which comprise 99% of all such contracts. On the other hand, CVM understands that it has not the authority to establish rules/regulations regarding margin requirements for non-centrally cleared trades that would be valid to all transactions, irrespective of the type of the counterparty	1	1 The authority given to the National Monetary Council - CMN to implement margin requirements for non-centrally cleared trades applies only to OTC Derivatives transactions entered into by financial institutions, which comprise 99% of all such contracts. On the other hand, CVM understands that it will continue to have not the authority to establish rules/regulations regarding margin requirements for non-centrally cleared trades that would be valid to all transactions, irrespective of the type of the counterparty.	1 The authority given to the National Monetary Council - CMN to implement margin requirements for non-centrally cleared trades applies only to OTC Derivatives transactions entered into by financial institutions, which comprise 99% of all such contracts. On the other hand, CVM understands that it will continue to have not the authority to establish rules/regulations regarding margin requirements for non-centrally cleared trades that would be valid to all transactions, irrespective of the type of the counterparty.	1 Standards / requirements may not need to be submitted for public consultation.	2	
CA	1	1	1	2 Implementation according to BCBS-IOSCO Framework	3 Adoption of margin rules (prudential regulator).	3 Adoption of margin rules (securities commissions).	

**Timetable for implementing margin requirements for non-centrally cleared derivatives, including descriptions of planned next steps (where provided)**

	End-2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	H1 2016	H2 2016
CN							
EU	<p align="center">2</p> <p>EMIR entered into force in August 2012 and mandated the appropriate exchange of collateral. Under EMIR, the European Supervisory Authorities are mandated to develop detailed standards to be met for compliance with the EMIR principle requirement. As at end 2014, the ESAs had conducted 2 consultations on those standards and were in the process of finalising them.</p>	2	2	<p align="center">2</p> <p>The ESAs continue to work on finalising the rules before submitting to the European Commission for adoption.</p>	<p align="center">3</p> <p>Anticipated adoption by the Commission</p>		<p>Anticipated entry into force in line with WGMR phase-in</p>
HK	1	1	1	<p align="center">2</p> <p>In respect of banks, aiming to issue a draft statutory guideline on margin requirements and risk mitigation standards for non-centrally cleared derivatives for banks in Q3 2015 for consultation</p>	<p align="center">3</p> <p>In respect of banks, aiming to issue final statutory guideline on margin requirements and risk mitigation standards for non-centrally cleared derivatives for banks in Q4 2015.</p> <p>In respect of SFC-licensed corporations plan to issue for public consultation proposed margin requirements for non-centrally cleared derivatives of SFC-licensed corporations in Q4 2015/Q1 2016.</p>	<p align="center">3</p> <p>In respect of SFC-licensed corporations, plan to issue for public consultation, proposed margin requirements for non-centrally cleared derivatives of SFC-licensed corporations in Q4 2015/Q1 2016</p>	<p>In respect of banks, implementation of margin requirements for banks to be consistent with the BCBS-IOSCO revised implementation timetable issued in March 2015.</p> <p>In respect of SFC-licensed corporations, plan to issue for public consultation, proposed margin requirements for non-centrally cleared derivatives of SFC-licensed corporations in Q4 2015/Q1 2016</p>
IN	1	1	1	1	1	<p align="center">1</p> <p>Rules for Margining requirements will be issued in 2015.</p>	1

**Timetable for implementing margin requirements for non-centrally cleared derivatives, including descriptions of planned next steps (where provided)**

	End-2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	H1 2016	H2 2016
ID	1	1	1 OTC derivatives exposures both aggregate exposures and exposures of each individual bank have not met the BCBS-IOSCO thresholds.	1	1	1	1
JP	2	2	2	2	2	3 On the condition of ensuring harmonisation across jurisdictions, JFSA would finalize margin rules according to the internationally agreed phase in period.	On the condition of ensuring harmonisation across jurisdictions, JFSA would adopt margin rules according to the internationally agreed phase in period.
KR							
MX	1	1	1	1	1	2 Regulation for margin requirements for non-centrally cleared derivatives expected to be in consultation	Regulation for margin requirements for non-centrally cleared derivatives expected to be published and in force accordingly to the internationally agreed phase in period.
RU	1	1	2	2	3	Mandatory CSA implementation	
SA	1	1	1	1	1	1	1
SG	1	1	1	2 Margin requirements to be consulted upon	2	3 Regulation for margin requirements expected to be adopted	Margin requirements expected to be phased in as per WGMR timeline.
ZA	1 Proposed	1	2 The proposed OTC regulations in South Africa includes a registrar's board notice that addresses Margin Requirements for Non-Centrally Cleared OTC Derivatives –published consultation on 5 June	2		Anticipate that the standards will be adopted and effective	

**Timetable for implementing margin requirements for non-centrally cleared derivatives, including descriptions of planned next steps (where provided)**

	End-2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	H1 2016	H2 2016
CH	1 The draft bill was submitted to parliament on 3 September 2014.	1 The new bill was in parliament during the 2015 spring and summer sessions	1 The new bill was in parliament during the 2015 spring and summer sessions.	1 The new bill is adopted	1 The new bill is adopted and implementing regulation is anticipated to be adopted	3 Legislation and implementing regulation anticipated to enter in force	Margin requirements anticipated to be phased in
TR	1	1	1	1	1	1	2
US	2 <u>CFTC</u> : In September 2014, the CFTC issued proposed rules on margin requirements for non-centrally cleared swaps for swap dealers and major swap participants. <u>SEC</u> : In October 2012, the SEC proposed margin requirements for non-cleared security-based swaps for non-bank security-based swap dealers and major security-based swap participants. <u>Prudential Regulators</u> : U.S. prudential regulators are jointly developing final rules pertaining to variation margin and initial margin requirements for non-centrally cleared derivatives. The rules were re-proposed in September 2014	2 <u>CFTC</u> : CFTC staff is in the process of preparing final rules on margin requirements for non-centrally cleared swaps	2	2 <u>Prudential Regulators</u> : U.S. prudential regulators intend to issue joint final rules governing variation and initial margin requirements for non-centrally cleared derivatives during Q3 2015. Assuming prudential regulators adopt WGMR revised schedule, implementation would begin on September 1, 2016.	2		<u>Prudential Regulators</u> : Assuming prudential regulators adopt WGMR revised schedule, margin rule phase-in period begins.

For jurisdiction codes and legend, see Table 1 on page 3.

Source: FSB member jurisdictions.

## Appendix G: Timetable for implementation of commitment to execute transactions on exchanges or electronic platforms, where appropriate

Timetable for implementation of commitment to execute transactions on exchanges or electronic platforms, where appropriate, including descriptions of planned next steps (where provided)

	End-2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	H1 2016	H2 2016
AR	3 Legislative framework or other authority is in force and, with respect to at least some transactions, standards/criteria for determining when products should be platform traded have been adopted.	3	3	3	3	3	3
AU	1	1	1	3	3 The Australian financial regulators expect to publish another report on the Australian OTC derivatives market which will outline the criteria that will be used by the regulators to determine if products are appropriate for mandatory platform trading. The report will also outline the characteristics of trading platforms that would be able to be used to meet the criteria.		The Australian financial regulators expect to undertake an assessment of the Australian OTC derivatives market to determine whether there are any products which are appropriate for a mandatory platform trading mandate.
BR	1 The authority given to the National Monetary Council - CMN to establish rules/regulations regarding exchange/trading platform for OTC Derivatives applies only to OTC Derivatives transactions entered into by financial institutions, which comprise 99% of all such contracts. On the other	1	1	1	2 CVM will propose, for public consultation, rules / regulations regarding exchange / platform trading for OTC derivatives	CVM intends to have rules / regulations to determine when products should be exchange / /electronic platform traded	

**Timetable for implementation of commitment to execute transactions on exchanges or electronic platforms, where appropriate, including descriptions of planned next steps (where provided)**

	End-2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	H1 2016	H2 2016
	hand, CVM understands that it has not the authority to establish rules/regulations regarding exchange/trading platform for OTC Derivatives that would be valid to all transactions, irrespective of the type of the counterparty						
CA	1	2	2	2	2	2	3 Adoption of Provincial Rules
CN	3	3	3	3	3	3	3
EU	3 MiFID II and MiFIR both repealing Directive 2004/39/EC published in the Official Journal of the EU (June 2014). EC sent mandates to ESMA, EBA and EIOPA for advice on possible delegated acts concerning MiFID II. ESMA published Discussion Paper to gather input from stakeholders on the proposed RTS/ITS in May 2014. ESMA has also published a Consultation Paper on the Technical Advice it must provide the EC in December 2014.	3	3	3 RTS/ITS submitted to the Commission for adoption.		Adoption of the level 2 measures by the Commission EU Member States are required to implement MiFID II in their national legislations by June 2016. ESMA to determine if IRS and CDS subject to the clearing obligation should be subject to a trading obligation. (Trading obligations coming into force January 2017)	

**Timetable for implementation of commitment to execute transactions on exchanges or electronic platforms, where appropriate, including descriptions of planned next steps (where provided)**

	End-2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	H1 2016	H2 2016
HK	1	1	1	1	1	1 Hong Kong aims to conduct further study on the liquidity level and number of trading venues available in Hong Kong after the implementation of the reporting regime, in order to assess how best to implement such a trading requirement	1 Hong Kong aims to reach a conclusion on how best to implement trading requirement and where appropriate, conduct public consultation on this
IN	1	1	1 In principle approval has been given to CCIL to develop electronic trading platform for IRS and the same is expected to be made operational shortly	1	1	1	1
ID	1	1	1	1	1	1	1
JP	1 The detailed rules of regulation related trade execution were adopted.	1	1 Public consultation of a draft designation of a certain subset of yen-denominated IRS will be conducted.	Mandatory use of the ETP for the subset of yen-denominated IRS will take effect by September.			
KR						1	1
MX	1	1	1 Regulation determining trading on exchange/electronic platforms of standardised OTC contracts issued in April 2015.	2 Standards criteria to be published for consultation with major stakeholders	3 Standards to be published.	Mandatory trading on exchange/electronic platforms of standardised OTC contracts for banks and brokerage firms' transactions between them and with local institutional investors expected to come into force.	Mandatory trading on exchange/electronic platforms of standardised OTC contracts for banks and brokerage firms' transactions with foreign financial institutions and institutional investors expected to come into force.

**Timetable for implementation of commitment to execute transactions on exchanges or electronic platforms, where appropriate, including descriptions of planned next steps (where provided)**

	End-2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	H1 2016	H2 2016
RU		In spite of the fact that exchanges maintain register of OTC derivative contracts in commodities and provide data disclosures, now platform trading is not mandatory for standardized OTC derivatives.					
SA	1	1	1	1	1	1	1
SG	1	1	1	1	1	1	Legislation expected to be effective, if passed by Parliament
ZA	1 Legislative framework is in place, but no determination to adopt and enforce trading on platforms	1	1	1	1	1	1
CH	1 The draft bill was submitted to parliament on 3 September 2014.	1 The new bill was in parliament during the 2015 spring and summer sessions	1 The new bill was in parliament during the 2015 spring and summer sessions.	1 The new bill is adopted.	1 The new bill is adopted and implementing regulation is anticipated to be adopted.	3 Legislation anticipated to enter in force	3
TR	1 Legislative framework for exchange/platform trading is in force but secondary regulations will be constructed on the first brunch of regulation on TR and central clearing.	1	1	1	1	1	2 The work in progress for which OTC product to require exchange/platform trading.



**Timetable for implementation of commitment to execute transactions on exchanges or electronic platforms, where appropriate, including descriptions of planned next steps (where provided)**

	End-2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	H1 2016	H2 2016
US <sup>5</sup>	<p><u>CFTC</u>: In June 2013 the CFTC finalized its rules on swap execution facilities. In February 2014, the CFTC implemented mandatory trade execution requirements for certain interest rate swaps and credit default swaps that are subject to the CFTC's clearing requirement</p> <p><u>SEC</u>: In February 2011, the SEC proposed rules governing registration and regulation of security-based swap execution facilities, which include the preliminary view that mandatory trading requirements for security-based swaps should be applied pursuant to objective measures established by the SEC.</p>						

For jurisdiction codes and legend, see Table 1 on page 3.

Source: FSB member jurisdictions.

## Appendix H: Criteria used by FSB member jurisdictions in making clearing determinations

### Criteria used by FSB member jurisdictions in making clearing determinations

Jurisdiction	Criteria
Argentina	Not yet determined
Australia	<p>In the Australian regulators' Statement on Assessing the Case for Mandatory Clearing Obligations, APRA, ASIC, and the RBA jointly outlined the criteria that will be considered in making any recommendation of a central clearing mandate, and included a number of preconditions that must be satisfied in order for a central counterparty to clear a product safely and reliably. These conditions are:</p> <ul style="list-style-type: none"> <li>• the product must have a robust valuation methodology so that the central counterparty can confidently determine margin and default fund requirements;</li> <li>• there must be sufficient liquidity in the market to allow for close out and/or hedging of outstanding positions in a default scenario;</li> <li>• there must be sufficient transaction activity and participation so that the fixed and variable costs of clearing the transaction are covered; and</li> <li>• there must be some standardisation of contracts to facilitate the CCP's trade processing arrangements.</li> </ul> <p>For each product identified and prioritised through the process described above, the Regulators will focus on the incremental benefits and costs of imposing mandatory clearing, relative to allowing the market to transition to central clearing in response to private or other regulatory incentives.</p> <p>Accordingly, for each product being considered the Regulators will take into account:</p> <ul style="list-style-type: none"> <li>•the extent to which market participants are already centrally clearing that product;</li> <li>•the availability or accessibility of central clearing of that product for different types of Australian market participants, whether as direct participants or as clients;</li> <li>•whether participants have already established appropriate commercial and operational arrangements with central counterparties or whether such arrangements are still under negotiation for particular types of participants; and</li> <li>•evidence of commercial pressure or regulatory incentives to centrally clear that product (which may include regulatory incentives as a result of the cross-border reach of regulation in other jurisdictions).</li> </ul> <p>The Regulators will also address relevant international standards and international commitments. International consistency is an important consideration in assessing the case for mandatory clearing. In particular:</p> <ul style="list-style-type: none"> <li>•in the absence of broadly harmonised requirements, there may be potential for regulatory arbitrage or other distortions in market participants' choices as to where to conduct business or book trades; accordingly, relying on incentives while other jurisdictions adopt central clearing mandates could create reputational risks for Australia;</li> <li>•it could also affect other jurisdictions' assessment of the equivalence or comparability of the Australian regime, thereby disadvantaging Australian-based participants in their international activities; and</li> <li>•where a product was subject to a mandate overseas but not in Australia, overseas requirements may have unintended consequences for Australia due to differences in market structure and conditions; an Australian mandate could, in such circumstances, better tailor requirements to the Australian context, while not compromising broad equivalence with overseas jurisdictions' regimes.</li> </ul> <p>These factors will be used by the Regulators to decide whether to advise the Government that a mandatory clearing obligation should be implemented in certain products. Under the Corporations Act, in deciding whether to implement such a requirement, the relevant Minister:</p> <ul style="list-style-type: none"> <li>• must have regard to: <ul style="list-style-type: none"> <li>(i) the likely effect on the Australian economy, and on the efficiency, integrity and stability of the Australian financial system, of allowing such a requirement to be implemented;</li> <li>(ii) the likely regulatory impact of allowing such a requirement to be implemented; and</li> <li>(iii) if those derivatives are or include commodity derivatives--the likely impact, on any Australian market or markets on which the commodities concerned may be traded, of such a requirement to be implemented; and</li> </ul> </li> <li>• may have regard to any other matters that the Minister considers relevant.</li> </ul>
Brazil	Not yet determined

### Criteria used by FSB member jurisdictions in making clearing determinations

Jurisdiction	Criteria
Canada	<p>In the course of determining whether a derivative or class of derivatives will be subject to the clearing requirement, some of the factors we will consider include the following:</p> <ul style="list-style-type: none"> <li>• the level of standardization, such as the availability of electronic processing, the existence of master agreements, product definitions and short form confirmations;</li> <li>• the effect of central clearing of the derivative on the mitigation of systemic risk, taking into account the size of the market for the derivative and the available resources of the regulated clearing agency to clear the derivative;</li> <li>• whether mandating the derivative to be cleared would bring undue risk to regulated clearing agencies;</li> <li>• the outstanding notional exposures, the current liquidity and the availability of reliable and timely pricing data;</li> <li>• the existence of third-party vendors providing pricing services;</li> <li>• with regards to a regulated clearing agency, the existence of an appropriate rule framework, and the existence of capacity, operational expertise and resources, and credit support infrastructure to clear the derivative on terms that are consistent with the material terms and trading conventions on which the derivative is then traded; •</li> <li>• whether a regulated clearing agency would be able to manage the risk of the additional derivatives that might be submitted due to the clearing requirement determination;</li> <li>• the effect on competition, taking into account appropriate fees and charges applied to clearing, and whether mandating clearing could harm competition;</li> <li>• alternative derivatives or clearing services co-existing in the same market;</li> <li>• the existence of a clearing obligation in other jurisdictions;</li> <li>• the public interest.</li> </ul>
China	<p>The products of mandatory RMB IRS CCP clearing include those with floating rates of SHIBOR O/N, SHIBOR 3M and FR007, and a tenor of less than 5 years. Those transactions cover more than 90% of the IRS market. In addition, SHCH is providing central clearing services for standardised bond forward and IRS on a non-mandatory basis. FX CCP Clearing business in China includes FX spot, FX forward and FX Swap products, covering most of the OTC FX market. The forward and swap clearable tenor of USD/CNY expands from 1 month to 1 year.</p>
EU	<p>EMIR provides for two mechanism of determination:</p> <ul style="list-style-type: none"> <li>- A bottom-up approach to determining clearing obligations: CCPs must apply for authorisation (or reauthorisation, in the case of existing CCPs operating in Europe) and must also then submit further applications for authorisation to extend their services. Such authorisation will trigger ESMA's review of the products that the CCP clears against the criteria for determining a clearing obligation.</li> <li>- An on-going product assessments: EMIR provides for a top-down assessment of the clearing obligation that will be conducted by ESMA. Where ESMA identifies a product that CCPs do not clear but that should be subject to the clearing obligation, it can call on the industry to develop proposals for a clearing solution for that product.</li> </ul> <p>In determining whether a class of derivative should be subject to a clearing obligation, and with the overarching aim of reducing systemic risks, ESMA shall take into consideration the following criteria:</p> <ul style="list-style-type: none"> <li>(a) the degree of standardisation of the contractual terms and operational processes of the relevant class of OTC derivatives;</li> <li>(b) the volume and liquidity of the relevant class of OTC derivatives;</li> <li>(c) the availability of fair, reliable and generally accepted pricing information in the relevant class of OTC derivatives.</li> </ul> <p>Once a clearing obligation has been determined, ESMA determines the dates from which the obligation shall apply and may phase the obligation according to the category of counterparties. In doing so, ESMA has to take into consideration:</p> <ul style="list-style-type: none"> <li>(a) the expected volume of the relevant class of OTC derivatives;</li> <li>(b) whether more than one CCP already clear the same class of OTC derivatives;</li> <li>(c) the ability of the relevant CCPs to handle the expected volume and to manage the risk arising from the clearing of the relevant class of OTC derivatives;</li> <li>(d) the type and number of counterparties active, and expected to be active within the market for the relevant class of OTC derivatives;</li> <li>(e) the period of time a counterparty subject to the clearing obligation needs in order to put in place arrangements to clear its OTC derivative contracts through a CCP;</li> <li>(f) the risk management and the legal and operational capacity of the range of counterparties that are active in the market for the relevant class of OTC derivatives and that would be captured by the clearing obligation pursuant to Article 4(1).</li> </ul>

### Criteria used by FSB member jurisdictions in making clearing determinations

Jurisdiction	Criteria
Hong Kong	Under the new regulatory regime in Hong Kong, standardised OTC derivatives transactions will be required to be centrally cleared through a designated CCP. The HKMA and SFC will jointly determine the list of clearing eligible transactions, which will be subject to mandatory clearing. The list of clearing eligible transactions will be set out in the detailed rules. The HKMA and SFC will conduct a public consultation on the draft detailed rules, which will set out the criteria for determining the list of clearing eligible transactions which will be subject to mandatory clearing. In determining the standard/criteria to determine whether an OTC derivative product should be subject to central clearing, we will take both a top down and a bottom up approach which will take into account factors described under Recommendation 5 of the October 2010 report and whether any CCP offers services for clearing certain transactions.
India	Interbank trades in IRS on Overnight Index Swap (the most liquid benchmark) and CDS are standardised. Foreign exchange derivatives are generally 'plain vanilla' and majority of interbank trades are driven by customized client trades. The issue of standardisation of other benchmarks in IRS, forex forward, swaps and options would be considered in a phased manner due to low liquidity. Similarly, market liquidity is very low to consider mandating standardisation of currency swaps, IRS in FCY and Interest rate options.
Indonesia	Not applicable
Japan	Under the Financial Instruments and Exchange Act (FIEA), scope of requirements is defined in terms of the importance of transactions taking into account the trade volumes and market liquidity (important transaction means that its default is likely to give material influence on capital market in Japan). Under the present FIEA, IRS and CDS are in scope of requirement.
Korea	Art. 14-2 of Enforcement Decree of FSCMA and Art. 5-2 of Regulation on Financial Investment Business provides for the definition of trades subject to mandatory CCP clearing.
Mexico	Banco de México will publish standard/criteria to determine when OTC products are sufficiently standardised and should be subject to central clearing requirements. For that purpose, Banco de México expects to publish for consultation the proposed standard/criteria in 3Q/2015, and adopt them in 4Q/2015. It is important to mention that regulatory amendments to the Banco de México's Rules for Derivatives (Circular 4/2012) published in April 2015 define as a standardised contract, and therefore subject to mandatory central clearing, the Mexican Peso Interest Rate Swap based on the 28-day TIIE with a minimum tenor of 56 days and maximum tenor of 30 years. To that end, Banco de México has considered the following criteria (not publicly disclosed): volume, liquidity and contractual terms.
Russia	Framework does not include specific criteria
Saudi Arabia	Not yet determined
Singapore	In determining whether an OTC derivatives product should be subject to central clearing requirements, MAS will assess the following: <ul style="list-style-type: none"> <li>- the level of systemic risk posed by that derivatives contract or class of derivatives contracts;</li> <li>- the characteristics and level of standardisation of the contractual terms and operational processes relating to that derivatives contract or class of derivatives contracts;</li> <li>- the depth and liquidity of the market for that derivatives contract or class of derivatives contracts;</li> <li>- the availability of fair, reliable and generally accepted pricing sources for that derivatives contract or class of derivatives contracts;</li> <li>- the international regulatory approach towards that derivatives contract or class of derivatives contracts;</li> <li>- whether there is any anti-competitive effect associated with that derivatives contract or class of derivatives contracts;</li> <li>- the availability of approved clearing houses or recognised clearing houses that operate clearing facilities for the clearing of that derivatives contract or class of derivatives contracts.</li> </ul>
South Africa	A number of initiatives for local OTC derivatives clearing have been considered within which it is envisioned that OTC derivatives products will be subject to standardised requirements.
Switzerland	According to the draft bill currently in parliament, FINMA determines the derivatives that must be centrally cleared. In so doing, the authority needs to apply the criteria of: <ul style="list-style-type: none"> <li>- the degree of legal and operational standardisation;</li> <li>- liquidity;</li> <li>- trading volumes;</li> <li>- the availability of pricing information in the given category; and</li> <li>- associated counterparty risk.</li> </ul> Furthermore, it shall take account of recognised international standards. The specifics, including the use of a particular standard, are currently discussed and not finalized yet.
Turkey	Not yet determined

### Criteria used by FSB member jurisdictions in making clearing determinations

Jurisdiction	Criteria
US	<p>In making determinations as to whether a Swap is required to be cleared, the Dodd-Frank Act requires that the CFTC and SEC take into account: (i) the existence of significant outstanding notional exposures, trading liquidity and adequate pricing data; (ii) the availability of rule framework, capacity, operational expertise and resources, and credit support infrastructure to clear the contract on terms that are consistent with the material terms and trading conventions on which the contract is then traded; (iii) the effect on the mitigation of systemic risk, taking into account the size of the market for such contract and the resources of the clearing agency or DCO (each a Clearing Entity) available to clear the contract; (iv) the effect on competition, including appropriate fees and charges applied to clearing; and (v) the existence of reasonable legal certainty in the event of the insolvency of the relevant Clearing Entity, or one or more of their clearing members, with regard to the treatment of customer and Swaps counterparty positions, funds and property.</p> <p>In order to further the process of implementing the clearing provisions under the Dodd-Frank Act, the CFTC and SEC adopted rules related to their respective reviews of Swaps that Clearing Entities plan to accept for clearing that incorporate these criteria.</p> <p><u>SEC</u>: The SEC adopted amendments to the applicable form for clearing agencies' submissions for review of security-based swaps for mandatory clearing, and further specified information that would meet the criteria.</p> <p><u>CFTC</u>: In proposing and finalizing its rules mandating that four classes of IRS and two classes of CDS be cleared, the CFTC examined the five statutory factors under the Dodd-Frank Act through the lens of clearinghouse risk management and incorporated the product specifications of each DCO as part of its class-based approach. The CFTC set forth market data and information in its proposal and solicited public feedback on its analysis. Standardisation is not explicitly a factor under the Dodd-Frank Act framework, but the CFTC determined that each DCO had the rule framework, capacity, operational expertise and resources, and credit infrastructure to clear the swaps subject to review. This factor, along with certain aspects of the other factors, necessarily implicates issues of standardisation. In November 2012, the CFTC adopted mandatory clearing requirements with respect to certain IRS and CDS products.</p>

Source: FSB member jurisdictions.

## Appendix I: Availability of TRs in FSB Member Jurisdictions

Table 11

### Trade repositories in operation in FSB member jurisdictions

TRs authorised and operating as at June 2015

TR name	Location	Jurisdictions in which TR is authorised to operate	CO	CR	EQ	FX	IR
<b>TRs</b>							
BM&F Bovespa	Brazil	BR					
BSDR LLC	US	(US)					
CCIL	India	IN					
CETIP	Brazil	BR					
Chicago Mercantile Exchange Inc.	US	CA, (US)					
CME European Trade Repository	UK	EU					
DTCC-DDR	US	[AU], CA, (US)					
DTCC Data Repository – Japan	Japan	[AU], JP					
DTCC-DDRL	UK	[AU], EU					
DTCC Data Repository – Singapore	Singapore	AU, SG					
HKMA-TR	Hong Kong	[AU], HK					
ICE Trade Vault	US	CA, (US)					
ICE Trade Vault Europe	UK	EU					
KDPW Trade Repository	Poland	EU					
Korea Exchange (KRX)	Korea	KR					
CJSC National Settlement Depository (NSD)	Russia	RU					
REGIS-TR	Luxembourg	EU					
OJSC “Saint-Petersburg Exchange” (SPBEX)	Russia	RU					
SAMA TR	Saudi Arabia	SA					
UnaVista	UK	[AU], EU					
<b>Sub-total</b>			<b>15</b>	<b>17</b>	<b>16</b>	<b>18</b>	<b>19</b>
<b>TR-like entities</b>							
Argentina Clearing	Argentina	AR					
Banco de México	Mexico	MX					
Bank of Korea	Korea	KR					
Bank Indonesia	Indonesia	ID					
CFETS	China	CN					
China Securities Internet System	China	CN					
Financial Supervisory Service	Korea	KR					
Mercado de Valores de Buenos Aires	Argentina	AR					
Mercado Abierto Electrónico	Argentina	AR					
Mercado Argentino de Valores	Argentina	AR					
Mercado a Término de Buenos Aires	Argentina	AR					
Mercado a Término de Rosario	Argentina	AR					
SIOGRANOS	Argentina	AR					
Takasbank	Turkey	TR					
<b>Sub-total</b>			<b>8</b>	<b>5</b>	<b>7</b>	<b>9</b>	<b>6</b>
<b>Total: TRs and TR-like entities</b>			<b>23</b>	<b>22</b>	<b>23</b>	<b>27</b>	<b>25</b>

( ) indicates application pending / under consideration in indicated jurisdiction; [ ] indicates recognition/prescription in place for these TRs in Australia.

CO = commodity, CR = credit, EQ = equity, FX = foreign exchange, IR = interest rate. For jurisdiction codes, see Table 1 on page 3.

Sources: FSB member jurisdictions; various TRs.

Table 12

**Aggregate availability of trade repositories by asset class in FSB member jurisdictions**

TRs authorised as at June 2015

	Commodity	Credit	Equity	FX	Interest Rate	
AR	5	3	3	3	1	
AU	1	1	1	1	1	
BR	2	2	2	2	2	
CA	3	3	2	2	2	
CN			1	1	1	
EU	6	6	6	6	6	
HK			1	1	1	
IN		1		1	1	
ID				1	1	
JP		1	1	1	1	
KR	2	2	2	2	1	2
MX	1		1	1	1	
RU	2	2	2	2	2	
SA				1	1	
SG	1	1	1	1	1	
ZA						
CH						
TR				1		
US	4	4	3	3	3	

■ indicates the number of TRs collecting transaction reports in given asset class that are authorised or pending authorisation (or have a temporary exemption from authorisation requirements) and operating in given jurisdiction.

■ indicates the number of TR-like entities collecting transaction reports in given asset class that are authorised or pending authorisation (or have a temporary exemption from authorisation requirements) and operating in given jurisdiction.

For jurisdiction codes, see Table 1 on page 3.

Source: FSB member jurisdictions.

## Appendix J: Availability of CCPs Clearing OTC Derivatives in FSB Member Jurisdictions

Table 13

### OTC derivatives CCPs in operation in FSB member jurisdictions

CCPs authorised as at June 2015

CCP name	Location	Jurisdictions in which CCP is authorised to operate as at end-June 2015 <sup>a</sup>	CO	CR	EQ	FX	IR
Asigna	Mexico	(EU), (MX)					
ASX Clear	Australia	AU, EU					
ASX Clear (Futures)	Australia	AU, EU, [US]					
BM&F BOVESPA	Brazil	BR, (EU)					
CCIL	India	(EU), IN, US					
CDCC	Canada	CA, (EU)					
CME Clearing Europe	UK	CA, EU					
CME Group Inc.	US	AU, CA, (EU), US					
Eurex Clearing	Germany	EU, CH, [(US)]					
ECC	Germany	EU					
OTC Clearing Hong Kong Limited	Hong Kong	EU, HK, [US]					
Holland Clearing House	The Netherlands	(EU)					
ICE Clear Credit LLC.	US	CA, (EU), US					
ICE Clear Europe Ltd.	UK	(EU), US					
JSCC	Japan	EU, JP, [(US)]					
KDPW CCP	Poland	EU					
Korea Exchange	Korea	(EU), JP, KR, [US]					
LCH.Clearnet LLC	US	CA, (EU), US					
LCH.Clearnet Ltd	UK	AU, CA, EU, JP, CH, US					
LCH.Clearnet SA	France	EU, US					
LME Clear Ltd	UK	EU					
Nasdaq OMX Stockholm	Sweden	EU					
CJSC JSCB National Clearing Centre	Russia	RU					
Natural Gas Exchange	Canada	CA, (EU), US					
OCC	US	CA, (EU), US					
OMI Clear	Portugal	EU					
SGX Derivatives Clearing Limited	Singapore	EU, SG, US					
Shanghai Clearing House	China	CN					
<b>Total currently in operation</b>			<b>13</b>	<b>7</b>	<b>9</b>	<b>12</b>	<b>17</b>

( ) indicates application pending / under consideration in indicated jurisdiction.

[ ] indicates temporary exemption from authorisation requirements in place in indicated jurisdiction.

<sup>a</sup> In some cases authorisation is only for a subset of products, and/or for only direct participation or only client clearing.

CO = commodity, CR = credit, EQ = equity, FX = foreign exchange, IR = interest rate. For jurisdiction codes, see Table 1 on page 3.

Sources: FSB member jurisdictions; various CCPs.



Table 14  
**Aggregate availability of OTC derivatives CCPs in FSB member jurisdictions**  
 CCPs authorised as at June 2015

	Commodity	Credit	Equity	FX	Interest Rate
AR					
AU			1		3
BR	1	1	1	1	1
CA	2	2	2		4
CN	1			1	1
EU	9	6	7	7	13
HK				1	1
IN				1	1
ID					
JP		1			1
KR					1
MX					1
RU	1	1	1	1	1
SA					
SG	1			1	1
ZA					
CH					2
TR					
US	5	5	2	2	7

X indicates the number of CCPs clearing at least some OTC derivatives sub-products in given asset class that are authorised or pending authorisation (or have a temporary exemption from authorisation requirements) to offer direct and/or indirect clearing services in jurisdiction.

For jurisdiction codes, see Table 1 on page 3.

Source: FSB member jurisdictions.

Table 15  
**Cross-border availability of CCPs by Asset Class**

As at June 2015

Asset class	Number of CCPs concurrently available in indicated number of jurisdictions				
	1 jurisdiction	2 jurisdictions	3 jurisdictions	4 jurisdictions	5 jurisdictions
Commodity	5	3	3	--	--
Credit	2	4	2	--	--
Equity	3	4	1	--	--
FX	7	4	--	--	--
Interest rate	6	4	5	1	1

The figure in each cell is the number of individual CCPs clearing at least some OTC derivatives sub-products in given asset class that are concurrently authorised or pending authorisation (or have a temporary exemption from authorisation requirements) to offer direct and/or indirect clearing services in the indicated number of jurisdictions. No CCP is currently available in more than five jurisdictions in a given asset class.

Source: FSB member jurisdictions.

## Appendix K: International regulatory workstreams

### ONGOING WORK

Issue	Action	Responsible	Status
<b>Standardisation (benchmarking)</b>	On-going submission of agreed improved standardisation matrices: <ul style="list-style-type: none"> <li>- matrices for all asset classes to include provision of absolute numbers of contracts;</li> <li>- matrices for all asset classes to be submitted semi-annually.</li> </ul>	ODSG	Next sets of populated standardisation matrices for all 5 asset classes due 31 March 2014; work ongoing.
<b>Standardisation (product)</b>	Ongoing work on product standardisation by signatories to March 2011 roadmap, <sup>24</sup> including development, publication and use of standardised product documentation.	ODSG	No timetable set; work ongoing.
<b>Standardisation (process)</b>	Ongoing work on process standardisation by signatories to March 2011 roadmap, including the design, implementation and take-up of automated processes and electronic platforms for key business functions.	ODSG	No timetable set; work ongoing.
<b>Legal Entity Identifier</b>	Work to put in place the legal and institutional framework for the governance and operational component of the global LEI system.	LEI ROC	Global LEI Foundation launched during June 2014 and will now look to develop standards and processes for coordinating the global LEI system.
<b>Cross-Border Regulation</b>	Study, consider and describe cross-border regulatory tools.	IOSCO	Consultation report's period ended end of February 2015.  Drafting final report targeted to be issued in the 1H 2015.
<b>Data Harmonization</b>	Further develop and implement a uniform global Unique Transaction Identifier (UTI) and Unique Product Identifier (UPI); and  Develop global guidance on harmonization of data elements that are reported to TRs and are important to aggregation by authorities.	CPMI and IOSCO	UTI guidance may be finalised in early 2016.  Remainder work will take potentially between 24 to 36 months.
<b>Market Wide Recommendation (MWR) review</b>	Recommendations targeted at payment, securities or derivatives market participants more widely than an individual FMI	CPMI and IOSCO	Phased approach according to priority, work starting in H2 2015.

<sup>24</sup> Roadmap, published in March 2011 of industry initiatives and commitments relating to four thematic objectives: increasing standardisation; expanding central clearing; enhancing bilateral risk management; and increasing transparency; see October 2011 progress report, available at: <http://www.newyorkfed.org/newsevents/news/markets/2011/SCL0331.pdf>.

## ONGOING WORK

Issue	Action	Responsible	Status
<b>CCP's stress testing</b>	Evaluate the existing standards on CCP financial resilience and recovery and consider the need for, and develop as appropriate, further granularity or guidance.	CPMI and IOSCO	Ongoing work.
<b>Post-trade transparency requirements in the CDS market</b>	To seek to analyse the potential impact of post-trade transparency requirements on the CDS market.	IOSCO	Reviewing comments on the consultation report and will prepare a final report to be published in Q3 2015.
<b>Margin requirements for non-centrally-cleared derivatives</b>	Financial firms and systemically important non-financial entities that engage in non-centrally cleared derivatives exchange of initial and variation margin.	IOSCO and BCBS	September 2013 report updated with new implementation schedule in March 2015 <sup>25</sup> . BCBS and IOSCO will continue to monitor the consistent implementation of margin requirements for non-centrally cleared derivatives, and are liaising with industry as they develop initial margin models to comply with the WGMR framework.
<b>Uses of TR data</b>	ODRF created a technical working group to report on how TR data is used. This includes any issues in using current data for analysis.	ODRF	No timetable set; work ongoing.

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<sup>25</sup> <http://www.iosco.org/news/pdf/IOSCONEWS373.pdf>.

## WORK COMPLETED SINCE OCTOBER 2010

Issue	Action	Responsible	Date finalised
<b>STANDARDISATION</b>			
<b>Industry commitment to increase standardisation</b>	Roadmap of industry initiatives and commitments, including commitment to increase standardisation and develop, for each asset class, a Standardisation Matrix to indicate industry progress in product and process standardisation. <sup>26</sup>	ODSG	Strategic Roadmap published March 2011
<b>Product standardisation: credit, equity and interest rates</b>	Signatories to the March 2011 roadmap submitted second set of populated Standardisation Matrices for credit, equity and interest rate asset classes	ODSG	Standardisation data for Q1 and Q2 2011 submitted September 2011
<b>Standardisation legend for commodity derivatives</b>	Draft standardisation legend for commodities derivatives published by signatories to March 2011 roadmap	ODSG	Draft standardisation legend published in September 2011
<b>Product standardisation: credit, equity and interest rates</b>	Signatories to the March 2011 roadmap submitted third set of populated Standardisation Matrices for credit, equity and interest rate asset classes	ODSG	Standardisation data for Q3 and Q4 2011 submitted March 2012
<b>Product standardisation: foreign exchange</b>	Signatories to the March 2011 roadmap submitted agreed improved standardisation matrices for foreign exchange and commodity derivatives.	ODSG	First set of standardisation data for foreign exchange and commodity derivatives delivered June 2012
<b>Product standardisation: credit, equity and interest rates</b>	Signatories to the March 2011 roadmap submitted fourth set of populated Standardisation Matrices for credit, equity and interest rate asset classes	ODSG	Standardisation data for Q1 and Q2 2012 submitted September 2012
<b>Production standardisation: all asset classes</b>	Signatories to the March 2011 roadmap submitted populated Standardisation Matrices for Q3 and Q4 2011 for all asset classes.	ODSG	Standardisation data for Q3 and Q4 2012 submitted March 2013
<b>REPORTING TO TRADE REPOSITORIES</b>			
<b>Data reporting and aggregation</b>	Report on OTC derivatives data reporting and aggregation requirements, outlining the OTC derivatives data that should be collected, stored and disseminated by TRs. <sup>27</sup>	CPSS and IOSCO	Published in January 2012
<b>Principles for TRs</b>	Principles for Financial Market Infrastructures <sup>28</sup> , including TRs, consisting of principles for FMIs and responsibilities for authorities.  Principles for Financial Market Infrastructures: Disclosure Framework and Assessment Methodology. <sup>29</sup>	CPSS and IOSCO	Published in April 2012  Assessment Methodology and Disclosure Framework published in December 2012

<sup>26</sup> See major market participants' 'roadmap' letter of March 2011.

<sup>27</sup> <http://www.bis.org/publ/cpss100.pdf> and <http://www.iosco.org/library/pubdocs/pdf/IOSCOPD366.pdf>.

<sup>28</sup> <http://www.bis.org/publ/cpss101a.pdf> and <http://www.iosco.org/library/pubdocs/pdf/IOSCOPD377.pdf>.

<sup>29</sup> <http://www.bis.org/publ/cpss106.pdf> and <http://www.iosco.org/library/pubdocs/pdf/IOSCOPD396.pdf>.

## WORK COMPLETED SINCE OCTOBER 2010

Issue	Action	Responsible	Date finalised
<b>Legal Entity Identifier</b>	Report on 'A Global Legal Entity Identifier for Financial Markets' setting out 35 recommendations for the development and implementation of a global LEI system. <sup>30</sup>	FSB	Report published in June 2012
<b>Access to TR data</b>	Report on access by authorities to data reported to TRs. <sup>31</sup>	CPSS and IOSCO	Final report published in August 2013
<b>Legal Entity Identifier</b>	Global LEI system to be launched on self-standing basis. <sup>32</sup>	FSB	LEI Regulatory Oversight Committee established in Jan 2013
<b>TR data aggregation</b>	G20 mandated feasibility study on approaches to aggregate OTC derivatives data.	FSB	Report published in September 2014.
<b>CENTRAL CLEARING</b>			
<b>Implications of configurations for CCP access</b>	Report on the macro-financial implications of alternative configurations for access to CCPs in OTC derivatives markets. <sup>33</sup>	CGFS	Published in November 2011
<b>Requirements for mandatory clearing</b>	Report on Requirements for Mandatory Clearing setting out recommendations for the establishment of mandatory clearing regimes in relation to: <ul style="list-style-type: none"> <li>- determination of whether a product should be subject to mandatory clearing;</li> <li>- potential exemptions;</li> <li>- communication between authorities and with the public;</li> <li>- cross-border issues in the application of mandatory clearing requirements;</li> <li>- ongoing monitoring and review of the process and application of a requirement for mandatory clearing.<sup>34</sup></li> </ul>	IOSCO	Published in February 2012
<b>Principles for CCPs</b>	Principles for Financial Market Infrastructures (PFMI) <sup>35</sup> , consisting of principles for FMIs and responsibilities for Central Banks, market regulators and other relevant authorities.  Assessment Methodology for Principles for FMIs and Responsibilities for Authorities; Disclosure Framework for FMIs, providing a template to assist FMIs in providing comprehensive disclosure. <sup>36</sup>	CPSS and IOSCO	Published in April 2012  Assessment Methodology and Disclosure Framework each published in December 2012

<sup>30</sup> [http://www.lei.org/publications/gls/roc\\_20120608.pdf](http://www.lei.org/publications/gls/roc_20120608.pdf).

<sup>31</sup> <http://www.bis.org/publ/cpss110.pdf> and <http://www.iosco.org/library/pubdocs/pdf/IOSCOPD417.pdf>.

<sup>32</sup> 'Progress note on LEI initiative'; available at: [http://www.financialstabilityboard.org/publications/r\\_130308.pdf](http://www.financialstabilityboard.org/publications/r_130308.pdf).

<sup>33</sup> <http://www.bis.org/publ/cgfs46.pdf>.

<sup>34</sup> <https://www.iosco.org/library/pubdocs/pdf/IOSCOPD374.pdf>.

<sup>35</sup> <http://www.bis.org/publ/cpss101a.pdf> and <http://www.iosco.org/library/pubdocs/pdf/IOSCOPD377.pdf>.

## WORK COMPLETED SINCE OCTOBER 2010

Issue	Action	Responsible	Date finalised
<b>Central clearing</b>	Revision of BCBS supervisory guidance for managing settlement risk in foreign exchange transactions. <sup>37</sup>	BCBS	Updated guidance published in February 2013
<b>FMI Resolution</b>	Guidance on FMI resolution and input into assessment methodology for the Key Attributes of Effective Resolution Regimes to ensure that it adequately reflects specificities of resolution regimes for CCPs.	FSB in consultation with CPSS-IOSCO	Draft guidance on resolution and resolution published in August 2013. <sup>38</sup>  Final guidance published in October 2014. <sup>39</sup>
<b>Risk mitigation standards</b>	Develop standards for risk mitigation techniques for non-centrally cleared derivatives.	IOSCO (in consultation with BCBS and CPMI)	Final standards published on 28 January 2015. <sup>40</sup>
<b>Quantitative disclosure requirements for central counterparties</b>	The quantitative data that a CCP is expected to publish regularly to meet the PFMI principle on transparency.	CPMI and IOSCO	Published on 26 February 2015. <sup>41</sup>
<b>Recovery of financial market infrastructures</b>	Provide guidance on how FMIs can observe the requirement in the PFMI that they have effective recovery plans.	CPMI and IOSCO	Consultative report published in August 2013. <sup>42</sup>  Final guidance published on 15 October 2014. <sup>43</sup>

<sup>36</sup> <http://www.bis.org/publ/cpss106.pdf> and <http://www.iosco.org/library/pubdocs/pdf/IOSCOPD396.pdf>.

<sup>37</sup> <http://www.bis.org/publ/bcbs241.pdf>.

<sup>38</sup> [http://www.financialstabilityboard.org/publications/r\\_130812a.pdf](http://www.financialstabilityboard.org/publications/r_130812a.pdf).

<sup>39</sup> [http://www.financialstabilityboard.org/publications/r\\_141015.pdf](http://www.financialstabilityboard.org/publications/r_141015.pdf).

<sup>40</sup> <http://www.iosco.org/library/pubdocs/pdf/IOSCOPD469.pdf>.

<sup>41</sup> <https://www.iosco.org/library/pubdocs/pdf/IOSCOPD475.pdf>.

<sup>42</sup> <http://www.bis.org/publ/cpss109.pdf>.

<sup>43</sup> <http://www.iosco.org/library/pubdocs/pdf/IOSCOPD455.pdf>.

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Issue	Action	Responsible	Date finalised
<b>EXCHANGE AND PLATFORM TRADING</b>			
<b>Trading of OTC derivatives</b>	Report on trading of OTC derivatives, analysing: <ul style="list-style-type: none"> <li>- the characteristics of exchanges and electronic platforms,</li> <li>- the characteristics of OTC derivatives products relevant to exchange or electronic platform trading,</li> <li>- the costs and benefits associated with exchange or electronic platform trading of OTC derivatives, and</li> <li>- methods of increasing the use of exchanges or electronic platforms for trading in the derivatives markets.<sup>44</sup></li> </ul>	IOSCO	Published in February 2011
<b>Trading of OTC derivatives</b>	Report on Follow-on Analysis to the Report on Trading, addressing: <ul style="list-style-type: none"> <li>- the types of (multi-dealer and single-dealer) trading platforms available for the execution of OTC derivatives transactions;</li> <li>- the different approaches of regulators to mandatory trading of OTC derivatives on organised platforms;</li> <li>- how single and multi-dealer platforms address issues such as the ability to customise contracts, the approach to pre and post-trade transparency and market monitoring capabilities.<sup>45</sup></li> </ul>	IOSCO	Published in January 2012
<b>CAPITAL AND MARGIN REQUIREMENTS</b>			
<b>Capitalisation of exposures from non-centrally cleared derivatives</b>	Publication enhanced and interim capital rules for exposures to counterparty credit risk arising from non-centrally cleared derivatives (as part of Basel III capital framework). <sup>46</sup>	BCBS	Basel III capital framework published December 2010
<b>Capitalisation of trade and default fund exposures to CCPs</b>	Interim regulatory capital adequacy rules for capitalisation of trade and default fund exposures to CCPs (published after two consultative reports). <sup>47</sup>	BCBS	Interim rules published in July 2012
<b>Final report on margin requirements for non-centrally cleared derivatives</b>	International standards on margin requirements for non-centrally cleared derivatives. <sup>48</sup>	BCBS and IOSCO (in consultation with CPSS and CGFS)	Final standards published in September 2013 and updated in March 2015. <sup>49</sup>

<sup>44</sup> <http://www.iosco.org/library/pubdocs/pdf/IOSCOPD345.pdf>.

<sup>45</sup> <http://www.iosco.org/library/pubdocs/pdf/IOSCOPD368.pdf>.

<sup>46</sup> [http://www.bis.org/publ/bcbs189\\_dec2010.pdf](http://www.bis.org/publ/bcbs189_dec2010.pdf).

<sup>47</sup> <http://www.bis.org/publ/bcbs227.pdf>.

<sup>48</sup> <http://www.bis.org/publ/bcbs261.pdf> and <http://www.iosco.org/library/pubdocs/pdf/IOSCOPD423.pdf>.

## WORK COMPLETED SINCE OCTOBER 2010

Issue	Action	Responsible	Date finalised
<b>Capital adequacy requirements for counterparty credit risk</b>	Standardised approach for measuring counterparty credit risk, which replaces two non-internal model methods in the Basel solvency framework. <sup>50</sup>	BCBS	Final standard published in March 2014
<b>Capitalisation of trade and default fund exposures to CCPs</b>	Revised policy framework for bank exposures to CCPs, which will replace the interim requirements as of January 2017. <sup>51</sup>	BCBS (in consultation with CPSS and IOSCO)	Final standard published in April 2014

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<sup>49</sup> <https://www.iosco.org/library/pubdocs/pdf/IOSCOPD480.pdf>

<sup>50</sup> <http://www.bis.org/publ/bcbs279.pdf>

<sup>51</sup> <http://www.bis.org/publ/bcbs282.pdf>



## **Appendix L: List of abbreviations and acronyms**

BCBS	Basel Committee on Banking Supervision
BIS	Bank for International Settlements
CCP	Central counterparty
CGFS	Committee on the Global Financial System
CPMI	Committee on Payments and Market Infrastructures
CPSS	Committee on Payment and Settlement Systems, renamed CPMI as of 1 September 2014
ESMA	European Securities and Markets Authority
FMI	Financial market infrastructure
FSB	Financial Stability Board
IOSCO	International Organization of Securities Commissions
ISDA	International Swaps and Derivatives Association
LEI	Legal entity identifier
MiFID II / MiFIR	European Markets in Financial Instruments Directive / Regulation
ODRF	OTC Derivatives Regulators' Forum
ODRG	OTC Derivatives Regulators Group
ODSG	OTC Derivatives Supervisors Group
ODWG	FSB OTC Derivatives Working Group
OTC	Over-the-counter
OTC DAT	OTC Derivatives Assessment Team
PFMI	CPMI-IOSCO Principles for financial market infrastructures
ROC	LEI Regulatory Oversight Committee
TR	Trade repository
WGMR	Working Group on Margin Requirements

## **Appendix M: Members of the OTC Derivatives Working Group**

### **Co-Chairs**

**Brian Bussey** (representing IOSCO)

Associate Director for Derivatives Policy and Trading Practices  
Division of Trading and Markets  
Securities and Exchange Commission

**Jeanmarie Davis** (representing CPMI)

Senior Vice President, Financial Market Infrastructure Function  
Financial Institution Supervision Group  
Federal Reserve Bank of New York

**Patrick Pearson**

Head of Financial Markets Infrastructure  
Directorate General Internal Market and Services  
European Commission

### **Australia**

**Oliver Harvey**

Senior Executive Leader, Financial Market Infrastructure  
Australian Securities and Investments Commission

### **Brazil**

**Leonardo P Gomes Pereira**

Chairperson  
Comissão de Valores Mobiliários (CVM)

### **Canada**

**Ian Christensen**

Director, Financial Markets Department  
Bank of Canada

### **China**

**Haibo Cheng**

Deputy Director, Department of Futures Supervision  
China Securities Regulatory Commission

**Fei Gao**

Director, Bonds Markets Supervision Division  
Financial Market Department  
People's Bank of China

### **France**

**Patrice Aguesse**

Head, Markets Regulation Policy Division  
Autorité des marchés financiers (AMF)

<b>Germany</b>	<b>Thomas Schmitz-Lippert</b> Executive Director, International Policy/Affairs Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)
	<b>Martin Ockler</b> Higher Executive Officer, Financial Stability Department Deutsche Bundesbank
<b>Hong Kong</b>	<b>Daryl Ho</b> Head of Financial Stability Surveillance Division Monetary Management Department Hong Kong Monetary Authority
	<b>Daphne Doo</b> Senior Director, Supervision of Markets Division Securities and Futures Commission
<b>Japan</b>	<b>Shunsuke Shirakawa</b> Deputy Commissioner for International Affairs Financial Services Agency
<b>Korea</b>	<b>Ko Sunyoung</b> Deputy Director, Capital Market Division Financial Services Commission
<b>Singapore</b>	<b>Ken Nagatsuka</b> Deputy Director, Markets Policy & Infrastructure Monetary Authority of Singapore
<b>South Africa</b>	<b>Roy Havemann</b> Chief Director, Financial Markets and Stability National Treasury
<b>Switzerland</b>	<b>Michael Manz</b> Head, International Finance and Financial Stability Swiss Federal Department of Finance FDF State Secretariat for International Finance SIF
<b>Turkey</b>	<b>Ayça Özer</b> Senior Expert, Investment Services Department Capital Markets Board of Turkey (SPK)
<b>UK</b>	<b>Tim Clausen</b> Adviser, International Directorate Bank of England
	<b>Anne-Laure Condat</b> Technical Specialist, Derivatives Reform Financial Conduct Authority

<b>US</b>	<b>Warren Gorlick</b> Associate Director, Office of International Affairs Commodity Futures Trading Commission
	<b>Kim Allen</b> Senior Special Counsel, Derivatives Policy Securities and Exchange Commission
	<b>Erik Heitfield</b> Chief, Risk Analysis Section Federal Reserve Board of Governors
<b>ECB</b>	<b>Andreas Schönenberger</b> Principal Market Infrastructure Expert in the Oversight Division Directorate General Payment and Market Infrastructure
<b>BIS</b>	<b>Andreas Schrimpf</b> Economist, Monetary and Economic Department
<b>IMF</b>	<b>Eija Holttinen</b> Senior Financial Sector Expert Financial Supervision and Regulation Division
<b>BCBS</b>	(Currently vacant)
<b>CPMI</b>	<b>Klaus Löber</b> Head of Secretariat
<b>IOSCO</b>	<b>David Wright</b> Secretary General
<b>FSB Secretariat</b>	<b>Rupert Thorne</b> Deputy to the Secretary-General
	<b>Mark Chambers</b> Member of Secretariat
	<b>Uzma Wahhab</b> Member of Secretariat