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

IOSCO/MR/31/2015

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

The International Organization of Securities Commissions (IOSCO) today published the final report [*Post-Trade Transparency in the Credit Default Swaps Market*](#), which analyzes the potential impact of mandatory post-trade transparency in one particular over-the-counter (OTC) derivatives market: the credit default swaps (CDS) market.

In the report, IOSCO concludes that greater post-trade transparency in the CDS market—including making the price and volume of individual transactions publicly available—would be valuable to market participants and other market observers. IOSCO encourages each member jurisdiction to take steps toward enhancing post-trade transparency in its CDS market.

The report's analysis is based upon a review of relevant works of international 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. On the basis of this analysis, IOSCO concludes 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 products. 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 and considered comments received on a consultation version of the report.

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The term *post-trade transparency* in this report refers to a regulatory system that mandates disclosure of information, widely accessible to the public, about the price and volume of each relevant transaction. The term does not refer to regulatory structures that allow for voluntary or selective disclosure of data. Because post-trade transparency requires public dissemination of information about the price and volume of individual transactions, the term also does not apply to regulatory structures that require dissemination of data (however widely) only in an aggregate form. Because the information is for the benefit of market participants and the public generally, post-trade transparency does not entail disclosure of counterparty identity.

IOSCO anticipates that additional data from jurisdictions with mandatory post-trade transparency will enable further studies of the impact of post-trade transparency in the CDS market and other OTC derivatives markets.

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 \$16 trillion in notional amounts were outstanding in the CDS market at end-2014. IOSCO believes that improving transparency in the CDS market will increase the efficacy of the G20 commitments to reform the over-the-counter derivatives markets.

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.

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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 (GEMC) 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 GEMC. 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

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enforcement against misconduct and in supervision of markets and market intermediaries; and

- 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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