MEDIA RELEASE

International Organization of Securities Commissions
Organisation internationale des commissions de valeurs
Organização Internacional das Comissões de Valores
Organización Internacional de Comisiones de Valores

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Madrid, 17 November 2014

IOSCO Consults on Post-Trade Transparency in the Credit Default Swaps Market

The International Organization of Securities Commissions today published the consultation report *Post-Trade Transparency in the Credit Default Swaps Market*, which seeks to analyze the potential impact of mandatory post-trade transparency in the credit default swaps (CDS) market.

The report's analysis is based on a review of relevant works of international standard-setting bodies and academic literature and an examination of publicly available transaction-level post-trade data about CDS transactions before and after the introduction of mandatory post-trade transparency in certain CDS markets in the United States. IOSCO also conducted a survey of market participants and other market observers regarding their use of certain publicly available post-trade data and its perceived impact on the market.

IOSCO reached a preliminary conclusion that the data does not suggest that this introduction of mandatory post-trade transparency had a substantial effect on market risk exposure or market activity for those CDS products. It preliminarily believes that greater post-trade transparency in the CDS market would be valuable to market participants and other market observers, and encourages each of its members to take steps to enhance post-trade transparency in the CDS market in its jurisdiction.

CDS are contracts that transfer the credit risk of a reference entity or instrument from a buyer of credit protection to a seller of credit protection. The Bank for International Settlements estimates that gross notional amounts of outstanding CDS at end-2013 were approximately $21 trillion. IOSCO believes that improving transparency in this market will increase the efficacy of the G20 commitments to reform the OTC derivatives markets.

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IOSCO seeks public comment on the consultation report, in order to inform its final report on post-trade transparency in this market.

IOSCO intends to continue studying trends in the CDS market.

Comments should be submitted on or before Sunday 15 February 2015

NOTES TO THE EDITORS

1. IOSCO is the leading international policy forum for securities regulators and is recognized as the global standard setter for securities regulation. The organization's membership regulates more than 95% of the world's securities markets in more than 115 jurisdictions and it continues to expand.

2. The IOSCO Board is the governing and standard-setting body of the International Organization of Securities Commissions (IOSCO). The Board is made up of 34 securities regulators. Mr Greg Medcraft, chairman of the Australian Securities and Investments Commission, is the chair of the IOSCO Board. The members of the IOSCO Board are the securities regulatory authorities of Australia, Belgium, Brazil, China, Egypt, France, Germany, Greece, Hong Kong, India, Italy, Japan, Kenya, Korea, Malaysia, Mexico, the Netherlands, Nigeria, Ontario, Pakistan, Peru, Quebec, , Saudi Arabia, Singapore, South Africa, Spain, Sweden, Switzerland, Thailand, Trinidad and Tobago, Turkey, United Kingdom and the United States.

3. The Growth and Emerging Markets Committee is the largest Committee within IOSCO, representing 75 per cent of the IOSCO membership. Mr. Ranjit Ajit Singh, Chairman, Securities Commission, Malaysia, and Vice Chair of the IOSCO Board, is the Chair of the GEM. The Committee endeavors to promote the development and greater efficiency of emerging securities and futures markets by establishing principles and minimum standards, providing training programs and technical assistance for members and facilitating the exchange of information and transfer of technology and expertise.

4. IOSCO aims through its permanent structures:

    - to cooperate in developing, implementing and promoting adherence to internationally recognized and consistent standards of regulation, oversight and enforcement in order to protect investors, maintain fair, efficient and transparent markets, and seek to address systemic risks;
    - to enhance investor protection and promote investor confidence in the integrity of securities markets, through strengthened information exchange and cooperation in enforcement against misconduct and in supervision of markets and market intermediaries; and

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- to exchange information at both global and regional levels on their respective experiences in order to assist the development of markets, strengthen market infrastructure and implement appropriate regulation.

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